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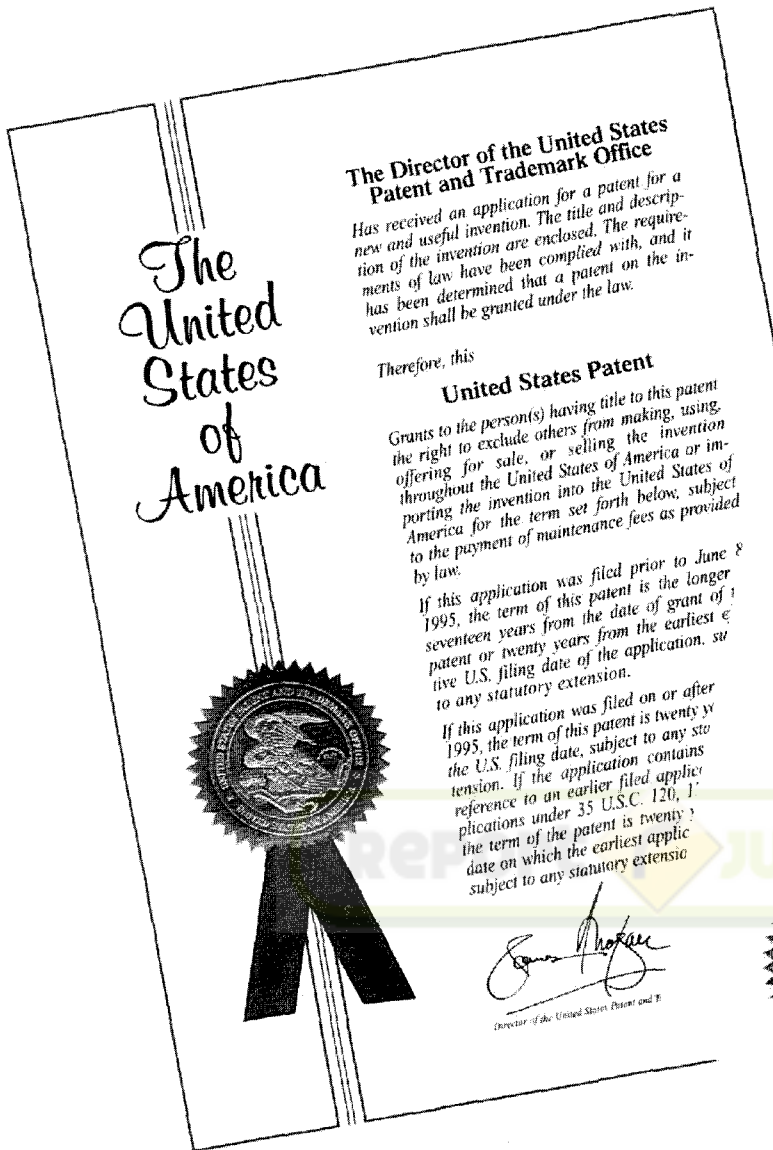
# CLUTCH AUTO LIMITED

## 36TH ANNUAL REPORT 2006-2007



### The Standalone O.E. Clutch Manufacturer

## We Call It Clutch Auto



The United States of America



**CERTIFICATE OF REGISTRATION  
PRINCIPAL REGISTER**

The Mark shown in this certificate has been registered in the United States Patent and Trademark Office to the named registrant.

The records of the United States Patent and Trademark Office show that an application for registration of the Mark shown in this Certificate was filed in the Office; that the application was examined and determined to be in compliance with the requirements of the law and with the regulations prescribed by the Director of the United States Patent and Trademark Office; and that the Applicant is entitled to registration of the Mark under the Trademark Act of 1946, as Amended.

A copy of the Mark and pertinent data from the application are part of this certificate.

This registration shall remain in force for TEN (10) years, unless terminated earlier as provided by law, and subject to compliance with the provisions of Section 8 of the Trademark Act of 1946, as Amended.



