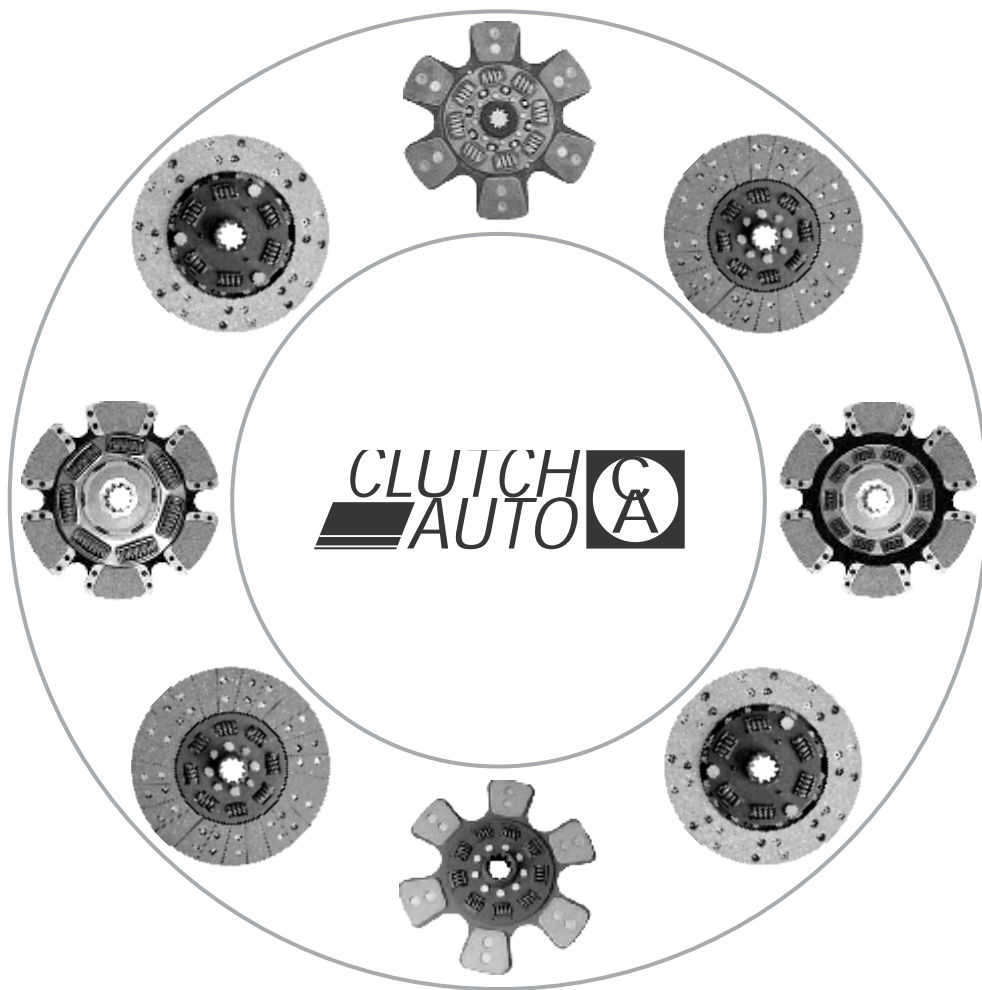




# 44th ANNUAL REPORT 2014-2015



**CLUTCH AUTO LIMITED**  
**THE HARD WORKING CLUTCH**

Regd. Office : 2E/14, (1st Floor), Jhandewalan Extension, New Delhi-110055

Works & Admn. Office: SP2-173/174, RIICO Industrial Area, Kaharani, Bhiwadi, Distt. Alwar (Rajasthan)





**BOARD OF DIRECTORS:**

SH. V K MEHTA	Chairman & Managing Director
SH. K K TANEJA	Director
SMT. POOJA KAPUR	Director
SH. GIAN C NARANG	Director
SH. DHIRENDRA N CHATURVEDI	Director
SH. SURAJ MOHAN KHORANA	Director

**COMPANY SECRETARY:**

SH. MANISH RAI	Company Secretary
----------------	-------------------

**AUDITORS:**

M/s. S. C. Garg & Associates,  
Chartered Accountants,  
8, Ground Floor,  
Anand Vihar, Pitampura,  
New Delhi – 110 034

**BANKERS:**

State Bank of Travancore  
State Bank of India  
Central Bank of India  
DBS Bank Ltd.  
Canara Bank  
Export Import Bank of India

**REGISTERED OFFICE:**

CIN No. : L34300DL1971PLC005634  
2E/14, (1st Floor)  
Jhandewalan Extn.,  
New Delhi – 110 055  
Telefax: (011) 23683548  
E-mail : [mailto:cal@rediffmail.com](mailto:mailto.cal@rediffmail.com)  
Website : [www.clutchauto.com](http://www.clutchauto.com)

**Works & Admn. Office:**

SP2-173/174, RIICO Industrial Area,  
Kaharani, Bhiwadi,  
Distt. Alwar (Rajasthan)



## CONTENTS

	Page No.
Directors' Report	3
Management Discussion & Analysis Report	14
Corporate Governance Report	15
Auditors' Report	25
Balance Sheet	29
Profit & Loss Account	30
Cash Flow Statement	31
Notes to Financial Statements	32
Notice	44

## DIRECTORS' REPORT

**Dear Shareholders,**

Your Directors have pleasure in presenting their 44th Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2015.

