



BHARAT SEATS LIMITED

Plot No.1, Maruti Udyog Joint Venture Complex, Gurugram-122015 (Haryana) India
Phones : +91-9643339870-74 Fax : 0124-2341188 E-mail:seats@bharatseats.net
CIN: L34300DL1986PLC023540 WEBSITE:www.bharatseats.com

24.06.2024

Corporate Relationship Department

BSE Limited
Floor 25, P.J. Towers
Dalal Street
Mumbai – 400 001

REF: CODE: 523229

Sub: Notice for 37th Annual General Meeting (AGM) along with Annual Report for the year ended 31st March, 2024, book closure, cut-off date and e-voting dates

Dear Sir,

Pursuant to Regulation 34 and 42 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (i.e. LODR Regulations), read with Schedule III and Section 91 of the Companies Act, 2013, please find enclosed the Notice for the 37th Annual General Meeting scheduled to be held on 18th July, 2024 at 11 a.m. through Video Conferencing (VC)/ Other Audio Visual Means (OAVM) along with Annual Report for the year ended 31st March, 2024, which is sent to shareholders. The same is also available on the website of the Company www.bharatseats.com.

The schedule of different events is as follows:

Event	Date with Time
Pursuant to Regulation 42 of SEBI(LODR) Regulations, Book closure for the purpose of 37 th AGM and for payment of dividend, if any, declared in the ensuing AGM	12 th July, 2024 to 18 th July, 2024 (both days inclusive)
Cut-off date for e-voting	11 th July, 2024
Remote E-voting start date	15 th July, 2024 from 9 a.m.
Remote E-voting end date	17 th July, 2024 upto 5 p.m.
Annual General Meeting, (along with e-voting)	18 th July, 2024 at 11 a.m.

This is for your information and records.

FOR BHARAT SEATS LIMITED

(RITU BAKSHI)
COMPANY SECRETARY AND COMPLIANCE OFFICER
MEM. NO.: F3401
Encl.: a/a

Regd.Office:1, Nelson Mandela Road, Vasant Kunj, New Delhi-110070
Phone: 09810808631



37TH ANNUAL REPORT 2023-2024

 **BHARAT SEATS LIMITED**

Corporate Information

Board of Directors

- | | |
|------------------------------|---|
| 1. Mr. Rohit Relan | Chairman and Managing Director (DIN: 00257572) |
| 2. Mr. Makoto Kunieda | Director-Nominee-Suzuki Motor Corporation, Japan (DIN: 10260765) (appointed w.e.f. 04.08.2023) |
| 3. Mr. Shigetoshi Torii | Director-Nominee-Suzuki Motor Corporation, Japan (DIN: 06437336) (resigned w.e.f. close of working hours of 03.08.2023) |
| 4. Mr. Raman Venkat Challa | Director-Nominee-Maruti Suzuki India Limited (DIN: 07093663) |
| 5. Mr. Girish Narain Mehra | Independent Director (DIN: 00059311) (tenure completed on 31.03.2024) |
| 6. Mr. Ravindra Gupta | Independent Director (DIN: 01521168) (tenure completed on 31.03.2024) |
| 7. Ms. Shyamla Khera | Independent Director (DIN: 06929439) |
| 8. Mr. Arvind Varma | Independent Director (DIN: 02225281) |
| 9. Ms. Nisha Malhotra | Independent Director (DIN: 09428727) |
| 10. Mr. Sanjay Bhattacharyya | Independent Director (DIN: 10449854) (Appointed w.e.f. 01.04.2024) |
| 11. Mr. Sudhir Maheshwari | Independent Director (DIN: 00649505) (Appointed w.e.f. 01.04.2024) |
| 12. Ms. Vanita Chhabra | Independent (Additional) Director (DIN: 02161276) (Appointed w.e.f. 15.05.2024) |
| 13. Mr. Rishabh Relan | Whole Time Director (DIN: 07726444) |

Corporate Identity Number

CIN: L34300DL1986PLC023540

Bankers

HDFC Bank Ltd.
ICICI Bank Ltd.

Registered Office

1, Nelson Mandela Road, Vasant Kunj,
New Delhi-110070.

