



28TH ANNUAL REPORT 2014-2015



BHARAT SEATS LIMITED

**BOARD OF DIRECTORS**

NARINDER DEV RELAN
YOICHI KOJIMA
VEERABHADRA RAO INALA
ROHIT RELAN
AJAY RELAN
GIRISH NARAIN MEHRA
PRATEEP KUMAR LAHIRI
SHYAMLA KHERA
KISHAN N. PARIKH
RAVINDRA GUPTA
ARVIND VARMA
T.J. CHACKO

CHAIRMAN (DIN: 00240280)
DIRECTOR-NOMINEE-SUZUKI MOTOR CORPORATION, JAPAN (DIN: 02973263)
DIRECTOR-NOMINEE-MARUTI SUZUKI INDIA LIMITED (DIN: 00329370)
MANAGING DIRECTOR (DIN: 00257572)
DIRECTOR (DIN: 00257584)
DIRECTOR (DIN: 00059311)
DIRECTOR (DIN: 00039653)
DIRECTOR (DIN: 06929439)
DIRECTOR (DIN: 00453209)
DIRECTOR (DIN: 01521168)
DIRECTOR (DIN: 02225281)
DIRECTOR (OPERATIONS) (DIN: 07005026)

CORPORATE IDENTITY NUMBER

CIN: L34300DL1986PLC023540

BANKERS

STATE BANK OF TRAVANCORE
THE BANK OF TOKYO - MITSUBISHI UFJ LTD.
YES BANK LTD.
IDBI BANK LTD.

REGD. OFFICE

D-188, OKHLA INDUSTRIAL AREA, PHASE - 1,
NEW DELHI - 110 020

FACTORY

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

PLANT 2
PLOT NO. MUSTIL NO. 226, KILA NO. 7/1,
VILLAGE BHORAKALAN, TEHSIL - FARUKHNAGAR,
GURGAON (HARYANA)

PLANT 3
PLOT NO. 26, SECTOR-3A,
MARUTI SUPPLIER PARK, IMT, MANESAR
GURGAON (HARYANA)

AUDITORS

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

LISTED AT

BSE LIMITED

CHIEF FINANCIAL OFFICER

SANJEEV KUMAR

COMPANY SECRETARY & COMPLIANCE OFFICER

RITU BAKSHI

REGISTRAR & SHARE TRANSFER AGENT

M/S ALANKIT ASSIGNMENTS LIMITED
1E/13, ALANKIT HEIGHTS,
JHANDEWALAN EXTENSION,
NEW DELHI - 110 055

E-MAIL & WEBSITE

Investor_relations@bharatseats.net, www.bharatseats.com

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BHARAT SEATS LIMITED

(CIN: L34300DL1986PLC023540)

Registered Office: D-188, Okhla Industrial Area, Phase I, New Delhi 110020

Email: Investor_relations@bharatseats.net, Website: www.bharatseats.com

Phone: 011-26815592, Fax: 0124-2341188

NOTICE

NOTICE is hereby given that the Twenty Eighth Annual General Meeting of the members of BHARAT SEATS LIMITED will be held on Friday, 17th July, 2015 at 11:00 a.m. at Air Force Auditorium, Subroto Park, New Delhi - 110010 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited financial statements of the Company for the year ended 31st March, 2015 including the Audited Balance Sheet as at March 31, 2015, Profit & Loss Account for the year ended on that date together with the report of the Board of Directors and Auditors thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in place of Mr. I. V. Rao (holding DIN: 00329370) who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Mr. Yoichi Kojima (holding DIN: 02973263), who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint consider and, if thought fit, to pass with or without modification(s), the following as an Ordinary Resolution:

"RESOLVED THAT M/s S.S. Kothari Mehta & Co., Chartered Accountants (ICAI Registration No. 000756N), be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General meeting till the conclusion of the next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors of the Company."

By Order Of The Board

Date : 15th April, 2015

Ritu Bakshi

Place : New Delhi

Company Secretary

NOTES :

1. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 11th July, 2015 to Friday, 17th July, 2015, both days inclusive, for annual closing and determining the entitlement of the shareholders to the Dividend for 2014-15.

2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy/ proxies to attend and vote instead of himself/ herself. Such a proxy need not be a member of the Company. A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company.

The instrument of Proxy in order to be effective, should be deposited at the Registered office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. Proxies submitted on behalf of Companies, societies etc. must be supported by appropriate resolution/ authority as applicable.