### 1. Financial summary or highlights/Performance of the Company (Standalone)

Particulars	(Rs. in lacs)	
	2014-2015	2013-14
Net Sales	3893.33	3059.85
Profit /(Loss) Before Interest and Depreciation	(2968.20)	(2174.60)
Finance Charges	0.84	2103.56
Gross Profit/(Loss)	(2969.04)	(4278.16)
Provision for Depreciation	1922.50	355.22
Exceptional Item	13229.53	8871.28
Net Profit /(Loss) Before Tax	(18121.09)	(13504.69)
Provision for Tax	(47.39)	(207.69)
Net Profit/(Loss) After Tax	(18073.70)	(13296.99)

### 2. Brief description of the Company's working during the year/State of Company's affair

During the year under report, your Company has registered Net Sales of Rs.38.93 Crores in comparison to Rs.30.60 Crores for the financial year 2013-14 depicting an increase of 27.26% YOY basis. This net sales has been achieved despite all difficulties being faced by the company at this moment. With no support from any of the Banks in the form of working capital, your company has achieved this feat with mere working capital and effectively utilizing its customer base and Vendors simultaneously.

As lot much construction work is to be done and plant & machineries are to be installed at Bhiwadi Plant entailing huge capital expenditure and with no sign of any substantial foreseeable funds in near future, your company has managed to maintain the existing royal customers' confidence intact and has kept the hope of revival of the company alive. Apart from strong hold in the replacement market, your company has been able to add few OEM Customers for the existing plant which is a substantial achievement for the company in such a scenario. Your company is very much hopeful to replicate this performance in coming years and with the infusion of proper working capital in the system, your company will be able to garner a much larger share in the Clutch Industry.

During the year under report, your company has registered itself with Board for Industrial & Financial Reconstruction (BIFR) as the networth of the Company got eroded in the financial year 2013-14. The Board formed the Opinion for registering the Company in BIFR in its meeting dated 14th August 2014, and get the Company registered on 18th November 2014 with BIFR as a Sick Company pursuant to provisions of the Sick Companies (Special Provisions) Act, 1985 seeking revival of the company.

### 3. Change in the nature of business, if any

There is no change in the nature of business.

### 4. Dividend

In view of huge losses, your Board is not in a position to declare any dividend for the financial year 2014-15.

### 5. Reserves

Pursuant to huge losses incurred by the Company its net worth got eroded in consequence thereof and was forced to registered with BIFR, Delhi for its revival.

### 6. Change of Name

There is no change in the name of the Company.

### 7. Share Capital

Your Company has not issued any fresh or further capital during the financial year under report. The paid up capital of the Company is Rs.1876.04 Lakhs.



## **8. Directors and Key Managerial Personnel**

Ms. Pooja Kapur, Director retire by rotation at the forthcoming Annual General Meeting and being eligible, offer herself for reappointment.

## **9. Meetings**

During the financial year ended 31st March 2015, six Board Meetings were held. The details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

## **10. Board Evaluation**

Pursuant to the provisions of Section 149 read with Schedule IV of the Companies Act, 2013 and conditions of Corporate Governance, the Independent Directors in their separate meeting held on 31st March 2015 had reviewed the performance of the members of the Board, the Board as a whole and the Chairman of the Company after taking into accounts the prevailing situation of the Company, expressed satisfaction over the affairs of the Company. Measures taken to revive the Company were discussed. The Performance criteria of Independent Directors have been laid down as per Clause 49-II(B) (5) of the Listing Agreement in consonance with Para VIII of Schedule IV of the Companies Act, 2013.

## **11. Declaration by an Independent Director(s) and re-appointment, if any**

Your directors would like to confirm that all Independent Directors of the Company have given their declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

## **12. Remuneration Policy & Particulars of Employees:**

The Board has to, on the recommendation of the Nomination & Remuneration Committee, appoint directors, if any, and to decide remuneration along with senior personnel's. A separate note has been given in the Corporate Governance Report.

## **Managerial Remuneration & Particulars of Employees:**

No Remuneration was drawn by all Non-executive and Executive Director during the year except reimbursement by Executive Director.