Works

Plant 1

Plot No. 1, Maruti Udyog Joint Venture Complex,
Gurugram - 122 015 (Haryana)

Plant 2

Plot No. Musttil No. 226, Kila No. 7/1,
Village Bhorakalan, Tehsil - Farukhnagar,
Gurugram (Haryana)

Plant 3

Plot No. 26, Sector-3A,
Maruti Supplier Park, IMT, Manesar, Gurugram(Haryana)

Plant 4

New Survey/ Block No.30 (Old Revenue Survey no. 403/9)
Moje Naviyani, Taluka Dasada, Distt. Surenderanagar,
Part of Nihon Industrial Park, Gujarat

Plant 5

Plot No. 17, Block No. 334, 335, Old 158, 293, TPS No. 1D,
F.P. No. 166+167, Hansalpur, Ahmedabad, Gujarat

Auditors

M/s S.R. Batliboi & Co. LLP
Chartered Accountants
Gurugram

Listed at

BSE Limited

Chief Financial Officer

Mr. Vinod Kumar

Company Secretary And Compliance Officer

Ms. Ritu Bakshi

Registrar And Share Transfer Agent

Alankit Assignments Limited
4E/2, Alankit House, Jhandewalan Extension, New Delhi - 110 055

E-Mail and Website

Investor_relations@bharatseats.net, www.bharatseats.com

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BHARAT SEATS LIMITED

(CIN: L34300DL1986PLC023540)

Regd. Office: 1, Nelson Mandela Road, Vasant Kunj, New Delhi-110070

Phones: +91 9643339870-74 Fax: 0124-2341188

E-mail: seats@bharatseats.net Website: www.bharatseats.com

NOTICE

NOTICE is hereby given that the Thirty Seventh Annual General Meeting of the members of BHARAT SEATS LIMITED will be held on Thursday, 18th July 2024 at 11 a.m. through Video Conferencing (VC) / Other Audio Video means (OAVM) to transact the following businesses. The deemed venue of the meeting shall be the Registered Office of the Company at 1, Nelson Mandela Road, Vasant Kunj, New Delhi - 110070.

Ordinary Business:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2024, together with the reports of the Board of Directors and Auditors thereon and in this regard, to give assent or dissent to the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT the Audited Financial Statements of the Company for the financial year ended 31st March, 2024 together with the reports of the Board of Directors and Auditors thereon be and are hereby received, considered and adopted.”

2. To declare dividend on equity shares for the financial year ended March 31, 2024 and in this regard, to give assent or dissent to the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the recommendation of the Board of Directors of the Company, dividend for the financial year ended March 31, 2024, at the rate of Rs. 1.60/- per Equity Share of Rs. 2/- each on the paid up equity share capital of the Company be and is hereby declared to be paid to the members of the Company.”

3. To appoint a Director in place of Mr. Raman Venkat Challa (DIN:07093663) who retires by rotation at this meeting as a Director and being eligible offers himself for re-appointment and in this regard, to give assent or dissent to the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT Mr. Raman Venkat Challa (DIN:07093663) who retires by rotation at this meeting and being eligible, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

Special Business:

4. **To appoint Ms. Vanita Chhabra (DIN: 02161276) as a Non-Executive Independent Director of the Company and in this regard to give assent or dissent to the following resolution as a Special Resolution:**

“RESOLVED THAT pursuant to the provisions of Section 149, 150, 152 and other applicable provisions of the Companies Act, 2013 (“the Act”) read with Schedule IV and the Companies (Appointment and Qualification of Directors) Rules, 2014, Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (“LODR Regulations”) including any statutory modification(s) or re-enactment thereof for the time being in force, Ms. Vanita Chhabra (DIN: 02161276), who was appointed as an Additional Director with effect from 15th May 2024, in respect of whom the board is of the opinion that she fulfills the conditions specified in the Companies Act, 2013, and who has submitted a declaration confirming that she meets the criteria of independence as per Section 149(6) of the Act and the Rules made thereunder and Regulation 16(1)(b) of the SEBI LODR Regulations and whose candidature for the office of Director has been recommended by the Nomination & Remuneration Committee and by the Board, be and is hereby appointed as a Non-executive Independent Director of the Company to hold office for a term of five consecutive years with effect from 15th May 2024 to 14th May 2029 and whose office shall not be liable to retire by rotation.”

