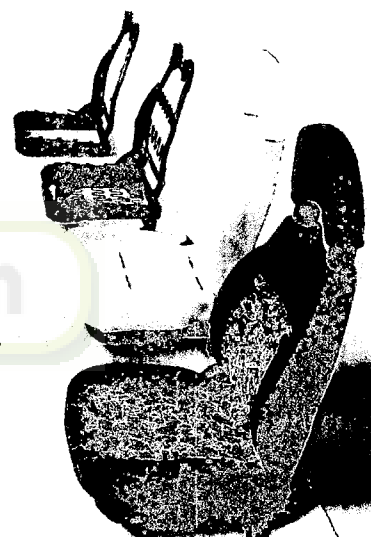


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CS	<input checked="" type="checkbox"/>		DPY	<input checked="" type="checkbox"/>
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AGM	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	SHI	<input checked="" type="checkbox"/>
YE	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		

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 11th Annual Report 1998



**BHARAT SEATS LIMITED**



*A commitment to our share holders*



***Nurturing long term relationships***

Mr. Narinder Relan  
Chairman

Mr. O. Suzuki  
President  
(Suzuki Motor  
Corporation, Japan)

Mr. Rohit Relan  
Managing  
Director



Mr. R.S.S.L.N. Bhaskarudu M.D., Maruti Udyog Limited, accepting the dividend from Mr. Narinder Relan. Looking on are Mr. A.R. Halasyam - ( Director Finance) and Mr. Rohit Relan

**BHARAT SEATS LIMITED**

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**BOARD OF DIRECTORS**

N.D.RELAN	Chairman
TSUNEO KOBAYASHI	(Nominee - Suzuki Motor Corporation)
M.K.AGARWAL	(Nominee - Maruti Udyog Ltd.)
AJAY RELAN	Director
ROHIT RELAN	Managing Director

**BANKERS**

STATE BANK OF TRAVANCORE  
CANARA BANK  
PUNJAB NATIONAL BANK  
THE BANK OF TOKYO - MITSUBISHI LTD.

**REGISTERED OFFICE**

B-238, OKHLA INDUSTRIAL AREA, PHASE-I  
NEW DELHI - 110 020

**FACTORY**

JOINT VENTURE PLOT NO.1,  
MARUTI UDYOG LTD. COMPLEX,  
PALAM - GURGAON ROAD,  
GURGAON - 122 015 (HARYANA)

**AUDITORS**

M/S. JOGINDER P.JAIN & CO.  
CHARTERED ACCOUNTANTS  
NEW DELHI

ASSTT. COMPANY SECRETARY RITU BAKSHI

## **BHARAT SEATS LIMITED**

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### **NOTICE**

**NOTICE** is hereby given that the 11th Annual General Meeting of the Shareholders of BHARAT SEATS LIMITED will be held on **Thursday, 23rd July, 1998 at 1030 Hours at FICCI Golden Jubilee Auditorium, Tansen Marg, New Delhi** to transact the following business:

1. To receive, consider and adopt the Audited Balance Sheet as at 31.03.1998 and the Profit & Loss Account for the year ended on that date and the Directors and Auditors Report thereon.
2. To declare dividend.
3. To appoint Director in place of Mr. N.D. Relan, who retires by rotation and being eligible offers himself for reappointment.
4. To appoint Director in place of Mr. M.K. Agarwal, who retires by rotation and being eligible offers himself for reappointment.
5. To reappoint Auditors of the Company for the period commencing from the conclusion of this Annual General meeting till the conclusion of the next Annual General Meeting and authorise the Board of Directors to fix their remuneration.

### **SPECIAL BUSINESS**

6. To revise the remuneration of Shri Rohit Relan, Managing Director of the Company as per approval of the Board subject to the various provisions of the Companies Act, 1956 and guidelines framed thereunder. The following resolution may be passed with or without modification as an Ordinary Resolution :

"RESOLVED that the Remuneration of Managing Director be revised as per provisions of the Companies Act, 1956 and the terms and conditions of the remuneration are stated in the explanatory statement annexed to the Notice convening this meeting."

By Order of the Board  
For **BHARAT SEATS LIMITED**

(RITU BAKSHI)  
ASSTT. COMPANY SECRETARY

### **REGD. OFFICE:**

B-238, OKHLA INDL. AREA  
PHASE- I, NEW DELHI - 110020  
DATED : 25.05.1998

### **NOTES :-**

1. The relative explanatory statement pursuant to Section 173 of the Companies Act, 1956 in relation to Special Business is annexed hereto.
2. A member entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and vote instead of himself and such proxy need not be a member of the Company.
3. Proxies in order to be valid must be lodged at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
4. Register of members and share transfer books of the Company will remain closed from **17th July, 1998 to 23rd July, 1998 (both days inclusive)**.
5. Shareholders/Proxyholders are requested to produce at the entrance the Attendance Slip forwarded to them duly filled and signed in accordance with the signature registered with the Company for admission to the meeting hall.