3. The Dividend on Equity Shares, if declared at the meeting, will be paid on or after 17th July, 2015 to those shareholders whose names appear in the Register of Members on 17th July, 2015; in case of shares held in dematerialised form, the dividend thereon, will be paid to Beneficial Owners, as per details furnished by the Depositories, as on that date.
4. Members who hold shares in dematerialised form may kindly note that their Bank Account details, registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars cannot act on any request received directly from the members holding shares in dematerialised form, for deletion of or change in such Bank Account details. Members who wish to change such Bank Account details are therefore requested to advise their Depository Participants about such change with complete details of Bank Account. Members holding shares in physical form and desirous of either registering bank particulars or changing bank particulars already registered against their respective folios for payment of dividend, are requested to write to the Company.
5. Pursuant to the provisions of section 205A(5) and 205C of the Companies Act, 1956, and Section 124(5) of the Companies Act, 2013, the Company has transferred the Unclaimed or unpaid dividends for the financial years ended 31st March, 1996 to 31st March,



2007 to the Investor Education and Protection Fund (the IEPF) established by the Central Government.

6. Dividend for the financial year ended 31st March, 2008 and thereafter which remain unpaid or unclaimed for a period of seven years from the date they became due for payment will be transferred to Investor Education & Protection Fund (IEPF). Members who have not encashed their Dividend warrants may approach the Registered office of the Company for revalidation of the Dividend warrants. The unpaid dividend for the financial year ended March 31, 2008 is due for transfer to IEPF on 3rd July, 2015. The Ministry of Corporate Affairs (MCA) on 10th May, 2012 notified the IEPF (Uploading of information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012 (IEPF Rules), which is applicable to the Company. The objective of the IEPF Rules is to help the shareholders ascertain status of the unclaimed amounts. The Company has uploaded the information on the website of the Company & on the website of the IEPF viz. www.iepf.gov.in.
7. To prevent fraudulent transactions, members are requested to notify any change in address or demise of any member, as soon as possible.
8. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form, are therefore requested to submit the PAN to their Depository participants and members holding shares in physical form can submit their PAN details to the Company.
9. Details under clause 49 of the Listing Agreement with the Stock Exchange in respect of the Directors seeking appointment/ re-appointment at the Annual General meeting, forms integral part of the notice.
10. Electronic copy of the Annual Report for 2014-15 is being sent to all the members whose email IDs are registered with the Company/ Depository Participant, unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report is being sent in the permitted mode.
11. Electronic copy of the Notice of the Twenty Eighth Annual General Meeting of the Company indicating the process and manner of e-voting alongwith Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/ Depository participant, unless the member has requested for a hard copy of the same. For members who have not registered their email IDs, physical copies of the Notice alongwith process and manner of e-voting alongwith Attendance Slip and Proxy Form is being sent in the permitted mode.
12. The Notice for the Annual general meeting and the Annual Report will be available for inspection at the Registered Office of the Company on all working days between 9:30 a.m. to 11:30 a.m. upto the date of Annual General Meeting. The abovesaid shall also be available on the Company's website at: www.bharatseats.com.
13. In order to provide protection against fraudulent encashment of dividend warrants, Members who hold shares in physical form are requested to intimate the Company's Registrars and Transfer Agents, M/s Alankit Assignments Limited, under the signature of the Sole/ First Joint holder, the following information to be incorporated on dividend warrants:
 - a. Name of the Sole/ First joint holder and the Folio Number.
 - b. Particulars of Bank Account, viz.:
 - Name of the Bank
 - Name of the Branch
 - Complete Address of the Bank with Pin Code Number
 - Account Type, whether Saving Account (SA) or Current Account (CA)
 - Bank Account Number
14. Members are requested to send their queries, if any, on the accounts and operations of the Company to the Company Secretary at least 7 days before the Annual General Meeting.
15. The Company has designated an exclusive e-mail ID namely, investor_relations@bharatseats.net for receiving and addressing investors' grievances.
16. The Ministry of Corporate Affairs has undertaken a 'Green Initiative in Corporate Governance' and allowed companies to share documents with its shareholders through the electronic mode. Members are requested to support this green initiative by registering/ updating their email addresses, in respect of shares held in dematerialised form with their respective Depository participants and in respect of shares held in physical form with the Company or its Transfer Agent.