5. **To re-appoint Mr. Rohit Relan (DIN:00257572) as a Managing Director of the Company and in this regard, to give assent or dissent to the following resolution as a Special Resolution:**

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203, Schedule V and all other applicable provisions of the Companies Act, 2013, Regulation 17 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any statutory modification(s) or re-enactment thereof, for the time being in force (“Listing Regulations”) and in accordance with the recommendation made by the Nomination and Remuneration Committee and by the Board, consent be and is hereby accorded for re-appointment of Mr. Rohit Relan (DIN:00257572) as Managing Director for a period of three years with effect from 1st October, 2024 to 30th September, 2027 on the following terms and conditions :

- A. Tenure: Three years i.e. from 1st October, 2024 to 30th September, 2027
- B. Remuneration:
1. Basic Salary: Rs.20,00,000 p.m. with a provision of annual increment of 10% per annum.
 2. Perquisites and Allowances: Upto a maximum of 50% of Salary p.m. Additionally entitled to company car along with reimbursement of car running & maintenance and driver expenses.
- C. Contribution to provident fund will not be accounted for the purpose of value of perquisites.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profit in any financial year, the Company shall pay to Mr. Rohit Relan same remuneration as stated above.”

6. To approve Material Related Party Transactions with NDR Auto Components Limited

To consider and, to give assent or dissent to the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 188 of the Companies Act, 2013 (“Act”) and other applicable provisions, if any, read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, as amended till date, Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and the Company’s policy on Related Party Transaction(s), approval be and is hereby accorded to the Board of Directors of the Company to enter into any type/nature of transactions as detailed below by way of entering into contract(s)/arrangement(s)/Transaction(s) with NDR Auto Components Limited, being related party within the meaning of Section 2(76) of the Act and Regulation 2(zb) of Listing Regulations, for the financial year 2024-25 onwards on such terms and conditions as the Board of Directors may deem fit:

- I. Purchase, transfer or receipt of products, goods, tools, materials, assets or services, up to a maximum aggregate value of Rs. 600 Crores in a Financial Year.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to perform and execute all such acts, deeds, matters and things including delegate such authority, as may be deemed necessary, proper, or expedient to give effect to this resolution and for the matters connected therewith or incidental thereto.”

7. To approve Material Related Party Transactions with Suzuki Motor Cycle India Private Limited

To consider and, to give assent or dissent to the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 188 of the Companies Act, 2013 (“Act”) and other applicable provisions, if any, read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, as amended till date, Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and the Company’s policy on Related Party Transaction(s), approval be and is hereby accorded to the Board of Directors of the Company to enter into any type/nature of transactions as detailed below by way of entering into contract(s)/arrangement(s)/transaction(s) with Suzuki Motor Cycle India Private Limited, being related party within the meaning of Section 2(76) of the Act and Regulation 2(zb) of Listing Regulations for the financial year 2024-25 onwards on such terms and conditions as the Board of Directors may deem fit:

- I. Sale or supply of Goods/ materials/ tools/ job charges, up to a maximum aggregate value of Rs. 400 Crores in a Financial Year.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to perform and execute all such acts, deeds, matters and things including delegate such authority, as may be deemed necessary, proper, or expedient to give effect to this resolution and for the matters connected therewith or incidental thereto.”

For Bharat Seats Limited

Place : Gurugram
Date : May 15, 2024

Ritu Bakshi
Company Secretary
FCS No.3401

NOTES:

1. The explanatory statement pursuant to Section 102 of the Companies Act, 2013 with regard to the special business as set out under item no. 4 to item no.7 and the relevant details pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment/ re- appointment at this Annual General Meeting (“AGM”) are annexed.

