



# 15th Annual Report 2001-2002

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**BHARAT SEATS LIMITED**

**BHARAT SEATS LIMITED**

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**BOARD OF DIRECTORS**

N. D. RELAN	<i>Chairman</i>
YUICHI NAKAMURA	<i>(Nominee-Suzuki Motor Corporation)</i>
C. K. DAVE	<i>(Nominee-Maruti Udyog Ltd.)</i>
AJAY RELAN	<i>Director</i>
ROHIT RELAN	<i>Managing Director</i>

**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

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### NOTICE

**NOTICE** is hereby given that the 15th Annual General Meeting of the Shareholders of BHARAT SEATS LIMITED will be held on Thursday, 8th August, 2002 at 1100Hours at Hall-'Amaltas', India Habitat Centre, Lodhi Road, New Delhi to transact the following business:

1. To consider and adopt the Audited Balance Sheet as at 31.03.2002 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. N. D. 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 consider and if thought fit, to pass with or without modification(s), the following resolution as an ordinary resolution:

"Resolved that Mr. Y. Nakamura, who was appointed as an Additional Director on 19.1.2002 in accordance with Article 80 of the Articles of Association read with Section 260 and other applicable provisions of the Companies Act, 1956 and who holds office upto the date of this Annual General meeting, be and is hereby appointed as a Director of the Company."

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an ordinary resolution:

"Resolved that Mr. C.K.Dave, who was appointed as an Additional Director on 19.10.2001 in accordance with Article 80 of the Articles of Association read with Section 260 and other applicable provisions of the Companies Act, 1956 and who holds office upto the date of this Annual General meeting, be and is hereby appointed as a Director of the Company."

7. To consider and, if thought fit, to pass with or without modification, the following resolution as a special resolution:

Resolved that pursuant to the provisions of Section 198, 269, 309, 310 and other applicable provisions of the Companies Act, 1956 and subsequent amendments, read with Schedule XIII of the Companies Act and subject to the approval of members, Mr.N.D.Relan, Chairman/ Director of the Company be and is hereby appointed as a Wholetime Director of the Company for a period of five years commencing from 19th January, 2002 as per terms and conditions mentioned hereinbelow:

- i) SALARY : RS. 45,000-5000-60,000 P.M.
- ii) PERQUISITES :

#### CATEGORY - A

ENTITLEMENT TO GAS, ELECTRICITY, WATER, FURNISHINGS, MEDICAL REIMBURSEMENT AND LEAVE TRAVEL CONCESSION FOR SELF AND FAMILY, THE MONETARY VALUE OF WHICH IS LIMITED TO RS.TWO LAKHS PER ANNUM.

#### CATEGORY - B

CONTRIBUTION TO PROVIDENT FUND, PENSION FUND AND SUPERANNUATION FUND. GRATUITY AS PER PAYMENT OF GRATUITY ACT, 1972.

8. To consider and, if thought fit, to pass with or without modification, the following resolution as a special resolution:

## BHARAT SEATS LIMITED

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Resolved that pursuant to provisions of Section 31 and other applicable provisions, if any, of the Companies Act, 1956, consent is hereby given to make an alteration in the Articles of Association, as provided hereinbelow:

1) In Article 1:

(A) following definitions be added:

**"Depository"** means a Company formed and registered under the Act and which has been granted a certificate of Registration by SEBI under the Securities and Exchange Board of India Act, 1992.

**"Beneficial Owner"** means a person or persons whose name(s) is/ are recorded in the Register maintained by a Depository under the Depository Act, 1996.

**"SEBI"** means the Securities and Exchange Board of India.

**"Security"** means such security as may be specified by SEBI from time to time.

**"Member"** in respect of Dematerialised shares means the beneficial owner thereof i.e. the person or persons whose name(s) is/ are recorded as a beneficial owner in the Register maintained by the Depository under the Depositories Act, 1996 and in respect of other shares, the person or persons whose name(s) is/ are duly registered as a holder(s) of a share in the Company, from time to time, and includes the subscribers to the Memorandum and Articles of Association.

### 56A Dematerialisation of Securities

(1) Dematerialisation of Securities

Notwithstanding anything contained in these articles, the Company shall be entitled to dematerialise its existing securities, rematerialise its securities held in the Depositories and/ or offer its fresh securities in dematerialised form pursuant to the provisions of the Depositories Act, 1996 and the rules framed thereunder, if any.

(2) Option for Investors

Every person subscribing to or holding securities of the Company shall have the option to receive security(ies), certificate(s) or to hold the securities with the Depository. Such a person who is the beneficial owner of the securities can at any time opt out of the Depository. Such a person who is the beneficial owner of the securities can at any time opt out of the Depository, if permitted by the law, in respect of any security in the manner and within the time prescribed, issued to the beneficial owner the required certificate of the securities.