17. Voting options:

- I) In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, substituted by the Companies (Management And Administration) Rules, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the 28th Annual general meeting (AGM) by electronic means and the business may be transacted through e-voting services. The facility of casting the votes by the members using an electronic voting system from a place other than the venue of the AGM ("remote e-voting") will be provided by Central Depository Services (India) Limited. (CDSL).
- II) The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- III) The members who have cast their vote by remote e-voting prior to the AGM, may also attend the AGM, but shall not be entitled to cast their vote again.
- IV) Voting rights shall be reckoned on the paid up value of shares registered in the name of the member/beneficial owner, as on the cut off date i.e. 10th July, 2015. The remote e-voting period begins on Tuesday, 14th July, 2015 at 9:00 a.m. and ends on Thursday, 16th July, 2015 at 5:00 p.m. During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 10th July, 2015, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- V) The process and manner for remote e-voting is as under:
 - (i) The shareholders should log on to the e-voting website www.evotingindia.com.
 - (ii) Click on Shareholders.
 - (iii) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vi) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	<p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (vii) After entering these details appropriately, click on "SUBMIT" tab.



- (viii) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for Bharat Seats Limited.
- (xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvi) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvii) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- VI) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com or send email to Company at Investor_relations@bharatseats.net or contact the Company or Registrar & Share Transfer Agent.
- VII) The voting rights of shareholders shall be in proportion to their shares of the paid up equity



share capital of the Company as on the cut off date i.e. 10th July, 2015.

- VIII) Any person, who acquires shares of the Company and become member of the Company after dispatch of the Notice of AGM and holding shares as on the cut off date i.e. 10th July, 2015, may obtain the login ID and password by sending a request at helpdesk. evoting@cDSLindia.com or send email to Company at Investor_relations@bharatseats.net. However, if you are already registered with CDSL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using 'Forgot Use Details/Password' option available on www.evotingindia.com.
- IX) A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- X). Mr. A. K. Goyal, Company Secretary in Practice (Membership Number: 1565) has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- XI) The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of ballot paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- XII) The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who can countersign the same and declare the result of the voting forthwith.
- XIII) The results declared alongwith the Scrutinizer's Report shall be placed on the Company's

website www.bharatseats.com and will be communicated to the BSE Ltd. immediately after the declaration of result by the Chairman or a person authorized by him in writing.

DETAILS OF DIRECTORS SEEKING REAPPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING IN PURSUANCE TO CLAUSE 49 OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGE

Re-appointment of Mr. I. V. Rao (Item no. 3)

Under Section 152(6) of the Companies Act, 2013, one third of the Directors as are liable to retire by rotation, shall retire from office.

In compliance with Section 152(6) of the Companies Act, 2013, Mr. I. V. Rao retire at the forthcoming AGM and being eligible, offers himself for re-appointment.

Mr. I. V. Rao, 62, is a graduate in Mechanical Engineering, Osmania University and Post Graduate in Mechanical Design, IIT Kanpur. He joined the Board with effect from 14.02.2005. Mr. I. V. Rao has a wide experience in the field of technology transfer, design, product development and homologation, alongwith experience in production.

He is a member of the Board of Machino Polymers Limited. He is not a member of any Board Committee and does not hold any shares of the Company.

Except Mr. I. V. Rao, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in Agenda item no. 3.

Re-appointment of Mr. Yoichi Kojima (Item no. 4)

In compliance with Section 152(6) of the Companies Act, 2013, Mr. Yoichi Kojima retire at the forthcoming AGM and being eligible, offers himself for re-appointment.

Mr. Yoichi Kojima, 50, is a graduate in Law, Chuo University. He joined the Board with effect from 15.03.2010. Mr. Yoichi Kojima has a wide experience in the field of Marketing, Legal and HR. He is a director of Halla Visteon Climate Systems India Private Ltd., SKH Metals Ltd, J. J. Impex (Delhi) Private Limited and Suzuki Motor Gujarat Pvt. Ltd. He is not a member of any Board Committee and does not hold any shares of the Company.

Except Mr. Yoichi Kojima, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in Agenda item no. 4.