*Sam Hoggue*  
Director of the United States Patent and Trademark Office

**PATENTS**

APPROVED / PENDING

- Lo Pedal Pressure Clutch - EZ N LITE
- Self-adjusting Clutches - AUTO
- Self Aligning Clutches
- Pre-Damp High Torque Clutch Disc
- Improved Clutch Disc with enhanced wear life
- Improved Clutch Disc with Bonded Facing
- Fail Safe Transportation Means
- Packing cum Setting Gauge
- Spring Loaded Gear Adjuster
- Cushion Ceramic Clutches
- Mono Adjustment Tool
- Wear Indicator Assembly
- Clutch Wear Adjustment Indicator
- Clutch Wear Adjustment Tool
- Electronic Wear Adjustment for a Clutch

**TRADEMARKS**

APPROVED / PENDING

- EZ N LITE
- COOL CLUTCH
- COOL N EZ
- AUTO N EZ
- AUTO
- AUTO COOL N EZ
- The Self Aligning Clutch
- PRE DAMP HIGH TORQUE
- PDHT
- PDHT PLUS
- INTERLOCK CLUTCH
- ECOCLUTCH
- MONO
- ROAD RAIDER
- COOL RAIDER
- ECO N AUTO
- The Clutch that thinks it doesn't need a mechanic
- WHISPER
- NVL

Intellectual property rights

**BOARD OF DIRECTORS**

K.S. BHATNAGAR  
 V.K. MEHTA  
 K.K. TANEJA  
 ANUJ MEHTA  
 SHITAL K. JAIN  
 POOJA KAPUR

Chairman  
 Vice Chairman & Mg. Director  
 Director  
 Executive Director  
 Director  
 Director

**AUDITORS**

M/s. B. Aggarwal & Co.,  
 Chartered Accountants  
 16A/17, Ajmal Khan Road,  
 Karol Bagh,  
 New Delhi – 110005.

**BANKERS**

IndusInd Bank Ltd.  
 UTI Bank Ltd.  
 Development Credit Bank Ltd.  
 Canara Bank


**REGISTERED OFFICE**

2E/14, (1<sup>ST</sup> floor)  
 Jhandewalan Extn.,  
 New Delhi – 110055.  
 Telefax (011) 23683548.

**WORKS & ADMN. OFFICE**

Plot No.1A, Sector 27D  
 12/4, Mathura Road  
 Faridabad – 121003  
 Haryana (India)  
 Tel:(91-129) 2275246 (6 lines)  
 Fax:(91-129) 2276039  
 E-mail: cal@nda.vsnl.net.in

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## **NOTICE**

Notice is hereby given that the **THIRTY SIXTH ANNUAL GENERAL MEETING** of the Members of Clutch Auto Limited will be held on **Tuesday, the 25<sup>th</sup> September 2007 at 11.00 A.M. at Pearey Lal Bhawan, Gandhi Memorial Hall, 2, Bahadur Shah Zafar Marg, New Delhi - 110 002** to transact the following business:

### **ORDINARY BUSINESS**

1. To receive, consider and adopt the audited Balance Sheet as at 31<sup>st</sup> March, 2007 and the Profit and Loss Account of the Company for the year ended on that date, together with the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri K K Taneja who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Shri K S Bhatnagar who retires by rotation and being eligible offers himself for re-appointment.
4. Reappointment of Statutory Auditors

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

“RESOLVED THAT M/s. B. Aggarwal & Co., Chartered Accountants, New Delhi, the retiring Auditors, who are eligible to be so appointed and whose consent is available, be and are hereby re-appointed as Statutory Auditors under section 224 and all other applicable provisions, if any, of the Companies Act, 1956 to hold such office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting on a remuneration including out of pocket expenses as may be considered fit and proper by the Board of Directors.”

