



14th

Annual Report

2000-2001

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BHARAT SEATS LIMITED

BHARAT SEATS LIMITED

BOARD OF DIRECTORS

N.D. RELAN *Chairman*
TSUNEO KOBAYASHI *(Nominee-Suzuki Motor Corporation)*
AJAY RELAN *Director*
ROHIT RELAN *Managing Director*

BANKERS

STATE BANK OF TRAVANCORE
THE BANK OF TOKYO - MITSUBISHI LTD.

REGD. OFFICE

B-238, OKHLA INDUSTRIAL AREA, PHASE - 1,
NEW DELHI - 110 020

FACTORY

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

AUDITORS

M/S. S.S. KOTHARI & CO.
CHARTERED ACCOUNTANTS
NEW DELHI

LISTED AT

DELHI, MUMBAI & AHMEDABAD STOCK EXCHANGES
(LISTING FEES PAID)

**ASSTT. COMPANY SECRETARY
& COMPLIANCE OFFICER**

RITU BAKSHI

**SHARE TRANSFER AGENT
(FOR DEMAT PURPOSE ONLY)**

ALANKIT ASSIGNMENTS LIMITED
205-208, ANARKALI COMPLEX,
JHANDEWALAN EXTENSION,
NEW DELHI - 110 055

BHARAT SEATS LIMITED

NOTICE

NOTICE is hereby given that the 14th Annual General Meeting of the Shareholders of BHARAT SEATS LIMITED will be held on Thursday, 16th August, 2001 at 1100 Hours at India Habitat Centre, Lodhi Road, New Delhi to transact the following business:

1. To consider and adopt the Audited Balance Sheet as at 31.03.2001 and the Profit & Loss Account for the year ended on that date and the report of Board of Directors and Auditors thereon.
2. To declare dividend on shares.
3. To appoint a Director in place of Mr.Ajay Relan, who retires by rotation and being eligible offers himself for reappointment.
4. 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:

5. To reappoint Shri Rohit Relan, Managing Director of the Company whose period of appointment is upto 30th September, 2001. Now the Board has approved the reappointment of Shri Rohit Relan as Managing Director, 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 Company may reappoint Shri Rohit Relan as Managing Director of the Company w.e.f. 1.10.2001 to 30.09.2006 on the remuneration as per provisions of the Companies Act, 1956.

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: 20th June, 2001

NOTES :

1. 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.
2. An explanatory statement pursuant to Section 173 of the Companies Act, 1956 in respect to Item no.5 of the notice set out above is annexed hereto.
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.

BHARAT SEATS LIMITED

4. Register of members and share transfer books of the Company will remain closed from 10th August, 2001 to 16th August, 2001 (both days inclusive).
5. Shareholders can avail the facility of DEMAT as the Equity shares of the Company are available for dematerialisation through Central Depository Services(India)Ltd.(CDSL) from 21st May, 2001. Bharat Seats Ltd. bear the ISIN – INE415D01016.

The Company has appointed M/s Alankit Assignments Limited , having its office at 205- 206, Anarkali Complex, Jhandewalan Extn., New Delhi – 55, phone no.;3610220-24, E- Mail : alankit@alankit.net, as its Registrar and Transfer Agent for dematerialisation purpose only.

6. The Dividend on Equity Shares, upon its declaration at this meeting will be paid to those shareholders whose names appear on the Register of members on 16th August, 2001. In case of shares held in dematerialised form, the dividend thereon, upon its declaration shall be paid to beneficial owners, as per details furnished by the Depositories for this purpose.
7. 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.
8. 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.
9. Those members who have not encashed/ received their Dividend warrants for the financial years: 1995-96, 1996-97, 1997-98, 1998-99 and 1999-2000 may approach the Registered office of the Company for revalidation of the Dividend warrants.
10. The Company has already transferred unclaimed dividend declared upto the financial year ended 31st March, 1995 to the General Revenue Account of the Central Government as required by the Companies Unpaid Dividend (Transfer to the General Revenue Account of the Central Government) Rules, 1978. Those shareholders who have so far not claimed or collected their Dividend upto the aforesaid financial year may claim their Dividend from the Registrar of Companies, Delhi & Haryana, Paryavaran Bhawan, C.G.O. Complex, Lodi Road, New Delhi.
11. Members desirous of making a nomination in respect of their shareholding in the Company as permitted under Section 109A of the Companies Act, 1956 are requested to submit the prescribed Form-2B for the purpose to the registered office of the Company.

ANNEXURE TO THE NOTICE**EXPLANATORY STATEMENT AS REQUIRED BY SECTION 173 OF THE COMPANIES ACT, 1956.**

The Directors have approved the reappointment of Managing Director, Shri Rohit Relan for another term of 5 years w.e.f.1.10.2001 to 30.09.2006 on the terms and conditions as specified under Schedule XIII and other provisions of Companies Act, 1956. Shri N.D.Relan, Chairman and Shri Ajay Relan , Director deemed to be interested in Resolution no.5.

RESOLVED that the Company may give the following remuneration as per the guidelines framed under Schedule XIII of the Companies Act and other relevant sections of the Act as amended from time to time:

BHARAT SEATS LIMITED**DETAILS OF REMUNERATION INCLUDING PERQUISITES**

- (A) **SALARY** : RS.60000 – 3000 – 75000 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 Expense including premium of Mediclaim 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 Payment of Gratuity Act, 1972.

CATEGORY – C

Provision of Car and Telephone at residence.