## **BHARAT SEATS LIMITED**

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6. Members desirous of getting any information relating to the accounts of the Company under reference or about operations of the Company, they are requested to write to the Company at least 7 days before the meeting to enable the Company to make it available at the meeting.
7. Pursuant to Section 205A(5) of the Companies Act, 1956, all dividends upto the financial year ended 31.03.1994, which remained unpaid or unclaimed, have been transferred to the General Revenue Account of the Central Government.

### **ANNEXURE TO THE NOTICE**

#### **EXPLANATORY STATEMENT AS REQUIRED BY SECTION 173 OF THE COMPANIES ACT, 1956**

RESOLVED that pursuant to the provisions contained in section 198, 309, 310, 311 read with Schedule XIII as amended and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or enactment thereof, for the time being in force), the remuneration of the Managing Director be revised w.e.f. 1-6-1998 on the terms and conditions, as stated below :

#### **TERMS AND CONDITIONS**

- (A) SALARY : Rs.45,000 - 3,000 - 60,000 P.M.
- (B) COMMISSION : 1% of the net profits of the Company computed in the manner laid down in Section 309(5) of the Companies Act, 1956, subject to ceiling of 50% of the annual salary (bonus, if any, is part of commission).

#### **(C) PERQUISITES : CATEGORY - A**

1. RENT FREE ACCOMODATION/HRA : Accomodation owned by the Company may be provided, if available. The expenditure by the Company on hiring Accomodation shall not exceed Sixty Percent of his Salary. In Case no owned or Hired Accomodation is provided by the Company, the entitlement shall be of House Rent Allowance of sixty percent of his Salary. In all above cases, expenditure on furnishing, electricity, Water and Maintenance at actuals shall in addition, be payable by the Company.
2. MEDICAL : Reimbursement of Medical Expenses Including premium of Medclaim Policy for self and Family as per Company Rules.
3. L.T.A. : For himself and family once in a year as per Company Rules.
4. CLUB : Membership of two Clubs
5. PERSONAL ACCIDENT INSURANCE : Upto a Premium of Rs. 5000/- p.a.

#### **CATEGORY - B**

Contribution to Provident Fund, Pension Fund and Superannuation Fund.  
Gratuity as per the Payment of Gratuity Act, 1972.

#### **CATEGORY - C**

Provision of Car and Telephone at residence.

By Order of the Board  
**For BHARAT SEATS LIMITED**

#### **REGD. OFFICE:**

B-238, OKHLA INDL. AREA  
PHASE- I, NEW DELHI - 110020  
DATED : 25.05.1998

(RITU BAKSHI)  
ASSTT. COMPANY SECRETARY

## BHARAT SEATS LIMITED

### DIRECTORS' REPORT

To the members,

The Directors of your Company are pleased to present the 11th Annual Report and the Audited Statement of Accounts for the Financial year ended 31.03.1998

	1997-98	1996-97
	Rs. in lakhs	
<b>FINANCES :</b>		
Sales	7809.87	7866.86
Profit before Depreciation, Financial charges, Lease Rentals & Provisions	424.43	478.01
Less:		
a) Financial Charges & Lease Rentals	16.87	55.95
b) Depreciation	101.21	81.01
c) Provision for taxation	112.94	150.38
Net Profit after Tax	193.41	190.67
Add: Profit brought forward from previous year	15.00	15.00
Profit available for appropriation	208.41	205.67
<b>Appropriations :</b>		
Dividend proposed	62.80	54.95
Tax on Dividend	6.28	5.50
Transfer to General Reserve	124.33	130.22
Balance carried forward to Balance Sheet	15.00	15.00

#### DISTRIBUTABLE PROFITS :- DIVIDEND

Your Directors recommend a Dividend of Rs. 2/- per share @ 20% for the year ended 31.03.1998

OPERATIONS :	1997-98	1996-97	% INCREASE
Production (No. of Seat Sets)	132979	127476	4.31
Sales (No. of Seat Sets)	133064	127351	4.48
Profit after tax (Rs. in lacs)	193.41	190.67	1.44

The Directors have pleasure to report that the Company has worked well during the year under report. The profit after tax increased from Rs.190.67 lakhs to Rs.193.41 lakhs, registering an increase of 1.44% on an annualised basis. Your Company is maintaining a constant growth, keeping in line with the production volumes of Maruti Udyog Ltd. The target for next few years indicated by MUL, are very challenging for the auto ancillary industry. In the backdrop of above positive signals, your company looks forward to a challenging and rewarding business for itself in coming years.

