



30TH **ANNUAL REPORT** **2016-2017**



BHARAT SEATS LIMITED



BHARAT SEATS LIMITED

BOARD OF DIRECTORS

1. MR. NARINDER DEV RELAN
2. MR. ROHIT RELAN
3. MR. TOSHIYA MIKI
4. MR. VENKAT RAMAN CHALLA
5. MRS. SHARDA RELAN
6. MR. AJAY RELAN
7. MR. GIRISH NARAIN MEHRA
8. MR. PRATEEP KUMAR LAHIRI
9. MR. RAVINDRA GUPTA
10. MRS. SHYAMLA KHERA
11. MR. KISHAN N. PARIKH
12. MR. ARVIND VARMA
13. MR. T.J. CHACKO

CHAIRMAN (DIN: 00240280) (Ceased w.e.f. 2nd June, 2016)
 CHAIRMAN CUM MANAGING DIRECTOR (DIN: 00257572)
 (Chairman w.e.f. 20th July, 2016)
 DIRECTOR-NOMINEE-SUZUKI MOTOR CORPORATION, JAPAN (DIN: 07505339)
 DIRECTOR-NOMINEE-MARUTI SUZUKI INDIA LIMITED (DIN: 07093663)
 DIRECTOR (DIN: 00252181)
 DIRECTOR (DIN: 00257584)
 DIRECTOR (DIN: 00059311)
 DIRECTOR (DIN: 00039653)
 DIRECTOR (DIN: 01521168)
 DIRECTOR (DIN: 06929439)
 DIRECTOR (DIN: 00453209)
 DIRECTOR (DIN: 02225281)
 DIRECTOR(OPERATIONS) (DIN: 07005026)

CORPORATE IDENTITY NUMBER

CIN: L34300DL1986PLC023540

BANKERS

HDFC BANK LTD.
 STATE BANK OF INDIA
 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. MUSTTIL 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)
PLANT 4
 PLOT NO. 677 SECTOR 37 PACE CITY II, 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

E-mail: Investor_relations@bharatseats.net, Website: www.bharatseats.com

Phone: 011-26815592, Fax: 0124-2341188

NOTICE

NOTICE is hereby given that the Thirtieth Annual General Meeting of the members of BHARAT SEATS LIMITED will be held on Thursday, 21st September, 2017 at 11 a.m. at Air Force Auditorium, Subroto Park, New Delhi - 110010 to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Financial Statements of the Company for the year ended 31st March, 2017 including the Audited Balance Sheet as at March 31, 2017, Profit & Loss Account for the year ended on that date together with the reports of the Board of Directors and Auditors thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in place of Mr. Ajay Relan (DIN:00257584) who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Venkat Raman Challa (DIN: 07093663) 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 pursuant to Section 139 and other applicable provisions of the Companies Act, 2013, M/s S.R. Batliboi & Co. LLP, Chartered Accountants (ICAI Firm Regn. No. 301003E/ E300005) having offered themselves for appointment, be and are hereby appointed as the auditors of the Company to hold office from the conclusion of the 30th annual general meeting upto the conclusion of the 35th annual general meeting of the Company at a remuneration to be fixed by the board and reimbursement of out of pocket expenses incurred in connection with the audit."

SPECIAL BUSINESS:

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

"Resolved that pursuant to provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies(Appointment and Qualification of Directors) Rules, 2014, including any statutory modification(s) or enactment(s) thereof for the time being in force, Mrs Sharda Relan (DIN: 00252181), who was appointed as an Additional Director of the Company with effect from 20th July,

2016 by the Board of Directors of the Company in terms of and in accordance with the provisions of Section 161 of the Companies Act, 2013 and Article 80 of the Articles of Association of the Company and who holds office upto the date of the Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing appointment of Mrs Sharda Relan as Director , be and is hereby appointed as a Non-Executive Director of the Company, liable to retire by rotation."