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: 20th June, 2001

BHARAT SEATS LIMITED**DIRECTORS' REPORT**

To the members,

The Directors of your Company are pleased to present the Fourteenth Annual Report and the Audited Statement of Accounts for the Financial year ended 31st March, 2001

2000-2001 1999-2000
Rs. in lakhs

Finances:

Sales	9064.34	9287.88
Profit before Depreciation & Financial charges(+) / Financial Income(-)	320.76	356.62
Add: Financial Income(-)	-28.05	-43.07
Profit before Depreciation & Provisions	348.81	399.69
Less:		
a) Depreciation	154.74	157.63
b) Provision for taxation	74.00	90.82
c) Excess tax provision of earlier years	7.36	—
Net Profit after Tax	112.71	151.24
Add: Brought forward from previous year	15.00	15.00
Profit available for appropriation	127.71	166.24

Appropriations :

Dividend proposed	47.10	62.80
Tax on Dividend	4.80	13.82
Transfer to General Reserve	60.81	74.62
Balance carried forward to Balance Sheet	15.00	15.00

Due to recession in the automobile sector, MUL reduced the production of their vehicles. Accordingly, your company's production declined to 1.39 lacs seat sets against Previous year's 1.53 lacs seat sets. This has resulted in lower turnover and reduced profit for the year.

Distributable Profits :- DIVIDEND

Your Directors recommend a Dividend of Rs. 1.50 per share @ 15 % for the year ended 31.03.2001.

OPERATIONS :

		2000-2001	1999-2000	% DECREASE
Production	(No. of Seat Sets)	139012	152576	8.88
Sales	(No. of Seat Sets)	138969	152639	8.95
Profit after tax	(Rs. in lacs)	112.71	151.24	25.48

BHARAT SEATS LIMITED

PRODUCT UPGRADATION/ QUALITY IMPROVEMENT :

Kaizen work raises productivity with improved quality. Your company is being rated as number one company among the Joint Ventures of MUL for Kaizen activities. On line supply of material has reduced inventory and eliminated Central Storage System.

Your Company is having a very strong KAIZEN base and under the able guidance of Kaizen Advisor from Suzuki Motor Corporation of Japan and Kaizen Coordinator, Houwa Kogyo Co.Ltd., Japan, the company has attained new heights in Kaizen activities.

Maruti entrusted us to develop Seat Sets for their latest Vehicle Car – Alto which your Company successfully developed locally with the help of our Technical Collaborator, M/s Houwa Kogyo Co.Ltd., Japan. Moreover, your Company is now in the final stage of developing Alto Export Model Seats, which will meet the Euro norms.

Presently, the Company is in the process of implementing Total Productive Maintenance (TPM) and is committed for TPM Certification within next two years. The Company has made sufficient progress in this field.

CONSERVATION OF ENERGY

Your company is not covered by the Schedule of Industries which are required to furnish information in Form 'A' under section 217(1)(e) of the Companies Act, 1956 read with Rule 2 of the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988. Your Company is continuously involved in elimination of wastages and saving energy in all fields.

TECHNOLOGICAL ABSORPTION

1. Efforts, in brief, made towards Technology absorption, adaptation and innovation : After successfully absorbing the technology from its collaborator M/s Houwa Kogyo Co. Ltd., Japan to manufacture the latest generation of seating systems in new vehicle, your Company has indigenously developed the prototype for modified Seat sets for ALTO, tested and approved by ARAI (Automotive Research Association of India, Pune). Accordingly, the related tools, jigs & fixtures are developed internally by your Company.
2. Benefits derived as a result of the Above efforts The manufacturing of latest seating system has resulted in better quality product, comfort to the customer and increased value for money for the customer.
3. In case of imported technology
 - (a) Technology imported ALTO and YE-2 (Export) Seating System designed to meet Euro norms. Basic design for P.U Tool imported from our Technical Collaborator, M/s Houwa Kogyo Co. Ltd., Japan
 - (b) Year of import 2000 - 2001
 - (c) Has technology been fully Absorbed Yes

BHARAT SEATS LIMITED

- (b) If not fully absorbed, areas —
Where this has not taken place
Reasons therefor and future plans
Of action

FOREIGN EXCHANGE EARNINGS AND OUTGO

The value of seats produced by us for use as fitment in export model cars of Maruti Udyog Limited are estimated to Rs. 5.80 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/Technical fees/Training fees etc.

DEMATERIALISATION OF SHARES

Your Company entered into an agreement with Central Depository Services(India) Ltd.(CDSL) and National Securities Depository Ltd. (NSDL) to dematerialise the Company's shares. Operations in the Company's shares on the depository system of CDSL commenced on 21st May, 2001 and now the Equity shares of your Company are available for dematerialisation.

DIRECTORS

Shri Ajay Relan retire by rotation and being eligible offer himself for reappointment.

INFORMATION TECHNOLOGY

Your Company continues to make significant investment in the Information Services/ Technology area to cope with the growing information needs necessary to manage operations more effectively in a complex supply chain environment.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors' confirm that:

- (I) In the preparation of the annual accounts, the applicable accounting standards have been followed.
- (II) Appropriate accounting policies have been selected and applied consistently and judgements and estimates made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at 31st March, 2001 and of the profit or loss of the Company for the period ending 31st March, 2001.
- (III) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (IV) The annual accounts have been prepared on a going concern basis.

HUMAN RESOURCES

Your Directors would like to place on record their appreciation of the efficient and loyal services rendered by all staff and workforce of the Company, without whose wholehearted efforts, the overall satisfactory performance would not have been possible.

The particulars of employees covered under the provisions of Sec 217(2A) of the Companies Act, 1956 are enclosed as Annexure 'A'.

AUDITORS

M/s S.S.Kothari & 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.