### **SPECIAL BUSINESS**

#### **5. Re-appointment of Shri Anuj Mehta, Executive Director**

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

“RESOLVED THAT pursuant to the provisions of Section 269 read with Schedule XIII, 198, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of the Board and Shareholders in the General Meeting, Shri Anuj Mehta be and is hereby appointed as an ‘Executive Director’ of the Company for a period of three years w.e.f. 1<sup>st</sup> July 2007 on the following remuneration:

- i) Salary : Rs.2,00,000/- per month
- ii) Perquisites : As set out below – as Part ‘A’, ‘B’ & ‘C’

#### **PART ‘A’**

- a) **Housing** - Not exceeding 60% of the salary of which 10% shall be borne by the Executive Director if the Company does not provide residential accommodation for the Executive Director and when a Company-owned house is provided, the Executive Director shall pay back to the Company by way of Rent @10% of the salary.  
Reimbursement on account of Electricity, Water, Gas and furnishings shall not exceed 10% of salary and will be valued as per the applicable Income Tax Rules from time to time.
- b) Medical expenses for self and dependent family members not exceeding one month’s salary in every year or three months salary in a block of three years.
- c) LTA as per rules of the Company (at present one month’s salary).
- d) Bonus as per Company rules.
- e) Personal Accident Insurance – the premium of which shall not exceed Rs.4000/- per annum.
- f) Club Fees not exceeding 2 Clubs, but no Life Membership Fee and Admission Fee shall be paid.

**PART 'B'**

- a) Contribution to Provident Fund not exceeding 12% of the salary.
- b) Contribution to Gratuity Fund not exceeding half month's salary for every completed year of service.
- (c) Encashment of earned leave as per Company rule.

**PART 'C'**

- a) Provision of Car for self for official purposes. Any non-official use of the Car shall be billed by the Company.
- b) Telephone at the residence but any long distance personal calls shall be billed by the Company.

RESOLVED FURTHER THAT even in the event of inadequacy or absence of profits in any year, the Executive Director will still be paid the above remuneration as "minimum remuneration subject to approval of the Central Government as and when necessary, if any".

**Regd. Office**  
2E/14 (1<sup>st</sup> Floor)  
Jhandewalan Extn.  
New Delhi 110 055

By Order of the Board

V K Mehta  
Vice Chairman & Mg. Director

Dated: 22<sup>nd</sup> August, 2007

**NOTES:**

1. A Member entitled to attend and vote at the meeting may appoint a proxy to attend and vote instead of himself/herself. A proxy need not be a member of the Company.
2. The proxy in order to be effective should be duly stamped and deposited at the Registered Office of the Company not less than forty eight (48) hours before the commencement of the Annual General Meeting.
3. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of the Special Business as set out above is annexed hereto.
4. All documents referred to in the accompanying notice and explanatory statements are open for inspection at the Registered Office of the Company on all working days, except Holidays, between 11.00 A.M. and 1.00 P.M. upto the date of the Annual General Meeting.
5. The Register of Members and Transfer Books shall remain closed from 21.9.2007 to 25.9.2007 (both days inclusive)
6. The Company has admitted its Equity Shares in the Depository System of National Securities Depository Limited (NSDL) as well as Central Depository Services (India) Ltd. and has offered investors the facility to hold shares in demat form and to carry out scripless trading of these shares as per the prescribed procedure.
7. The shareholders may send their requests for transfer, transmission, transposition, deletion of name, demat, remat, change of address etc. at the below mentioned address of the Registrar & Share Transfer Agent (R & T Agent):  
M/s. MAS Services Pvt. Ltd.,  
AB 4, Safdarjung Enclave,  
New Delhi 110 029.  
The requests received at the regd. Office of the Company will also be forwarded to the R & T Agent.
8. Pursuant to the provisions of Section 109A of the Companies Act, 1956, shareholders may file Nominations in respect of their respective shareholdings. Any shareholder willing to avail of this facility may submit to the Company the prescribed form 2B, if not already filed.
9. Members are requested to bring their copies of Annual Report to the Meeting as such copies may not be available at the Annual General Meeting.
10. Members are requested to put their signatures at the space provided in the Attendance Sheet annexed to the proxy form and hand over the same at the designated counter near the entrance of the Meeting Hall.
11. **Members may also kindly note that there will be no gifts at the Annual General Meeting.**

**Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956****Item No.5**

Shri Anuj Mehta is a B. Com., MBA (Vanderbilt University, USA), aged 38 years, son of Shri V K Mehta, Vice Chairman & Mg. Director of the Company. His re-appointment as an Executive Director of the Company for a period of three years w.e.f. 1<sup>st</sup> July, 2007 was approved by the Board subject to further approval of the General Body.