By Order Of The Board

Date : 15th April, 2015

Place : New Delhi

Ritu Bakshi
Company Secretary

DIRECTORS' REPORT

Dear Shareholders

Your Directors have pleasure in presenting the 28th Annual Report together with the Audited Accounts for the year ended 31st March, 2015

FINANCIAL RESULTS

Rupees in lakhs

PARTICULARS	2014-2015	2013-2014
NET REVENUE FROM OPERATIONS	69394.36	56003.83
OTHER INCOME	114.19	24.05
PROFIT BEFORE FINANCIAL CHARGES & DEPRECIATION	3401.21	2878.36
LESS: FINANCE COSTS	620.92	625.84
PROFIT BEFORE DEPRECIATION & TAXATION	2780.29	2252.52
LESS:		
A) DEPRECIATION	1642.25	1352.14
B) PROVISION FOR TAXATION		
- CURRENT TAX(NET OF MAT CREDIT ENTITLEMENT)	234.95	37.05
- TAXES PAID FOR EARLIER YEARS	-	1.85
- DEFERRED TAX	91.10	190.72
NET PROFIT AFTER TAX	811.99	670.76
ADD: BROUGHT FORWARD FROM PREVIOUS YEAR	50.00	50.00
PROFIT AVAILABLE FOR APPROPRIATION	861.99	720.76
APPROPRIATIONS:		
PROPOSED DIVIDEND	282.60	251.20
CORPORATE DIVIDEND TAX	57.53	42.69
TRANSFER TO GENERAL RESERVE	471.86	376.87
BALANCE CARRIED FORWARD TO BALANCE SHEET	50.00	50.00

PERFORMANCE REVIEW

The gross revenue from operations and other income for the financial year under review was Rs. 78371.57 lacs as against Rs. 63,199.95 lacs for the previous financial year. The profit before finance costs, depreciation and taxation is Rs. 3401.21 lacs for the financial year under review as against Rs. 2878.36 lacs for the previous financial year, i.e. an increase by 18%. The profit after tax increased to Rs. 811.99 lacs, as compared to Rs. 670.76 lacs for the previous financial year, i.e. an increase by 21%. This is mainly due to increase in volumes and other cost saving measures by the Company.

OPERATIONS

Your Company is well on the way to further growth. Your Company has already been awarded business of seat sets for the next models of Maruti Suzuki India Limited (MSIL), the production of which starts in April, 2015 and January, 2016.

During the year under review, your Company has manufactured and supplied extruded components for the prestigious top selling models of MSIL. Your Company has localized the raw materials used in the manufacture of extruded components. This has resulted in lower inventories, reduced dependence on imports and control on foreign currency fluctuations.

As regards the two wheeler business, your Company supplied Two wheeler seats and Sheet Metal fabricated parts for new models of Scooters and motorcycles to Suzuki Motorcycle India Private Limited.

Your Company also received further orders for their forthcoming models.

DIVIDEND

Your Directors are pleased to recommend for the approval of the shareholders, a dividend of 45% (Re 0.90/- per share) for the financial year ended 31.03.2015.



AWARDS AND RECOGNITION

Your company has received Recognition Award for Superior Performance in the field of Design and Development for the year 2014-15 at Annual Vendor Conference of MSIL.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERRED TO IN SUB SECTION (1) OF SECTION 188 OF THE COMPANIES ACT, 2013

All the related party transactions are repetitive in nature and are entered on arm's length basis and are in compliance with the applicable provisions of the Act and the Listing Agreement.

All Related party transactions are presented to the Audit Committee and the Board, on a quarterly basis. Omnibus approval is obtained for all the related party transactions.

The Related Party Transactions Policy as approved by the Board is uploaded on the Company's website at the weblink:

<http://www.bharatseats.com/investors / Policy on Related Party Transactions>

The information relating to particulars of contracts or arrangements with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 in Form AOC-2 is annexed as Annexure I, forming part of this Report.

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

The information relating to conservation of energy, technology absorption, foreign exchange earnings and outgo pursuant to Section 134(3) (m) of the Companies Act, 2013 read with Rule 8(3) of Companies (Accounts) Rules, 2014 is annexed hereto as Annexure II, forming part of this Report.

STATEMENT OF FORMAL ANNUAL EVALUATION BY THE BOARD OF ITS OWN PERFORMANCE AND OF ITS COMMITTEES AND INDIVIDUAL DIRECTORS

In compliance with the Companies Act, 2013 and Clause 49 of the Listing Agreement, during the year, the Nomination and Remuneration Committee laid down the evaluation criteria for performance evaluation of all the directors.

The evaluation of Independent Directors was carried out by the entire Board and that of the Chairman and non-independent Directors, by the independent Directors.

This exercise was carried out through structured evaluation process covering various aspects of the Board such as composition of the Board/ Committees, experience, competencies, performance of specific

duties etc. Separate exercise was carried out to evaluate the performance of individual directors, including Board Chairman who were evaluated on the parameters such as attendance, contribution at the meeting, independent judgment etc. and was found to be satisfactory.