2. In accordance with various circulars issued by the Ministry of Corporate Affairs (MCA) and the Securities and Exchange Board of India (SEBI), AGM shall be conducted through VC/OAVM. The physical attendance of the members has been dispensed with and accordingly, a Member is not entitled to appoint a proxy. The deemed venue for the 37th AGM shall be the Registered office of the Company.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 12th July 2024 to 18th July, 2024 both days inclusive, for determining the entitlement of the shareholders to the Dividend for 2023-2024, if declared.
4. The Dividend on Equity Shares, as recommended by the Board of Directors, if declared at the AGM, will be credited/ dispatched between 18th July, 2024 and 16th August 2024 to those shareholders whose names appear in the Register of Members on 11th July 2024. 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 the close of business hours on 11th July 2024. Corporate members are requested to send at vijayps1@alankit.com or investor_relations@bharatseats.net before e-voting/ attending annual general meeting, a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the Annual General Meeting, pursuant to Section 113 of the Companies Act, 2013.
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.
6. 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 notify the Company/ Alankit Assignments Ltd. The Shareholders are informed that, SEBI vide its circular dated November 03, 2021 (*subsequently amended by circulars dated December 14, 2021, March 16, 2023 and November 17, 2023*) mandated that the security holders (holding securities in physical form), whose folio(s) do not have PAN or Choice of Nomination or Contact Details or Mobile Number or Bank Account Details or Specimen Signature updated, shall be eligible for any payment including dividend, interest or redemption in respect of such folios, only through electronic mode with effect from **April 01, 2024**. The Shareholders are requested to update their information accordingly.
7. The Company has transferred the unpaid or unclaimed dividends declared up to the financial years 2015-2016, from time to time on due dates to the Investor Education and Protection Fund(IEPF) established by the Central Government.
8. Pursuant to the provisions of the IEPF (Uploading of information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed dividends lying with the Company as on 31st March, 2023, on the website of the IEPF Authority viz. www.iepf.gov.in and on the website of the Company and the same can be accessed through the link: <https://bharatseats.com/unclaimed-dividend-31-03-2020/>. The Company has been sending reminders to members having unpaid/ unclaimed dividend before transfer of such dividend(s) to IEPF.
9. Members are requested to note that dividends if not encashed for a period of seven years from the date of transfer to the Unpaid dividend account of the Company, are liable to be transferred to the IEPF. The shares in respect of such unclaimed dividend if not encashed for a consecutive period of 7 (seven) years are also liable to be transferred to the demat account of the IEPF Authority. In view of this, members are requested to claim their dividends from the Company within the stipulated timeline.

Due dates for transfer of unclaimed/ unpaid dividends for the financial year 2016-17 and thereafter to IEPF are as follows:

F.Y. Ended	Declaration Date	Due Date
March 31, 2017	September 21, 2017	October 19, 2024
March 31, 2018	September 25, 2018	October 24, 2025
March 31, 2019	September 19, 2019	October 16, 2026
March 31, 2020	September 21, 2020	October 20, 2027
March 31, 2021	September 21, 2021	October 19, 2028

March 31, 2022	June 28, 2022	July 26, 2029
March 31, 2023	July 18, 2023	August 14, 2030

10. Adhering to the various requirements set out in the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the Company has, during the financial year 2023-2024, transferred to the IEPF Authority, all shares in respect of which dividend has remained unpaid or unclaimed for seven consecutive years or more as on the due date of transfer i.e. 19.10.2023. Details of shares transferred to the IEPF Authority are available on the website of the Company and the same can be accessed through the link: <https://bharatseats.com/unclaimed-dividend-for-transfer-of-shares-to-iepf-account/>. The said details have also been uploaded on the website of the IEPF Authority and the same can be accessed through the link: www.iepf.gov.in.
11. Members may note that shares as well as unclaimed dividends transferred to IEPF Authority can be claimed back from them. Concerned members/ investors are advised to visit the weblink: <http://www.iepf.gov.in/IEPF/corporates.html> or contact Alankit Assignments Limited for lodging claim for refund of shares and/ or dividend from the IEPF Authority. Members can file only one consolidated claim in a financial year as per the IEPF Rules.
12. Members may note that, in terms of the Listing Regulations, equity shares of the Company can only be transferred in dematerialised form.
13. The Securities and Exchange Board of India (SEBI) has mandated furnishing of PAN, KYC details (i.e., Postal Address with Pin Code, email address, mobile number, bank account details) and nomination details by holders of securities. Effective from 1st January 2022, any service requests or complaints received from the member, are not processed by RTA till the aforesaid details/ documents are provided to RTA. Relevant details and forms prescribed by SEBI in this regard are available on the website of the Company at <https://bharatseats.com/investor-service-request/>
14. To prevent fraudulent transactions, members are requested to notify any change in address or demise of any member, as soon as possible.
15. Members holding shares in electronic mode:
 - a. are requested to submit their PAN and Bank account details to their respective DPs with whom they are maintaining their demat accounts.
 - b. are advised to contact their respective DPs for registering the nomination.
 - c. are requested to register/ update their email address with their respective DPs for receiving all communications from the Company electronically.
16. Electronic copy of the Notice of the Thirty Seventh Annual General Meeting and Annual Report for 2023-2024 is being sent to all the members whose email IDs are registered with the Company/Depository Participant.
17. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, and all other documents referred to in the Notice will be available for inspection in electronic mode. Members can inspect the same by sending an email to investor_relations@bharatseats.net.
18. 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 Registrar 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
19. 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. The Company has designated an exclusive e-mail ID namely, investor_relations@bharatseats.net for receiving and addressing investors' grievances.
20. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of Listing Regulations, the Company is pleased to provide the facility to Members to exercise their right to vote on the resolutions proposed to be passed at AGM by electronic means. The Members, whose names appear in the Register of Members / list of Beneficial Owners