If a person opts to hold his securities with a depository, the Company shall intimate such Depository, the details of allotment of the Security and on receipt of the information, the Depository shall enter in its records the name of the allottees as the beneficial owner of the securities.

(3) Securities in Depository to be in Fungible form:

All securities held by a Depository shall be dematerialised and be in fungible form. Nothing contained in Section 153, 153A, 153B, 187B, 187C and 372A of the Act shall apply to a Depository in respect of the Securities held by it on behalf of the Beneficial owners.

(4) Rights and Liabilities of the Beneficial Owner:

- (a) Notwithstanding anything to the contrary contained in the Act or these Articles, a Depository shall be deemed to be the Registered Owner for the purpose of effecting transfer of ownership of security on behalf of the beneficial owners.
- (b) Save as otherwise provided in (a) above, the Depository as the Registered owner of the securities shall not have any voting rights or any other rights in respect of the Securities held by it.

## **BHARAT SEATS LIMITED**

- (c) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the Depository shall be deemed to be a member of the Company. The beneficial owner of the securities shall be entitled to all rights and benefits and be subject to all the liabilities in respect of his securities, which are held by the Depository.
- (5) Service of Documents  
Notwithstanding anything to the contrary contained in the Act or Articles, where securities are held in a Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or by delivery of floppies or disks.
- (6) Provisions of Articles to apply to shares held in Depository  
Nothing contained in Section 108 of the Act or these Articles shall apply to transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a Depository.
- (7) Allotment of Securities dealt within a Depository  
Notwithstanding anything to the contrary contained in the Act or Articles, where securities are dealt with by the Depository, the Company shall intimate the details thereof to the Depository immediately on allotment of such securities.
- (8) Distinctive Numbers of Securities held in the Depository mode  
Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers on securities issued by the Company shall apply to securities held with a Depository.
- (9) Register and Index of Beneficial Owners  
The Register and Index of Beneficial Owners maintained by a Depository under the Depositories Act, 1996 shall be deemed to be the Register and Index of Member and Securityholder for the purpose of these Articles.

### **64A Passing of resolution by Postal Ballot**

Notwithstanding anything contained in these Articles, the Company do adopt the mode of passing a resolution by the members of the Company by means of a postal ballot and/ or other ways as may be prescribed by the Central Government in this behalf in respect of such business as the Central Government may by notification declare to be conducted only by postal ballot instead of transacting such business in a general meeting of the Company. Where the Company requires to, or decides to, as the case may be, get a resolution passed by means of a postal ballot, the provisions of Section 192A of the Act shall be complied with.

### **In Article 55, the following paragraph be inserted at the end:**

Notwithstanding anything contained hereinabove, when nomination had already been made in compliance with the provisions of provisions of Section 109A and 109B of the Act or any statutory modification thereto from time to time, the Board may transfer the shares and/ or debentures or other securities issued by the Company in the name of the nominee(s) on death of the holder or jointholder, as the case may be.

### **126AA Electronic Clearing System in case of Dividend**

Any dividend declared may be paid by Electronic Clearing System through any Sponsor Bank after getting registration with the Reserve Bank of India for using this facility and collecting from the members necessary Bank mandate in the prescribed format.

### **REGD. OFFICE:**

B-238, OKHLA INDL.AREA  
PHASE- I, NEW DELHI - 110020  
DATED: 29th May, 2002

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

**(RITU BAKSHI)**  
ASSTT. COMPANY SECRETARY

## **BHARAT SEATS LIMITED**

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### **NOTES :**

1. A member entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and vote on poll in the meeting instead of himself and such proxy need not be a member of the Company.
2. Explanatory statement pursuant to Section 173 of the Companies Act, 1956 in respect to Item No. 5 to 8 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.
4. Register of members and share transfer books of the Company will remain closed from 1st August, 2002 to 8th August, 2002 (both days inclusive).
5. 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 8th August, 2002. 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.
6. 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.
7. 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.
8. Those members who have not encashed/ received their Dividend warrants for the financial years: 1995-96, 1996-97, 1997-98, 1998-99, 1999-2000 and 2000-2001 may approach the Registered office of the Company for revalidation of the Dividend warrants.
9. 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.
10. 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.**

##### **Item no. 5**

Mr Y.Nakamura , who was co-opted as a Director on nomination by Suzuki Motor Corporation, Japan, cease to be a Director at the conclusion of the Annual General meeting. The Company has received notice under section 257 of the Companies Act, 1956 for his appointment.

Mr.Y.Nakamura deemed to be interested in resolution no.5.

**BHARAT SEATS LIMITED**

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**Item no. 6**

Mr C.K.Dave, who was co-opted as a Director on nomination by Maruti Udyog Limited, cease to be a Director at the conclusion of the Annual General meeting. The Company has received notice under section 257 of the Companies Act, 1956 for his appointment.

Mr.C.K.Dave deemed to be interested in resolution no.6.