Since no remuneration except reimbursement has been drawn either by Managing Director or any other Director, provisions of Sub section 12 of Section 197 is not applicable to us.

However, the information required pursuant to Section 197 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided upon request. In terms of Section 136 of the Act, the Report and financial statements are being sent to the members and others entitled thereto, excluding the information on employees particulars which is available for inspection by the members at the Registered Office of the Company during business hours on working days of the Company upto the date of the ensuing Annual General Meeting. If any Member is interested in obtaining a copy thereof, such Member may write to the Company in this regard.

## **Particulars of Employees**

Sub Rule 2 of Rule 5 of Companies (Appointment & Remuneration of Managerial Personnel) 2014 is not applicable to us as no employee falls into this category.

## **13. Details of Subsidiary/Joint Ventures/Associate Companies**

There is no Subsidiary/Joint Ventures/Associate Companies related to the Company.

## **14. Auditors**

The Auditors, M/s S C Garg & Associates, Chartered Accountants, New Delhi retire at the ensuing Annual General Meeting and, being eligible, offer themselves for reappointment for a period of one year from the conclusion of this Annual General Meeting [AGM] till the conclusion of next AGM.

## **15. Auditors' Report**

Notes to Accounts and Auditors remarks in their report are self-explanatory and do not call for any further comments.

Regarding observation made by the Auditors regarding non-provisioning of interest on Working Capital and Term Loans being availed by the company at present, such stand has been taken by the Management as per the relevant Circulars of Reserve Bank of India which debar banks for charging interest on NPAs Accounts. However, Banks are free to book interest in their memorandum account but in our case as all the Bank Accounts have turned into NPA and all the represented assets against such liabilities wiped out. The Management has decided not to make provision for interest in the books as the Company is not in a position to pay any interest.

#### **16. Secretarial Audit Report**

In terms of Section 204 of the Act and Rules made there under, M/s. D K Dubey & Associates, Practicing Company Secretary have been appointed Secretarial Auditors of the Company. The report of the Secretarial Auditors is enclosed as Annexure III to this report. The relevant observations made by the Secretarial Auditor in its report is self-explanatory and do not call for any further comments.

#### **17. Vigil Mechanism :**

In pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013, a Vigil Mechanism for directors and employees to report genuine concerns has been established.

#### **18. Risk management policy**

Pursuant to the requirement of Clause 49 of the Listing Agreement, the Company has constituted a Risk Management Committee. The details of Committee and other details are also set out in the Corporate Governance Report forming part of the Board's Report.

The Risk Management Committee has specified certain broad areas to be looked into regularly so that minimization of risks can be achieved in view of the current situation of the Company as the operations of the Company are not at large scale.

#### **19. Extract of Annual Return**

As required pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in MGT 9 as a part of this Annual Report as ANNEXURE I .

#### **20. Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.**

As the Company has registered itself with BIFR, certain legal proceedings against the Company have been stopped in view of the provisions of Section 22 of SICA (Special Provisions) Act 1985.

There are no significant material orders passed by the Regulators/Courts which would impact the going concern status of the Company and its future operations. However, in line with the requirement of Clause 36 of the listing Agreement read with guidance note issued by the Stock Exchanges, the Company has reported all the major cases / litigation matters etc. from time to time to the Stock Exchanges.

#### **21. Deposits**

During year under report your Company has not accepted/invited any Deposits.

#### **22. Particulars of loans, guarantees or investments under section 186**

There is nothing to report under the above mentioned clause

#### **23. Material changes and commitments, if any, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report**

No material changes have occurred after the closure of the financial year and to the date of report which affects the financial position of the Company.

#### **24.Details in respect of adequacy of internal financial controls with reference to the Financial Statements.**

The Company has made adequate arrangements for internal financial controls with reference to the Financial Statements.

#### **25.Particulars of contracts or arrangements with related parties:**

The particulars of every contract or arrangements to be entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including arm's length transactions have been entered into.

#### **26.Corporate Governance Certificate**

The Compliance certificate from a practicing company secretary regarding compliance of conditions of corporate governance as stipulated in Clause 49 of the Listing agreement is annexed with the report.

#### **27.Management Discussion and Analysis**

The Management Discussion and Analysis forms part of this Annual Report for the year ended 31st March 2015.

#### **28.Obligation of company under the sexual harassment of women at work place (Prevention, prohibition and redressal) act, 2013**

In order to prevent sexual harassment of women at work place a new act The Sexual Harassment of Women at Work place (Prevention, Prohibition and Redressal) Act, 2013 has been notified on 9th December, 2013. Under the said Act every

company is required to set up an Internal Complaints Committee to look into complaints relating to sexual harassment at work place of any women employee.