as on the cutoff date i.e. 11th July, 2024, i.e. the date prior to the commencement of book closure, are entitled to vote on the Resolutions set forth in this Notice. Members may cast their votes on electronic voting system from any place other than the venue of the meeting (remote e-voting). The remote e-voting period will commence at 9.00 a.m. (IST) on 15th July 2024 and will end at 5.00 p.m. (IST) on 17th July 2024. In addition, the facility for voting through electronic voting system shall also be made available at the AGM and the Members who are present in the AGM through video conferencing facility and have not cast their vote by remote e-voting shall be eligible to vote at the AGM through e-voting system. (Refer serial no. 22 for detailed procedure to vote through e-voting). Members whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e- voting for the resolutions are requested to refer the instructions provided at serial no. 22.

21. The Company has appointed Mr. R.S. Bhatia, Company Secretary in Practice, (Membership Number: FCS 2599, CP No. 2514) and failing him, Mr. Hardev Singh, Company Secretary in Practice, (Membership Number: FCS 6673, CP No.3317) to act as the Scrutinizer, to scrutinize the entire e-voting process in a fair and transparent manner.
22. The facility of casting the votes by the members using an electronic voting system will be provided by NSDL (National Securities Depository Limited) NSDL e-Voting System – For Remote e-voting and e-voting during AGM.
 - a. In view of the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020 and Circular No. 02/2021 dated January 13, 2021 and all other relevant circulars issued from time to time, physical attendance of the Members to the AGM venue is not required and general meeting be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
 - b. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.
 - c. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
 - d. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
 - e. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.
 - f. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.bharatseats.com. The Notice can also be accessed from the website of the Stock Exchange i.e. BSE Limited at www.bseindia.com and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsd.com.
 - g. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated 8th April 2020, 17/2020 dated 13th April 2020, 20/2020 dated 5th May 2020, 10/2021 dated 23rd June, 2021, 20/2021 dated 8th December 2021, 21/2021 dated 14th December 2021, 03/2022 dated 5th May, 2022 and 10/2022 dated 28th December 2022 respectively.

I. THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-

The remote e-voting period begins on Monday, 15th July 2024 at 09:00 A.M. and ends on Wednesday, 17th July 2024 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. 11th July, 2024, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 11th July, 2024.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:





Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsd.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

	<p>4. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.</p> <p style="text-align: center;">NSDL Mobile App is available on</p> <div style="display: flex; justify-content: center; gap: 20px;">  App Store  Google Play </div> <div style="display: flex; justify-content: center; gap: 20px; margin-top: 10px;">   </div>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"> 1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
<p>Individual Shareholders (holding securities in demat mode) login through their depository participants</p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
<p>Individual Shareholders holding securities in demat mode with NSDL</p>	<p>Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at 022 - 4886 7000</p>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<p>Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33</p>

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**
6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:
 - a) Click on "**Forgot User Details/Password?**"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) **Physical User Reset Password?**" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.com mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.



7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join Meeting”.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to rsbhaticas@aol.com with a copy marked to evoting@nsdl.com. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on “Upload Board Resolution / Authority Letter” displayed under “e-Voting” tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “[Forgot User Details/Password?](#)” or “[Physical User Reset Password?](#)” option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on.: 022 - 4886 7000 or send a request to Ms.Pallavi Mhatre, Senior Manager at evoting@nsdl.com.

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **Company/RTA email id at investor_relations@bharatseats.net / vijayps1@alankit.com**
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to **Company/RTA email id at investor_relations@bharatseats.net / vijayps1@alankit.com**. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to evoting@nsdl.com for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM" placed under "**Join meeting**" menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at **investor_relations@bharatseats.net**. The same will be replied by the company suitably.
6. Those Shareholders who have registered themselves as a speaker will only be allowed to express their views / ask questions during the meeting.

