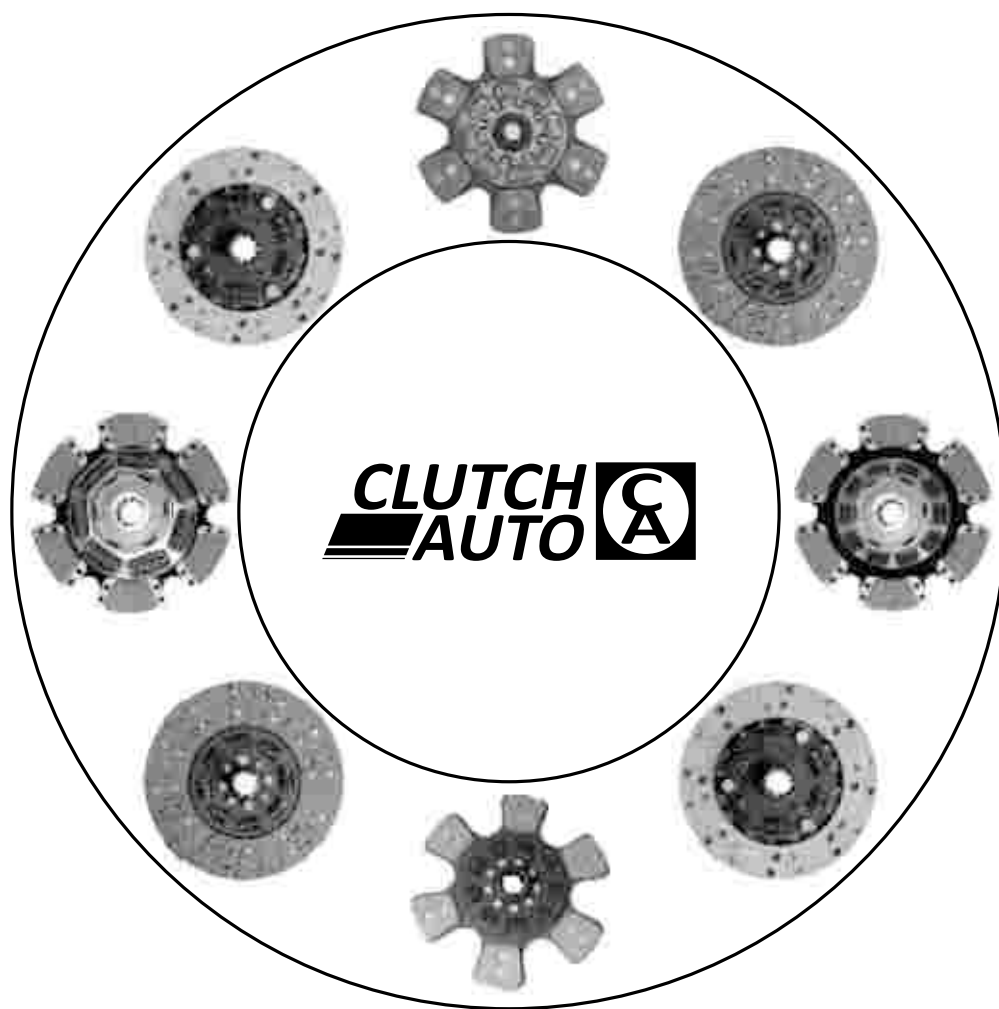




45th ANNUAL REPORT 2015-2016



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) 301019

BOARD OF DIRECTORS:

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

Chairman & Managing Director
Director (Resigned w.e.f. 18.11.2015)
Director (Resigned w.e.f. 15.09.2015)
Director
Director
Director

COMPANY SECRETARY:

SH. MANISH RAI

Company Secretary

AUDITORS:

M/s. S. C. Garg & Associates,
Chartered Accountants,
49, Ekjot Apartment,
Road No.44, 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

WORKS & ADMN OFFICE:

SP2-173/174, RIICO Industrial Area,
Kaharani, Bhiwadi,
Distt. Alwar (Rajasthan) 301019



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DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting their 45th Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2016.

1. Financial summary or highlights/Performance of the Company (Standalone) (Rs. in lacs)

Particulars	2015-2016	2014-2015
Net Sales	4652.77	3893.33
Profit /(Loss) Before Interest and Depreciation	(137.02)	(2968.20)
Finance Charges	1.59	0.84
Gross Profit/(Loss)	(138.61)	(2969.04)
Provision for Depreciation	1001.21	1922.50
Exceptional Item	3595.53	13229.53
Net Profit /(Loss) Before Tax	(4735.35)	(18121.09)
Provision for Tax	(8.65)	(47.39)
Net Profit/(Loss) After Tax	(4726.70)	(18073.70)

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.46.53Crores in comparison to Rs.38.93 Crores for the financial year 2014-15 depicting an increase of 19.52 % YOY basis.