Shri Anuj Mehta started his career as Executive (Co-ordination) on 1<sup>st</sup> July, 1993. Keeping in view his overall performance in all areas of the Company's activities he was appointed as an Executive Director of the Company w.e.f. 1<sup>st</sup> January, 1999. The Board of Directors in the meeting held on 20<sup>th</sup> July, 2007 has further approved his re-appointment as an Executive Director for a further period of 3 years w.e.f. 1<sup>st</sup> July, 2007 subject to approval of the Shareholders.

The Brief Resume of Shri Anuj Mehta is given in the section of Corporate Governance of the Annual Report.

None of the Directors of the Company except Shri Anuj Mehta himself, Shri V K Mehta, Vice Chairman & Mg. Director and Smt. Pooja Kapur, Director being his close relatives are interested in the said resolution.

The Board of Directors recommend the resolution set out at item No.5 of the Notice for necessary approval of the shareholders.



## DIRECTORS' REPORT

Dear Shareholders,

The Directors are pleased to present the Annual Report together with the Audited Accounts for the year ended 31<sup>st</sup> March 2007.

### FINANCIAL RESULTS

	(Rs. in Lakhs)	
	2006-07	2005-06
Income from Operations	25562.02	16335.92
Excise Duty	2055.19	1311.87
Net Sales (1-2)	23506.83	15024.05
Other Income (including increase/ Decrease in value in goods in process)	509.13	251.00
<b>Total Revenue (3+4)</b>	<b>24015.96</b>	<b>15275.05</b>
Raw Materials and Components	14337.80	8653.88
Employees Costs	1580.34	1229.50
Other Expenses (excl. Dep. & Interest)	4043.12	2871.09
<b>Total Expenses (excl. Dep. &amp; Interest)</b>	<b>19961.26</b>	<b>12754.47</b>
<b>PBDIT (5-9)</b>	<b>4054.70</b>	<b>2520.58</b>
<b>Depreciation and Amortisation</b>	<b>644.74</b>	<b>613.43</b>
PBIT (10-11)	3409.96	1907.15
Interest	889.84	616.83
<b>PBT (12-13)</b>	<b>2520.12</b>	<b>1290.32</b>
Current Tax	519.25	142.93
Deferred Tax	-95.00	-108.00
<b>PAT (14-15-16)</b>	<b>2095.87</b>	<b>1255.39</b>
<b>Appropriations</b>		
Proposed Interim Dividend	-	139.94
Tax on Dividend	-	19.63
<b>Surplus carried forward to the Balance Sheet</b>	<b>2095.87</b>	<b>1095.82</b>
<b>Earning per Share (EPS in Rupees) - Basic</b>	<b>13.51</b>	<b>8.97</b>
<b>Diluted</b>	<b>12.84</b>	<b>8.88</b>

### Zero Coupon Convertible Share Warrants

During the year, 15,20,000 Zero Coupon Share Warrants of Rs.10/- each issued at a premium of Rs.108/- each on preferential basis, were converted into 15,20,000 Equity Shares of Rs.10/- each. Further, 8,00,000 Zero Coupon Share Warrants of Rs.10/- each issued along with the above warrants were also converted into Shares during the month of April'07.

### Fixed Deposits

The Company has not accepted any Deposits within the meaning of Section 58A of the Companies Act, 1956.

### Directors

During the year under report, Shri M L Gulati, Executive Director had resigned from the Board of your Company w.e.f. 4.10.2006. Your Directors take this opportunity to place on record their sincere appreciation of services rendered by him during his tenure.