7. **To consider, and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:**

"Resolved that pursuant to provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies(Appointment and Qualification of Directors) Rules, 2014, including any statutory modification(s) or enactment(s) thereof for the time being in force, Mr. Toshiya Miki (DIN: 07505339), who was appointed as an Additional Director of the Company with effect from 20th January, 2017 by the Board of Directors of the Company in terms of and in accordance with the provisions of Section 161 of the Companies Act, 2013 and Article 80 of the Articles of Association of the Company and who holds office upto the date of the Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing appointment of Mr. Toshiya Miki as Director, be and is hereby appointed as a Non-Executive Director of the Company, liable to retire by rotation."

8. **Re-appointment of Mr. T.J. Chacko as a Wholtime Director as Director (Operations)**

To consider, and if thought fit, to pass with or without modification(s), the following Resolution as a Special Resolution:

RESOLVED THAT pursuant to Section 196, 197 and Schedule V and all other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force) , consent be and is hereby accorded for re appointment of Mr. T. J. Chacko (DIN: 07005026) as a Wholtime Director designated as Director (Operations) for a period of two years on the following terms and conditions and for the

payment of the following remuneration with effect from 1st December, 2017 to 30th November, 2019 i.e. for a period of two years:

DETAILS OF REMUNERATION, INCLUDING PERQUISITES :

SALARY:

A. BASIC SALARY : Rs. 1,80,000/- per month, with a provision of annual increment of Rs.22,500/- per month, in the scale of Rs. 1,80,000 – Rs. 22,500 - Rs.2,02,500/- per month with authority to the Board (which expression shall include a Committee thereof) to revise his salary based on merit and Company's performance.

B. PERFORMANCE LINKED BONUS:

With a maximum of 50% of annual Basic salary with authority to the Board (which expression shall include a Committee thereof) to fix the same based on certain performance criterion laid down by the Board.

C. ALLOWANCES & PERQUISITES :

1. HOUSE RENT ALLOWANCE: Upto a maximum of 50% of Basic Salary.
2. PERSONAL ALLOWANCE: Upto a maximum of 30% of Basic Salary.
3. LEAVE TRAVEL ALLOWANCE : Upto a maximum of one month's Basic Salary as per Company's Rules.

D. OTHER ENTITLEMENTS/ REIMBURSEMENTS:

1. Books & Periodicals, Telephone/ Internet expenses upto a maximum of Rs.13,000/- per month.
2. Entertainment expenses upto a maximum of Rs.10,000/- per month.
3. Medical Reimbursement: Upto a maximum of Rs.1,250/- per month.
4. Provision of Company Car for official use only.
5. Reimbursement of Chauffeur's salary and Petrol expenses upto a maximum of Rs.35,000/- per month.
6. Company's contribution to Provident Fund
7. Earned Leave Encashment as per the rules of the Company.
8. Others: Other Perquisites and Allowances in accordance with the Rules of the Company.

E. OTHER TERMS AND CONDITIONS

In the event of absence or inadequacy of profits in any financial year, the Wholtime Director shall be entitled to the minimum remuneration as mentioned herein above without any variation.

FURTHER RESOLVED THAT the appointment may be terminated by either party by giving, in writing, to other party, three calendar months notice or lesser notice as may be agreed mutually.

"Resolved further that the Board of Directors of the Company be and are hereby authorized to alter or vary the above terms and conditions so as not to exceed the limits prescribed in Schedule V to the Companies Act, 2013 in case the company has adequate profits or within the limits approved by the Central Government, if required, as the case may be."

"Further resolved that Sh. Rohit Relan, Chairman cum Managing Director, and Ms. Ritu Bakshi, Company Secretary be and are hereby severally authorized to apply and take other necessary steps for seeking approval of Central Government, if required, for re-appointment of Mr. T. J. Chacko, Wholtime Director and payment of remuneration to him."