**Item no. 7**

Shri N.D.Relan is a Director and Chairman of Bharat Seats limited since 1986. He is 72 years old, a Graduate and has over fifty years of experience in share Market and in establishing and running of manufacturing units. His appointment as a wholetime Director would help the Company to further consolidate the working of the Company.

Mr.N.D.Relan, Director of the Company is interested in the resolution to the extent of remuneration payable to him. Further, Mr.Rohit Relan, Managing Director and Mr.Ajay Relan, Director of the Company are also deemed to be interested in this resolution, being related to the said Director.

**Item no. 8**

The Companies Act, 1956 has been amended from time to time. In order to make the Company's Articles in line with the provisions of the amended Act, it is desirable that the Articles of Association of the Company should be amended accordingly, as set out in the resolution. The proposed alterations in the Articles of Association are in respect of Dematerialisation of shares as introduced in the Depositories Act, 1996, passing of resolution by postal ballot and for authorising the Company to pay Dividend by Electronic Clearing System.

None of the Directors of your Company is interested, either directly or indirectly in the said resolution.

**REGD. OFFICE:**

B-238, OKHLA INDL.AREA  
PHASE- I, NEW DELHI - 110020  
DATED: 29th May, 2002

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

(**RITU BAKSHI**)  
ASSTT. COMPANY SECRETARY

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**BHARAT SEATS LIMITED****DIRECTORS' REPORT**

To the members,

The Directors of your Company are pleased to present the Fifteenth Annual Report and the Audited Statement of Accounts for the Financial year ended 31st March, 2002

	2001-2002	2000-2001
	Rs. in lakhs	
<b>Finances:</b>		
Sales	8315.72	9043.26
Profit before Depreciation & Financial charges(+)/Financial Income(-)	311.94	320.76
Add: Financial Income(-)	-42.38	-28.05
Profit before Depreciation & Provisions	354.32	348.81
Less:		
a) Depreciation	133.94	154.74
b) Provision for taxation - Current tax	77.46	74.00
- Deferred Tax	-10.68	-
c) Excess tax provision of earlier years	-	7.36
Net Profit after Tax	153.60	112.71
Add: Brought forward from previous year	15.00	15.00
Profit available for appropriation	168.60	127.71
<b>Appropriations :</b>		
Dividend proposed	62.80	47.10
Tax on Dividend	-	4.80
Transfer to General Reserve	90.80	60.81
Balance carried forward to Balance Sheet	15.00	15.00

The Directors of your Company are happy to inform that in the year under review, Net profit after Tax of your Company increased to Rs.153.60 Lacs, as compared to Rs.112.71 lacs of last year, i.e.an increase by 36.28%, despite the fall in sales by 8%. This increase in the profitability of your Company is attributable to implementation of KAIZEN, SPS(Suzuki Production System), TPM(Total Productive Maintenance), improved business systems and efficient management of finance.

**Distributable Profits : DIVIDEND**

Your Directors recommend a Dividend of Rs. 2/- per share @20% for the year ended 31.03.2002.

## BHARAT SEATS LIMITED

### OPERATIONS :

	2001-2002	2000-2001	% INCREASE↑/DECREASE↓
Production (No. of Seat Sets)	126902	139012	8.71 ↓
Sales (No. of Seat Sets)	126722	138969	8.81 ↓
Profit after tax (Rs. in lacs)	153.60	112.71	36.28 ↑

### PRODUCT UPGRADATION/ QUALITY IMPROVEMENT

The major achievement of Bharat Seats Limited during the year linked with Kaizen activities was implementation of Suzuki Production System (SPS) which resulted in productivity enhancement alongwith area saving. Moreover, new poka-yoka (foolproofing) were installed in production lines for quality enhancement.

The Company already has one CAD Station and is in the process of adding two more CAD Stations for enhancement of Design capability and speedy new development. Also, a Technical Library has been set up to keep uptodate with the latest technology.

Your Company has sucessfully developed Seating Systems for latest Car Model - Alto, both for domestic and Export purposes.

### 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 as a result of continuous improvement through autonomous maintenance and planned maintenance(Jishu Hozen).

Power is saved due to installation of Electronic Stammer and Auto Power Correction Relay.

### TECHNOLOGICAL ABSORPTION

- Efforts, in brief, made towards Technology absorption,adaptation and innovation : After successfully absorbing technology from its collaborator M/s Houwa Kogyo Co.Ltd., Japan to manufacture the latest Seating System in the Wagon-R and Omni, your Company has developed the CAD Models using IDEAS CAD for development of sheet metal toolings, jigs and fixtures indigenously. There is continuous cost reduction through Value Addition/ Value engineering and localisation of parts.  
  
Lock Assembly for ALTO (Domestic) was localised for cost effectiveness and better performance.  
  
To upgrade our machine and Equipment and to widen our range of products, your Company has placed an order for new State-of-art PU