In terms of Section 256 of the Companies Act, 1956, Shri K S Bhatnagar, Chairman and Shri K K Taneja, Director retire by

rotation and being eligible, offer themselves for re-appointment.

Your Directors recommend their reappointment for a further tenure in the larger business interests of your Company.

Brief Profiles of Shri K S Bhatnagar and Shri K K Taneja are given in the Corporate Governance Section of the Annual Report.

### Management Discussion & Analysis Report

The Board presents the detailed Management Discussion and Analysis Report as per Annexure – A.

### Corporate Governance

Our Company's philosophy on Corporate governance envisions attainment of highest level of transparency, accountability and fairness in respect of its operations and achievement of highest internal standards in corporate governance. The Company believes that all actions and operations must subserve its best business interest and enhance overall shareholders' value. A note on Company's Corporate Governance is annexed as Annexure – B.

A separate statement on Corporate Governance is included as a part of the Annual Report along with the Certificate received from the practicing company secretary on its compliance as Annexure – C.

### Auditors

M/s. B. Aggarwal & Co., Chartered Accountants and Statutory Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for reappointment. Your Directors recommend their appointment for a further term at such remuneration as the Board may think fit or proper.

Regarding queries relating to Auditors' Report for the year ended 31<sup>st</sup> March, 2007, the Management has submitted its clarification in the Notes on Accounts to this Annual Report suitably.

### Directors' Responsibility Statement

Pursuant to Section 217(2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed:

- (i) that in the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March, 2007 the applicable accounting standards have been followed along with appropriate explanation relating to material departures;
- (ii) that the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review;
- (iii) that the Directors have taken proper and sufficient care 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 frauds and other irregularities;

- (iv) that the Directors have prepared the accounts for the financial year ended 31<sup>st</sup> March, 2007 on a "going concern" basis.

**Employees**

During the year under report, the Employees relations throughout the year continued to be cordial and harmonious and on behalf of your Board, I would like to express appreciation of the good work done and co-operation extended by the employees at all levels in accomplishing the Company's tasks and goals.

The information required under the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 and forming part of the Report is annexed hereto as Annexure - D.

**Conservation of Energy, Technology Absorption and Foreign Exchange Earnings, Outgo**

A Statement containing the necessary information as required under the Company (Disclosure of Particulars in the Report of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31<sup>st</sup> March, 2007 is given as Annexure 'E'.

**Acknowledgement**

Your Directors wish to place on record their thanks for the assistance, guidance and cooperation extended to the Company from time to time by the Financial Institutions, Banks, Central & State Governments, our dear Shareholders during the year under report. They also wish to convey their deep appreciation of the loyal and devoted services rendered by the employees at all level in general.

For and on behalf of the Board

K S Bhatnagar  
Chairman





## MANAGEMENT DISCUSSION & ANALYSIS

### I. INDUSTRY STRUCTURE & OPPORTUNITIES

Year 2006-07 witnessed a respectable growth in Automotive industry. The global output has registered a growth of around 5% and at national level  $\approx$  18% during the year 2006-07. GDP growth during the last few years and the current year is expected to grow at an average of 8.5%. 2006-07 witnessed hardening of interest rates coupled with higher inflationary pressures over the previous year.

Automotive Industry occupies a prominent place in the national economy. The ancillary and allied industries supporting and depending on Automotive Industry are contributing to higher economic growth. Sourcing of auto component parts from India by foreign companies is providing impetus to the growth of Automotive Industry. Govt. of India has notified an Automotive Mission Plan for a 10 years period i.e. 2006 to 2016 which will make Indian Automotive Industry as a global Hub for small Cars and a favourite point for import of components.

Sustained spending on infrastructure is providing a platform for growth of automotive parts industry.

Clutch Auto Ltd. is keeping pace with the growth trends by achieving a cumulative growth rate of around 50% over the last some years.