9. To approve the increase in remuneration of Mr. Rishabh Relan, Chief Operating Officer of the Company, being a related party

To consider, and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:

Resolved that pursuant to Regulation 23 of SEBI Listing Obligations and Disclosure Requirements) Regulations, 2015, read with provisions of section 188(1)(f) of the Companies Act, 2013 and Companies (Meetings of Board and its Powers) Rules, 2014, including any statutory modifications or re-enactment thereof, consent of the members of the Company be and is hereby accorded for increasing the remuneration of Mr. Rishabh Relan, Chief Operating Officer of the Company w.e.f 01.09.2017, being a related party, on the following terms and conditions:

- BASIC SALARY: Rs.1,80,000/- per month, with a provision of annual increment of Rs.22,500/- per month.
- ALLOWANCES AND PERQUISITES : Rs.66,000/- per month, with a provision of annual increment of Rs.20,000/- per month.
- VARIABLE PAY: Upto a maximum of 15% of Gross Salary.
- Other entitlements, in addition to above:
 - o Medical for self and family: actual for self and family upto a maximum of Rs.1250 p.m.
 - o Provision of Company Car with Chauffeur for official use only
 - o Leave travel allowance: for self and family as per Company Rules.
 - o Earned/ privilege leave: leave accumulated, but not availed – as per Company Rules.
 - o Contribution to Provident fund, Pension Fund: as per Company Rules.
 - o Gratuity : as per payment of Gratuity Act, 1972 including any amendment or re-enactment thereof.

He will also be entitled for such other perquisites and allowances in accordance with the rules of the company or as may be agreed by the Board from time to time, including restructuring the remuneration package in accordance with the provisions of section 188 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014.

Resolved further that the Board of Directors be and are hereby authorized to do all such acts and things as may be expedient to give effect to this resolution.

By Order Of The Board

Date : 18th July, 2017

Ritu Bakshi

Place : New Delhi

Company Secretary

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/ 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. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

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.

2. A statement pursuant to Section 102(1) of the Companies Act, 2013 relating to the Special Business to be transacted at the Meeting is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, 15th September, 2017 to Thursday, 21st September, 2017, both days inclusive, for determining the entitlement of the shareholders to the Dividend for 2016-17, if declared.
4. The Dividend on Equity Shares, if declared at the meeting, will be credited/ dispatched between 21st September, 2017 and 20th October, 2017 to those shareholders whose names appear in the Register of Members on 14th September, 2017. In case of shares held in dematerialised form, the dividend thereon, will be paid to Beneficial Owners, as per details furnished by the Depositories, i.e. National Securities Depository Limited and Central Depository Services (India) Limited as on that date.
5. 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 and Transfer Agents, Alankit Assignments Ltd. 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/ Alankit Assignments Ltd.

6. The Company has transferred the unpaid or unclaimed dividends declared upto the financial years 2008-2009, from time to time on due dates to the Investor Education and Protection Fund (the IEPF) established by the Central Government.
7. Dividend for the financial year ended 31st March, 2010 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, 2010 is due for transfer to IEPF on 12th August, 2017. Pursuant to the provisions of the IEPF (Uploading of information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012 (IEPF Rules), the Company has uploaded the information on the website of the IEPF viz. www.iepf.gov.in and on the website of the Company (www.bharatseats.com).
8. To prevent fraudulent transactions, members are requested to notify any change in address or demise of any member, as soon as possible.
9. 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/ Alankit Assignments Ltd.
10. Details in respect of the Directors seeking appointment/ re-appointment at the Annual General meeting, in pursuance to clause 36, Chapter IV of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, forms integral part of the notice.
11. Electronic copy of the Annual Report for 2016-17 is being sent to all the members whose e-mail 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 e-mail address, physical copies of the Annual Report is being sent in the permitted mode.

12. Electronic copy of the Notice of the Thirtieth 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 e-mail 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 e-mail 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.
13. 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.
14. 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
15. 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.
16. The Company has designated an exclusive e-mail ID namely, investor_relations@bharatseats.net for receiving and addressing investors' grievances.
17. 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 e-mail 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.

18. 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, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the 30th 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) The remote e-voting period begins on Monday, 18th September, 2017 at 9:00 a.m. and ends on Wednesday, 20th September, 2017 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 14th September, 2017, 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	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.
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) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download app the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xviii) 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 e-mail to helpdesk.evoting@cdslindia.com Or send e-mail 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. 14th Sep., 2017.
- 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. 14th Sep., 2017, may obtain the login ID and password by sending a request at helpdesk.evoting@cdslindia.com or send e-mail 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. R. S. Bhatia, Company Secretary in Practice (Membership Number: FCS: 2599) 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 along with 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.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

Resolution no. 6

Mrs Sharda Relan (DIN:00252181) was appointed on the Board, as an Additional Director, with effect from 20th July, 2016, to hold office upto the date of this Annual General Meeting, pursuant to the provisions of Section 161 of the Companies Act, 2013 and Article 80 of the Articles of Association of the Company.