DETAILS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL WHO WERE APPOINTED OR HAVE RESIGNED DURING THE YEAR

I. RETIREMENT BY ROTATION

In accordance with the Articles of Association of the Company and relevant provisions of the Companies Act, 2013, Mr. Yoichi Kojima (DIN: 02973263) and Mr. I.V. Rao (DIN:00329370) are liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment. The Board recommends their re-appointment.

II. APPOINTMENT

The following Directors were appointed during the year:

- Mrs. Shyamla Khera (DIN: 06929439), was appointed as an Independent Director w.e.f. 21.07.2014, for a period of five years.
- Mr. Arvind Varma (DIN: 02225281) was appointed as an Independent Director w.e.f. 21.10.2014 for a period of five years.
- Mr. T. J. Chacko (DIN: 07005026) was appointed as Director (Operations) w.e.f. 01.12.2014 for a period of three years.

III. CESSATION

During the year, Mr. Gautam Khaitan, Director resigned w.e.f. 20.05.2014. The Board placed on record its appreciation for the valuable services rendered by Mr. Gautam Khaitan.

IV. KEY MANAGERIAL PERSONNEL (KMP)

During the year, Mr. Rohit Relan, Managing Director, and Mr. T. J. Chacko, appointed as Director (Operations) were designated as KMP.

In addition to above, Mr. Sanjeev Kumar, CFO and Ms. Ritu Bakshi, Company Secretary were designated as KMP.

COMPANIES WHICH BECAME OR CEASED TO BE ITS SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES

Toyo Sharda India Pvt. Ltd. is a newly incorporated Associate Company.

CORPORATE GOVERNANCE

Pursuant to Clause 49 of the listing agreement with the Stock Exchange, the report on Corporate Governance and Management Discussion and Analysis Report have



been included in this Annual Report as separate section, alongwith the Auditors' Certificate.

DETAILS OF DEPOSIT AS PROVIDED UNDER CHAPTER V OF THE COMPANIES ACT, 2013

- (a) Accepted during the year
Your Company has not accepted any deposits within the meaning of Section 2(31), read with section 73 of the Companies Act, 2013 and as such, no amount of principal or interest was outstanding as on the date of the Balance Sheet.
- (b) Remaining unpaid or unclaimed as at the end of the year : None
- (c) Whether there has been any default in repayment of deposits or payment of interest thereon during the year : None
- (d) Details of deposit which are not in compliance with the requirement of Chapter V of the Act : None

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGISTRARS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATION IN FUTURE

None

DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

A strong internal control culture is prevalent in the Company. A formalised system of internal controls facilitates effective compliance with Clause 49 of the Listing Agreement. The Internal Auditor monitors the compliance with the objective of providing to the Audit Committee and the Board of Directors an independent and reasonable assurance on the adequacy and effectiveness of the organisation's governance processes.

LISTING

The Equity shares of the Company are listed at Bombay Stock Exchange. The Company has paid listing fees to the Stock Exchange for the year: 2014-2015.

CSR REPORT

The Corporate Social Responsibility Report as provided in Companies (Corporate Social Responsibility Policy) Rules, 2014 is as per Annexure III attached.

EXTRACT OF ANNUAL RETURN

Extract of Annual return as provided under sub section (3) of Section 92 of the Companies Act, 2013 is as per Annexure IV attached.

NUMBER OF MEETINGS OF THE BOARD

Forms part of Corporate Governance Report

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(3) (c) of the Companies Act, 2013, the Directors confirm that :

- (a) In the preparation of the annual accounts, the applicable accounting standards have been followed and no material departures have been made from the same.
- (b) Appropriate accounting policies have been selected and applied consistently and judgments 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, 2015 and of the Profit or Loss of the Company for the year ending 31st March, 2015;
- (c) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 , for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) The annual accounts have been prepared on a going concern basis.
- (e) Internal financial controls to be followed by the Company have been laid down and that such internal financial controls are adequate and were operating effectively.
- (f) Proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

DISCLOSURE AS REQUIRED UNDER SUB RULE 2 OF RULE 5 OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

As per Annexure V

DISCLOSURE IN BOARD'S REPORT

Having regard to the provisions of the first proviso to section 136(1) of the Act, the annual report, excluding the information as required under section 197(12) of the Act read with Rule 5(1) of the Company (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is being sent to the members of the Company. The said information is available at the website of the Company and is available for inspection at the registered office of the company during working hours and any member interested in obtaining such information may write to be Company Secretary and the same will be furnished on request.