Of late, Automobile, Heavy Duty Commercial Vehicle and Motor Cycle Industries are witnessing demand recession leading to dislocation in the growth of these sectors. Clutch Auto Ltd. is catering all the 3 sectors viz. OEM, Replacement Market and Exports. Aftermarket and Export market are promising growth segments. Clutch Auto is confident to face demand recession in Heavy Duty Commercial Vehicles in India by improving its sales in Aftermarket as well as exports over the coming years.

At export front Clutch Auto Ltd. has made long term commitments to OEMs' like Uzel Turkey, a leading Truck Manufacturer in USA and an MNC European Clutch Manufacturer. Agreements are under advance stages of negotiations / implementation and open up new vistas for the growth of the Company over the coming years.

### II. FINANCIAL PERFORMANCE OF THE COMPANY

The Company's financial performance continued to improve in this Financial Year owing to a good volume growth of 56% and continued efforts by the Company to maintain its margins, driven mainly by cost reduction efforts. The following table sets forth the breakup of the Company's expenses as part of the net revenue.

	Percentage of turnover	
	2007	2006
<b>Turnover net of excise duty</b>	<b>100</b>	<b>100</b>
<b>Expenditure :</b>		
Material Cost	58.85	56.13
Employee Cost	6.72	8.18
Manufacturing & other expenses (Net)	17.09	19.11
Profit Before Depreciation, interest, Exceptional items and Tax	18.04	16.77
Depreciation (including product development expenditure)	2.74	4.08
Interest (Net)	3.79	4.11
Profit before Exceptional items and tax	10.72	8.59
Profit After Tax	8.92	8.35

**Turnover, net of excise duties**, increased by 56% to another record high of Rs. 235.07 Cr. from Rs.150.24 Cr. in 2005-06.

**Raw Material consumption** increased to Rs. 143.38 Cr. in 2006-07 from Rs. 86.54 Cr. in 2005-06. This was largely a result of high steel prices during the first quarter of the year. However, the Company managed to maintain its ratio of raw material consumption to net turnover at 58.85% in 2006-07 (56.13%) on account of the ongoing cost reduction programme. As part of the cost reduction programme, the Company initiated global sourcing, vendor rationalization and value engineering during 2006-07.

**Employee Cost** increased to Rs. 15.80 Cr. from Rs. 12.29 Cr. registered in the previous year. However, increase in productivity helped the Company reduce its employee cost as a percentage of net turnover to 6.72%, as compared to 8.18% in 2005-06.

**Profit Before Depreciation, Interest, Exceptional items and Tax** increased by 60.91% to Rs. 40.55 Cr. from Rs. 25.20 Cr. in 2005-06. There is marginal increase in operating margin of the Company.

**Depreciation** for the year 2006-07 increased by 10.70% to Rs. 5.17 Cr. from Rs. 4.67 Cr. in 2005-06 on account of increase in Fixed Assets.

**Interest Cost** reduced to 3.79% of turnover in 2006-07 from 4.11% in 2005-06. The decrease in interest cost was on account of financial restructuring by way of replacement of high interest bearing term loans & working capital loans with low interest loans & working capital.

**Profit Before Tax (PBT)** of the Company increased by 95.35% to Rs. 25.20 Cr. from Rs. 12.90 Cr. in 2005-06. The tax provision for current year was at Rs. 5.07 Cr. as compared to Rs. 1.23 Cr. in 2005-06.

**Profit After Tax (PAT)** increased by 68.94% to Rs. 20.96 Cr. from Rs. 12.55 Cr. in 2005-06. Earning Per Share (EPS) increased by 50.60% to Rs. 13.51 compared to Rs.8.97 last year.

#### Balance Sheet

As on March 31, 2007, the Ordinary Share Capital of the Company stood at Rs. 15.51 Cr. as compared to Rs. 14.00 Cr. as on March 31, 2006. This was due to allotment of Shares to a Corporate Body and a relative of promoters on Preferential basis.

Gross Secured Debt stood at Rs. 80.26 Cr. as on March 31, 2007 as compared to Rs. 59.44 Cr. as on March 31, 2006.