For Bharat Seats Limited

Place : Gurugram
Date : May 15, 2024

Ritu Bakshi
Company Secretary
FCS No.3401

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013**Item No.4**

As per the recommendation of the Nomination and Remuneration Committee, the Board had appointed Ms. Vanita Chhabra as an Additional Independent Director. Based on her expertise, skills, rich experience and knowledge, the Board in its meeting held on 15th May, 2024, recommended for approval of members, appointment of Ms. Vanita Chhabra as a non-executive Independent Director for a term of five years with effect from 15th May, 2024. Further, as provided under section 152(6) of the Companies Act, 2013 Ms. Chhabra shall not be liable to retire by rotation.

Approval of shareholders is sought by means of Special Resolution.

The Company has received all statutory disclosures/ declarations, including:

- i. Consent in writing to act as director in Form DIR-2, pursuant to Rule 8 of the Companies (Appointment and Qualifications of Directors) Rules, 2014.
- ii. Declaration to the effect that she meets the criteria of independence as provided in sub-section (6) of the section 149 of the Act and under LODR Regulations.

- iii. Declaration pursuant to BSE Circular No. LIST/COMP/14/2018-19 dated June 20, 2018 that she has not been debarred from holding office of a Director by virtue of any order passed by the SEBI or any other such authority.
- iv. Confirmation that she is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact her ability to discharge duties as an Independent Director of the Company.
- v. Confirmation that she is in compliance with Rules 6(1) and Rule 6(2) of the Appointment Rules, with respect to her registration with the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs, and
- vi. Confirmation that she had not been a partner of a firm that had transactions during the last three financial years with Bharat Seats Limited amounting to 10(ten) percent or more of its gross turnover.

The Nomination and Remuneration Committee("NRC") had finalized the desired attributes for the selection of the Independent Director(s) such as experience, expertise and independence etc. Based on those attributes, the NRC recommended the candidature of Ms. Vanita Chhabra.

In the opinion of the Board, Ms. Chhabra fulfils the conditions for independence specified in the Act, the rules made thereunder and LODR regulations and such other laws and regulations for the time being in force, to the extent applicable to the Company and she is independent of the Management. The Board noted that Ms. Chhabra is a person of integrity who possesses required expertise and his background and experience are aligned to the role and capabilities identified by the NRC and that she is eligible for appointment as an Independent Director. The Board was satisfied that her association as Non-Executive Independent Director will be beneficial to the Company due to the following reasons:

- a) She has established experience of 40 years in International Sourcing business.
- b) Presently, she is Whole-time Director of Williams-Sonoma India Private Limited. She is Independent Director on the Board of NDR Auto Components Limited.
- c) She has work experience to Partner, collaborate and manage with International Business Strategy, Product Development teams & Brand representatives in the US to develop and implement global initiatives, focusing on market expansion, product innovation, risk mitigation plans and process improvement.
- d) She has been instrumental in generating creative ideas, evaluating and leading expansion opportunities and developing innovative global ready products across multiple product categories and Brands.
- e) She is experienced in ascertaining the achievement of business parameters for the successful delivery of merchandise within defined timelines and cost; meeting the requisite legal, safety and environment compliances.

Pursuant to Regulation 36(3) of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 and Secretarial Standard - 2 issued by the Institute of Company Secretaries of India, additional information about Ms. Vanita Chhabra is attached in Annexure I to this Notice.

Electronic copy of the draft letter for her appointment as an Independent Director setting out the terms and conditions shall be available for inspection by the Members in the investor section of the website of the company at www.bharatseats.com.

Ms. Vanita Chhabra is not related to any other Director or Key Managerial Personnel of the Company.

Ms. Vanita Chhabra does not hold any shares in the Company, either in his individual capacity or on a beneficial basis for any other person.

Board recommends the Special Resolution as set out in the Notice for approval by the shareholders.

None of the Directors or KMP of the Company and their respective relatives is concerned or interested, financially or otherwise, in the resolutions set out in the accompanying Notice.

Item No.5

Mr.Rohit Relan is Chairman and Managing Director and promoter of the Company. He has over 43 years of experience in automotive components (including experience prior to this Company) and is promoter entrepreneur of Bharat Seats Limited.