#### RESERVES :

Total Reserves of the Company have increased to Rs. 1061.85 Lakhs as on 31.03.98, from Rs. 937.52 lakhs as on 31.03.97, giving an increase of Rs. 124.33 Lakhs during the year.

#### PRODUCT UPGRADATION/ QUALITY IMPROVEMENT :

The competition in the automobile sector has made it absolutely essential to offer better value for money to the customers. In order to meet the competition, the Company is gearing up & paying special attention to reduce its cost of production through productivity improvements, value engineering and work simplifications. To achieve these objectives your Company has pursued with 'KAIZEN' activities (meaning continuous improvement) during the year under review. You will be glad to know that we have received an approval from Reserve Bank of India Dated 27th October, 1997 for foreign Technology Transfer for continuous period of 7 years from our Technical Collaborators, M/s Houwa Kogyo Co. Ltd. The technicians from our technical collaborator are here in our Plant and continuously providing technical guidance for productivity improvement techniques for cost reduction, alongwith quality improvement of our product. Our Engineers, Supervisors and employees are also visiting Japan from time to time for training and upgrading their skills.

Regarding Product upgradation, you will be glad to know that your Company has successfully modified the seating systems for existing 800cc and Esteem models of cars.



## **BHARAT SEATS LIMITED**

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As you are already aware your Company has been awarded ISO 9002 Certification. This bears testimony to the fact that your company has adequate Quality Assurance System matching the International Standards which will facilitate Maruti Udyog Limited especially for export range of vehicles. Your Company has taken several steps towards Total Quality Management in this regard and is just not satisfied with laurels of being awarded ISO 9002 certification. We are working continuously to achieve QS 9000 certification in coming year to strengthen our Quality Systems.

### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

Company's operations involve low energy consumption. Wherever possible, energy conservation measures are being implemented. However, efforts to conserve and optimise the use of energy through improved operational methods and other means will be a continuous effort.

Regarding Technology absorption, the Company is continuing its efforts through various training methods, including mutual exchange programmes of Technicians for keeping abreast with the latest technology with our technical collaborators.

The value of seats produced by us for use as fitment in export model cars of Maruti Udyog Limited are estimated to Rs. 9.08 Crores. However, Foreign Exchange expenditure as shown in the Notes to Accounts forming part of this Annual Report is for import of Raw materials/ Spares/ Capital equipments/ Technical fees/ Training fees etc.

### **DIRECTORS**

Shri N.D. Relan and Shri M.K. Agarwal retire by rotation and being eligible offer themselves for reappointment.

During the year Maruti Udyog Limited withdrew its nominee Mr. U.C. Sharma from the Board of Directors of the Company. The Board of Directors wish to place on record their appreciation and sincere gratitude for the cooperation received from Mr. U.C. Sharma during his tenure as Director.

### **HUMAN RESOURCES**

A three year and seven months Wage Settlement was arrived at very amicably with Workers' union w.e.f. 1.9.97. During the year no manhours were lost on account of any Industrial relations problem. The relations with the workmen as well as staff continued to be cordial throughout the year, which enabled to achieve record performance during the year. The Company has started various training programmes for the benefit of employees. Several Annual awards such as 100% attendance awards, long service award etc. are given to employees. A suggestion scheme is functional for improvements in working of the Company.

There is no employee covered under the provisions of Sec 217(2A) of the Companies Act, 1956.

### **AUDITORS**

M/s Joginder P. Jain & Co., Chartered Accountants retire at the Annual General Meeting and being eligible offer themselves for reappointment, which if made, will be in conformity with the provisions of Section 224(1B) of the Companies Act, 1956.

### **ACKNOWLEDGEMENTS**

Your Directors wish to place on record their deep sense of gratitude to Central Government, various Government Departments, Haryana Government, Suzuki Motor Corporation, Japan, Houwa Kogyo Company Ltd., Japan and Maruti Udyog Ltd. The directors convey their deep appreciation of the dedication and loyalty shown by the employees at all levels.

Finally, your Directors owe a debt of gratitude to all shareholders for their unstinted support.

For and on behalf of the Board  
**BHARAT SEATS LIMITED**

PLACE : NEW DELHI  
DATED : 25.05.1998

(N.D.RELAN)  
CHAIRMAN