Your company has registered itself with Board for Industrial & Financial Reconstruction (BIFR) on 18th November 2014 as a Sick Company pursuant to provisions of the Sick Companies (Special Provisions) Act, 1985 seeking revival of the company. Hearing before BIFR is going on and it is expected to take some time till final revival of the unit will take place or any other plan to revive the company will be implemented.

3. Change in the nature of business, if any

There is no change in the nature of business.

4. Dividend

In view of loss, your Board is not in a position to declare any dividend for the financial year 2015-16.

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 and Mr. K K Taneja, Directors have resigned from the Board of Directors of the Company on 15th Sept 2015 and 18th November 2015 respectively.

Mr. G C Narang and Mr. S M Khorana, Independent directors will be reappointing as directors w.e.f.1.10.2016.

9. Meetings

During the financial year ended 31st March 2016, five 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 2016 reviewed the performance of the members of the Board including the chairman and took note of the difficulties being faced by the company on different front.

The company has not been able to appoint requisite number of directors on the board since the company is registered with BIFR and have been facing so many legal issues.

However, the existing directors expressed satisfaction for the efforts being made by the chairman to revive the company.

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 applicable SEBI (LODR) Regulations, 2015.

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 some 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 debars 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.

Regarding concern of the Auditors for the company as a going concern against non-availability of Assets against current liabilities, the management has kept the value of Assets at book value & not at market value which in the opinion of the management will be just sufficient to cover the liabilities of the company. Further, hair cut in liabilities related to Banks / Vendors is expected while compromising dues with the Company under one time settlement under any probable scheme of arrangement with lenders/vendors in the future. The Management is hopeful of getting such proposals through and discussions are at advance stage with some lenders/vendors.

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 Auditor of the Company. The report of the Secretarial Auditor is enclosed 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 in the light of company presently registered with BIFR.

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 Applicable SEBI (LODR) Regulations 2015 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.

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.

The Assets of the company at Faridabad & Bhiwadi were acquired symbolically by the consortium of Banks and Financial Institutions on 1st February 2016 and 29th April, 2016 respectively. However, Banks & Financial Institution have allowed to operate the Bhiwadi plant for the time being so as to further any scheme of arrangement with Banks / Vendors could be fructified to dispose off the liabilities of the company.

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 except the acquisition of Physical assets symbolically by Banks/Financial Institutions 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

A certificate from a practicing company secretary regarding compliance of conditions of corporate governance as pursuant to SEBI (LODR) Regulations, 2015 is annexed with the report.

27. Management Discussion and Analysis

As required the Management Discussion and Analysis Report is enclosed as a part of this report.

28. Obligation of company under the sexual harassment of women at workplace (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 Workplace (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>2015-16</u>	<u>2014-15</u>
Power & Fuel Consumption		
a) Electricity purchased Units (KWH)	176017	202478
Total Amount (Rs.)	19,53,793	22,41,877
Rate/Unit (Rs. KWH)	11.10	11.07
b) Own Generation through Diesel Generators Units (KWH)	25171	18766
Total Amount (Rs.)	302046	223992
-Diesel oil per litre (Rs.)	55.93	53.33
-Cost per unit (Rs.) (Diesel Cost only)	12.00	11.93
Total Electricity consumed (units)	201188	221244
Total Production (units)	310622	318324
Electricity consumption (per unit)	0.65	0.69

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. However, some testing of products are being carried out at Bhiwadi Plant.

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 incurred huge losses, the Company is not in a position to make any additional investment in this regard.

3. FOREIGN EXCHANGE EARNINGS AND OUTGO	2015-16	2014-15
Total foreign exchange earned and used		
1. Foreign Exchange Earned	0	0
2. Foreign Exchange Outgo:		
i) Raw Materials (CIF)	0	0
ii) Travel		1,980,710
iii) Others		11,977,856
Total		13,958,566

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 2016 and the profit and loss of the company for the financial year ended 31st March 2016;

(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.

REGARDING PROVISIONS OF LISTING AGREEMENT DURING FY 2015-16

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 has not been able to pay the Annual Listing Fees for the year 2016-2017 to NSE and BSE where the Company's Shares are listed. Meanwhile, due to some non-compliance security of the company got suspended for trading on the stock exchanges.

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: 18.10.2016

Vijay Krishan Mehta
Chairman & Managing Director

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

As on financial year ended on 31.03.2016

**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	13 th May 1971
3.	Name of the Company	Clutch Auto Limited
4.	Category/Sub-category 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 but security suspended for trading.
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Mr. Sharwan Mangala, GM MAS Services Ltd. T-34, 2 nd 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 -----	-----	-----