Mr. Rohit Relan was re-appointed as a Managing Director w.e.f.1.10.2021 to 30.09.2024 for a period of three years. His appointment and remuneration thereof was approved by shareholders at the 34th Annual General Meeting held on 21st September, 2021.

The Nomination and Remuneration Committee, as per Nomination and Remuneration policy of the Company, has recommended and the Board of Directors has approved the re-appointment and remuneration of Mr. Rohit Relan, Managing Director for a period of three years from 1st October, 2024 to 30th September, 2027 in their respective meetings held on 15th May, 2024, subject to the approval of shareholders at the General Meeting.

Members may please note that as per provisions of Schedule V of the Companies Act, if the age of Managing Director exceeds seventy years, then approval of shareholders by way of Special Resolution is required. As the Managing Director will attain the age of seventy years during his tenure, approval of the shareholders by way of Special Resolution is required. Further, the Members may please note that as per provisions of Regulation 17 (6)(e) of the SEBI LODR Regulations, if the aggregate annual remuneration payable to promoter directors exceeds 5 per cent of the net profits of the listed entity, then approval of the shareholders by way of Special Resolution is required. As the total remuneration payable to Mr. Rohit Relan and his son Mr. Rishabh Relan may exceed 5 per cent of the net profits of the company, members approval by way of Special Resolution is sought. Further, members may also note that if in any financial year Remuneration paid/ payable to any Director exceeds the limits specified in Schedule V of the Companies Act, 2013, then it can be paid by obtaining approval of the members by way of Special Resolution. Hence the resolution proposed to be passed is Special Resolution.

The Board recommends the resolution as set out in Item No 5 for the approval of members by way of a Special Resolution.

None of the Director except Mr. Rohit Relan, himself and Mr. Rishabh Relan, Whole time Director, being son or Key Managerial Personnel of the Company are interested financially or otherwise in the proposed resolution.

The information as required in terms of the Companies Act, 2013 is given below:

I. General information:

(1) Nature of industry

The Company is a Joint Venture Company, with Maruti Suzuki India Limited, Suzuki Motor Corporation, Japan and Rohit Relan and Associates, engaged in manufacture of Seating System, moulded carpets and extruded components for Car market leader, Maruti Suzuki India Limited and Suzuki Motor Gujarat Private Limited as well as seats and frames for Suzuki Motor Cycle India Pvt. Ltd. two wheelers, at their plants at Gurugram in Haryana and at Surendranagar and Hansalpur in Ahmedabad in Gujarat.

(2) Date of commencement of commercial production

The Company is already in production for more than thirty eight 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 2022-2023 and 2023 - 2024 is given hereunder:

	(Rs. in lakhs)	
	2023-24	2022-23
Revenue from operations (Gross)	1,06,681.62	1,05,104.26
Net Profit after tax	2,505.44	2,154.64
Dividend(%)	80%	70%

(5) Foreign investments or collaborations, 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, HTT (Hayashi Telempu) and M/s Inoac Corporation, Japan.

II. Information about Mr Rohit Relan, Chairman and Managing Director:

(1) Background details

Mr. Rohit Relan, Chairman and Managing Director (CMD), aged 68 years, is a Chartered Accountant and has done Owner/ President Management programme from Harvard Business School. He has over 43 years of experience in automotive components (including experience prior to this Company) and is promoter entrepreneur of Bharat Seats Limited.

(2) Past remuneration

The total remuneration paid to Mr. Rohit Relan from 1st April, 2023 to 31st March, 2024 is Rs. 281.55 lakhs as per approvals given by shareholders.

(3) Recognition or awards

An able and successful entrepreneur under whose leadership the Company could achieve and maintain impeccable operational standards. He is a fellow member of the Institute of Chartered Accountants of India. He has done Owner/ President Management programme from Harvard Business School. He has been conferred with 'the Order of the Rising Sun, Gold Rays with Rosette', (Title of Decoration) by the Government of Japan on 29th April, 2020, for his contribution towards promoting economic exchanges between Japan and India.

Along with the announcement of the 'decoration', the Embassy of Japan in India congratulated Mr. Rohit Relan on the decision of the Government of Japan on him receiving this Imperial honour for his long years of service for consolidating the Japan-India relationship.