The Company has received a notice in writing from a member along with the deposit of the requisite amount under Section 160 of the Companies Act, 2013 proposing the candidature of Mrs Sharda Relan for the office of Director of the Company. Mrs Relan is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given her consent to act as a Director of the Company. A copy of notice is available for inspection by the members at the registered office of the company.

Except Mrs Sharda Relan, Director, and Mr. Rohit Relan, Chairman cum Managing Director and Mr. Ajay Relan, Director, related to the said Director, none of the Directors or Key Managerial personnel of the Company or their

relatives is concerned or interested in the Resolution.

The Board considers it desirable to avail the guidance of Mrs Sharda Relan, therefore, recommend the Ordinary Resolution set out at item no.6 of the accompanying notice for approval of the shareholders of the Company.

Resolution no. 7

Mr. Toshiya Miki (DIN:07505339) was appointed on the Board, as an Additional Director, as a nominee of Suzuki Motor Corporation, Japan, with effect from 20th January, 2017, in place of Mr. Akio Sano, to hold office upto the date of this Annual General Meeting, pursuant to the provisions of Section 161 of the Companies Act, 2013 and Article 80 of the Articles of Association of the Company.

The Company has received a notice in writing from a member along with the deposit of the requisite amount under Section 160 of the Companies Act, 2013 proposing the candidature of Mr. Toshiya Miki for the office of Director of the Company. Mr. Toshiya Miki is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as a Director of the Company. A copy of notice is available for inspection by the members at the registered office of the company.

Except Mr. Toshiya Miki, none of the Directors or Key Managerial personnel of the Company or their relatives is concerned or interested in the Resolution.

The Board considers it desirable to avail the expertise and guidance of Mr. Toshiya Miki, therefore, recommend the Ordinary Resolution set out at item no. 7 of the accompanying notice for approval of the shareholders of the Company.

Resolution no. 8

Mr. T. J. Chacko was appointed as Director (Operations) for a period of three years w.e.f. 1st December, 2014 to 30th November, 2017.

Mr. Chacko is 72 years old, therefore his re-appointment shall require approval of shareholders by means of Special Resolution.

The Nomination and Remuneration Committee recommended and the Board approved the re appointment of Mr. T. J. Chacko in their respective meetings held on 18th July, 2017.

The approval of members is sought for his re-appointment, terms and conditions of appointment and payment of remuneration.

None of the Directors/ KMP of the Company/ their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution, except Mr. T. J. Chacko and his relatives. During the year; 2016-17, he attended four Board meetings. The Board commends this resolution for approval of the members.

STATEMENT GIVING INFORMATION REQUIRED UNDER PART II, SECTION II TO THE SCHEDULE V OF THE COMPANIES ACT, 2013 FOR PAYMENT OF REMUNERATION TO MR THADIKARAN CHACKO JOSEPH, WHOLETEIME DIRECTOR

I. General Information:

1. Nature of Industry

The Company is engaged in manufacture of Seating System, moulded carpets and extruded components for Car market leader, Maruti Suzuki India Limited as well as seats and frames for two wheelers of Suzuki Motor Cycle India Private Ltd., at their plants at Gurgaon in Haryana.

2. Date or expected date of commencement of commercial production

The Company is already in production for more than twenty nine years.

3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.

Not applicable, as the Company is an existing one.

4. Financial performance based on given indicators

The Financial performance of the Company in relation to various indicators during the years 2015-16 and 2016-17 is given hereunder:

(Rs. in lakhs)

	2016-17	2015-16
Revenue from operations (Gross)	93260.18	79313.69
Net Profit after tax	1217.31	721.60
Dividend	45%	45%

5. Foreign investments or collaborators, if any.

Financial Collaboration with M/s Suzuki Motor Corporation, Japan, who holds 14.81% of the total equity of the Company.