Your Board has took note of the same and is determined to prevent any such complaints. We believe in providing dignified environment to working ladies. However, pursuant to shifting of plant to a remote area, lady staffs have left the Company.

## 29. Conservation of energy, technology absorption and foreign exchange earnings and outgo

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

### 1. Conservation of energy

The Company is continuously putting its efforts to improve Energy Management by way of monitoring energy related parameters on regular basis. It is putting best endeavor to reduce energy consumption in all its operations and activities.

#### Energy Conservation Measures Taken

- 1) Energy efficient LED lamps installed in Production Halls.
- 2) Strict Administrative measures have been adopted to save/control the utilization of electricity by switching off the Lamps & Fans before & after the Production & duty timings.

### Information pursuant to Section 217(1)(e) of the Companies Act, 1956.

A. Conservation of Energy:	<u>2014-15</u>	<u>2013-14</u>
Power & Fuel Consumption		
a) Electricity purchased Units (KWH)	202478	101680
Total Amount (Rs.)	22,41,877	11,85,589
Rate/Unit (Rs. KWH)	11.07	11.66
b) Own Generation through Diesel	18766	21790
Generators Units (KWH)		
Total Amount (Rs.)	223992	264177
-Diesel oil per litre (Rs.)	53.33	55.70
-Cost per unit (Rs.)	11.93	12.00
(Diesel Cost only)		
Total Electricity consumed (units)	221244	123470
Total Production (units)	318324	216263
Electricity consumption (per unit)	0.69	0.57

### 2. Technology absorption, adaption and innovation

#### A. Research & Development (R & D)

Due to shifting of machinery from Faridabad to Bhiwadi & other issues, no special initiative was taken for Research & Development.

#### B. Technology absorption

No initiative could be taken on this front also.

### Additional investment & proposals, if any, for reduction of conservation of Energy

Since our company has recently shifted to Rajasthan and running under huge losses, the Company is not in a position to make any additional investment in this regard.

3. Foreign exchange earnings and outgo	<u>2014-15</u>	<u>2013-14</u>
Total foreign exchange earned and used		
1. Foreign Exchange Earned	0	0
2. Foreign Exchange Outgo:		
i) Raw Materials (CIF)	0	0
ii) Travel	1980710	1,287,450
iii) Others	11977856	-
<b>Total</b>	<b>13958566</b>	<b>1,287,450</b>



### **30. Directors' Responsibility Statement**

The Directors' Responsibility Statement referred to in clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, shall state that—

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) Such accounting policies as mentioned in the notes to the financial statements have been selected and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31st March 2015 and the profit and loss of the company for the financial year ended 31st March 2015;
- (c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of this Act 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; and
- (e) Proper internal financial controls have been followed by the company and that such internal financial controls are adequate and were operating effectively and
- (f) proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **31. Transfer of Amounts to Investor Education and Protection Fund**

Your Company did not have any funds lying unpaid or unclaimed for a period of seven years.

Therefore there were no funds which were required to be transferred to Investor Education and Protection Fund (IEPF).

### **32. Listing with stock exchanges:**

The Company is in the process of paying the Annual Listing Fees for the year 2015-2016 to NSE and BSE where the Company's Shares are listed.

### **33. Acknowledgements**

The Directors express their gratitude to all the Concerned Stakeholders for their co-operation extended to the Company.

For and on behalf of the Board of Directors

Place: New Delhi

Date: 30.05.2015

Vijay Krishan Mehta  
Managing Director



34. Annexure I

**FORM NO. MGT 9  
EXTRACT OF ANNUAL RETURN**

As on financial year ended on 31.03.2015

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

**I. Registration & other details:**

1.	CIN	L34300DL1971PLC005634
2.	Registration Date	13th, May 1971
3.	Name of the Company	Clutch Auto Limited
4.	Category/Subcategory of the Company	Public Limited Company
5.	Address of the Registered office & contact details	2E/14, First Floor, Jhandewalan Extn., New Delhi 110055 Contact Person Manish Rai, Company Secretary Tel No.011-23683548
6.	Whether listed company	Yes, Listed with NSE & BSE
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Mr. Sharwan Mangala, GM, MAS Services Ltd. T-34, 2nd Floor, Okhla Industrial Area, Phase II, New Delhi 110020 Tel: 91-11- 26387281 - 83

**II. Principal business activities of the company**

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S.No.	Name and Description of main products /services	NIC Code of the Product/service	% to total turnover of the company
1.	Clutch Plates & Cover Assemblies	29301	100%

**III. Particulars of holding, subsidiary & associate company**

S.No.	Name & Address of the Company	CIN/GLN	Holding/Subsidiary/Associate	% of Shares held	Applicable Section
----	-----	-----	----- Not applicable -----	-----	-----