**Current Assets** of the Company increased to Rs. 183.57 Cr. in 2006-07 from Rs.119.72 in 2005-06. This increase is mainly on account of Debtors increasing to Rs.105.87 Cr. in 2006-07 from Rs. 74.28 Cr. in 2005-06 and increase in Inventories to Rs. 38.06 Cr. in 2006-07 from Rs. 32.00 Cr. in 2005-06. Consequently, Inventory Turnover Ratio reduced to 1.94 M in 2006-07 from 2.56 M in 2005-06. Sundry Debtors Turnover Ratio also improved from 5.46 M to 4.97 M over the previous year.

**Current Liabilities** of the Company increased to Rs.40.32 Cr. in 2006-07 from Rs.25.93 Cr. in 2005-06.

### III. SWOT ANALYSIS

1. Even though we have taken adequate care to develop an independent IPR Portfolio, risk of encroachment by look alike local products and from international channels may have a bearing on Company's marketing plans.
2. North American OEM's buy complete transmission including the clutch. Clutch Auto is pursuing possibilities of emerging as a standalone Clutch manufacturer and build linkages with a leading transmission manufacturer in Nafta region success on their fronts will be crucial for Company's long term plans.
3. With the increasing trends on Electronic Controls especially regarding integration of Engines and transmissions, Company may have to establish appropriate linkages for integration of its products in the OEM segment. This can affect Company's future progress under OES and OE business and can work as an USP or hinder its progress.
4. R & D support from Govt. of India and policy initiatives to support IPR related disputes under overseas markets can be a big support in our penetration in the markets dominated by monopolies typically the Heavy Duty market segments in North America. In the absence of a clear directive from Govt, we may have to fend on our own though with an adequate Product Liability Insurance coverage.
5. MRP related Pricing Control by Finance Ministry requires restructuring of the distribution network, outcome is difficult

to spell out at this stage, unless abatement rates are structured in tune with the market requirements. Company's pricing structure in replacement market may undergo some need based adjustments.

6. Being the only off-shore Company to enter the HD Clutch market in US dominated by a single clutch manufacturer and 2 quasi manufacturers in the Aftermarket, Company plans to enter with a Single Tier distribution network as far as possible for a long term competitive position. This exercise may take 2/3 years to settle down being a new experiment undertaken by an overseas manufacturer in this traditionally highly sensitive market.

### IV. TECHNOLOGY

#### (i) MEOST

The development activities have been backed with in-house Test Certification, Simulation, Demonstration and Multiple Environment Over Stressed Testing (MEOST) capabilities duly correlated with the customers test facilities, certification and procedures so that not only we are in a position to satisfy ourselves for suitability of our products in most unusual / unreplicated Indian operating conditions but the customers also have an opportunity to see and verify the same by witness / conformance testing. This has increased our confidence that once the products are proven in Indian conditions, we can look forward to better performance in similar applications anywhere else in the world. Low cost base established by the Company backed with new Productivity and Quality improvement initiatives and customer focused innovative introductions give an edge to the Company to be a long term competitive supplier in this high value added market segment.

#### (ii) Upgraded Upsized Retrofittable Clutches

Care has been taken that all the new developments serve the ultimate user's needs and concepts in different market environment with interchangeability and for the first time in the industry Retrofittable clutches unit to unit and even component to component with better cost effective engineering solutions for a long term presence in the market., concentrating on the basic need of an extended service life supported with updated need based value for technological inputs.

#### (iii) NVH Solutions

NVH Solution capabilities through design of clutches exclusively established by the Company in the country is going to be an opportunity for increasing the share of business in light of pressure on tightening of the emission norms and emphasize on cost cutting by introduction of more and more Value Engineered products in this segment especially the Light Commercial Vehicle segment.

#### (iv) Ceramic Clutches

The Ceramic clutch portfolio essentially developed for the American market has been extended for domestic applications with innovative Add-ons are opening up Hi-value , Hi-volume demand for us in India and after trials in the last 3-4 years open up new supply channels in North America and soon in Europe. Complimentary American and European designs dominating rest of the world are