Technical Collaboration with M/s Toyo Seat Co. Ltd., Japan, M/s INOAC Corporation, Japan and M/s Houwa Kogyo Co.Ltd., Japan.

II. Information about the appointee i.e. Mr. Thadikaran Chacko Joseph

1. Background details :

Mr. Thadikaran Chacko Joseph, aged 72 years, joined Bharat Seats Limited in 1997 as General Manager(Works) and is presently Director(Operations) of the Company. He is a qualified B.Sc. Engg (Mechanical). He is JIPM* certified TPM** Consultant for manufacturing excellence. He has undergone extensive training



and got considerable experience and exposure in Japanese Management of Auto Component industries.

*JIPM - Japanese Institute of Planned Maintenance

**TPM - Total Productive Maintenance

2. Past remuneration

The total annual remuneration of Mr. Chacko, based on current salary is Rs. 55.54 lakhs.

3. Recognition or awards

He has more than 45 years of work experience in operations and general management by virtue of heading various functional departments like Manufacturing, Tool Room, Maintenance, Design, HR and Factory Management. He is a qualified B.Sc. Engg (Mechanical). He is JIPM (Japanese Institute of Planned Maintenance), Japan certified Total Productive Maintenance (TPM) Consultant for manufacturing excellence. He has undergone extensive training and got considerable experience and exposure in Japanese Management of Auto Component industries.

4. Job profile and his suitability

Mr. Chacko is presently Director(Operations) of the Company. He has been instrumental in bringing about substantial change in the top and bottom line of the unit, expanding to multiple units and multiple products. He attends to matters concerning operations and general management and such other duties and services as entrusted by the Chairman cum Managing Director. Mr. Chacko is performing the same since 1997.

5. Remuneration proposed

DETAILS OF REMUNERATION, INCLUDING PERQUISITES :

A. BASIC SALARY : Rs. 1,80,000/- per month, with a provision of annual increment of Rs.22,500/- per month, in the scale of Rs. 1,80,000 - Rs. 22,500 - Rs.2,02,500/- per month with authority to the Board (which expression shall include a Committee thereof) to revise his salary based on merit and Company's performance.

B. PERFORMANCE LINKED BONUS:

With a maximum of 50% of annual Basic salary with authority to the Board (which expression shall include a Committee thereof) to fix the same based on certain performance criterion laid down by the Board.

C. ALLOWANCES & PERQUISITES :

1. HOUSE RENT ALLOWANCE: Upto a maximum of 50% of Basic Salary.

2. PERSONAL ALLOWANCE: Upto a maximum of 30% of Basic Salary.

3. LEAVE TRAVEL ALLOWANCE : Upto a maximum of one month's Basic Salary as per Company's Rules.

D. OTHER ENTITLEMENTS/ REIMBURSEMENTS:

1. Books & Periodicals, Telephone/ Internet expenses upto a maximum of Rs.13,000/- per month.

2. Entertainment expenses upto a maximum of Rs.10,000/- per month.

3. Medical Reimbursement: Upto a maximum of Rs.1,250/- per month.

4. Provision of Company Car for official use only.

5. Reimbursement of Chauffeur's salary and Petrol expenses upto a maximum of Rs.35,000/- per month.

6. Company's contribution to Provident Fund

7. Earned Leave Encashment as per the rules of the Company.

8. Others: Other Perquisites and Allowances in accordance with the Rules of the Company.

E. OTHER TERMS AND CONDITIONS

In the event of absence or inadequacy of profits in any financial year, the Wholetime Director shall be entitled to the minimum remuneration as mentioned herein above without any variation.

6. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person(in case of expatriates the relevant details would be w.r.t. the country of his origin)

Taking into account the turnover of the Company and responsibilities of Mr. Thadikaran Chacko Joseph, the remuneration being proposed to be paid to the Wholetime Director is reasonable and in line with the remuneration levels in the industry across the country and befits his position.

7. Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.

Except for the remuneration as Wholetime Director, the appointee has no other pecuniary relationship with the Company.

The appointee is not related to any of the Directors and the Key Managerial Personnel of the Company or their relatives.