(4) Job profile and his suitability

The job profile of the Chairman and Managing Director of the Company includes overall supervision and control of the Company's activities and in particular, to attend to all matters concerning production, planning, manufacture, finance, administration and such other duties and responsibilities as entrusted by the Board of Directors.

Mr. Rohit Relan is performing the same since 6.3.1986

(5) Remuneration proposed:

- A. BASIC SALARY : Rs.20,00,000 p.m. with a provision of annual increment of 10% per annum.
- B. ALLOWANCES & PERQUISITES: Upto a maximum of 50% of Salary p.m. Additionally entitled to company car along with reimbursement of car running & maintenance and driver salary
- C. In addition to the above, CMD shall also be entitled to the following perquisites: Company's contribution to Provident Fund as per the rules of the Company.
- D. Other terms and conditions: In the event of absence or inadequacy of profits in any financial year, Mr. Rohit Relan, CMD, shall be paid 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 with respect to the country of his origin)

Taking into account the turnover of the Company and responsibilities of Mr. Rohit Relan, the remuneration being paid to the Chairman and Managing 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 Managing Director and his shareholding, Mr. Rohit Relan has no other pecuniary relationship with the Company. Mr. Rohit Relan is related to Mr. Rishabh Relan, Whole time Director of the Company, who is his son.

III. Other information:

(1) Reasons of loss or inadequate profits

As already mentioned, the Company mainly manufactures seats for Maruti Suzuki India Ltd. Company has not incurred loss in the last 38 years. During the year 2022-23, there was increase in sales and profits but the profitability of the Company was affected mainly due to global semi conductor related issues and increase in commodity prices, which has taken place across the whole of automotive industry. During the year 2023-24, there were no inadequacy of profits. The profits increased due to increase in sales and cost saving measures taken by the Company. Further, BSL has already received fresh projects, the benefits of which are likely to accrue in future years. In future, the profitability may be impacted due to disruption in supply chain or availability of raw material.

(2) Steps taken or proposed to be taken for improvement

The Company has taken the following steps to improve the profitability:

- a. Cost reduction and productivity improvement.
- b. Upgradation of Seat testing System of International Standard.

(3) increase in productivity and profits in measurable terms

With the above measures, the operating efficiencies and profits of the Company are expected to increase.

IV. Disclosures

The following disclosures are/ shall be mentioned in the Board of Directors' Report under the heading 'Corporate Governance', attached to the financial statement:-

- (i) All elements of remuneration package such as salary, benefits and perquisites etc. of all the directors;
- (ii) Details of fixed component and performance linked incentives along with the performance criteria;
- (iii) Service contracts, notice period, severance fees;
- (iv) Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable.

Item no.6 and 7

In accordance with Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, all Related Party Transactions require prior approval of the Audit Committee and all material Related Party Transactions require approval of the shareholders through Ordinary Resolution. A transaction with a related party shall be considered material if the transaction/ transactions to be entered into individually or taken together with previous transactions during a financial year exceeds ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company or Rupees one thousand crores, whichever is less. Company formulated a policy in this regard which is available on the website of the Company. Section 188 of the Companies Act, 2013 deals with Related party Transactions and Sub-section (1) of Section 188 of the Companies Act, 2013 provides that nothing in this sub section shall apply to any transactions entered into by the Company with Related party, which are in its ordinary course of business, and which are on arm's length basis. In Bharat Seats Ltd., all the related party transactions are in the ordinary course of business and at an arm's length basis. Therefore, the approval under section 188 of the Companies Act is not required. Keeping in view the Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and intent of the Companies Act, 2013, the Audit Committee and the Board of Directors of the Company have approved in their respective meetings held on 1st February, 2024 and 15th May, 2024 for enhancement of limits from Rs.500 crores to Rs.600 crores in NDR Auto Components Limited and from Rs.200 crores to Rs.400 crores in Suzuki Motor Cycle India Private Limited and recommended for seeking the approval of the shareholders for the financial year 2024-25 and onwards for the following transaction(s):

DETAILS OF CONTRACT(S)/ARRANGEMENT(S)

Sr. no.	Description		
a.	Type, material terms and particulars of the proposed transaction	Purchase, transfer or receipt of products, Goods, tools, materials, assets or services	Sale or supply of Goods/ materials/ tools/ job charges
b.	Name of the related party and its relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise)	NDR Auto Components Limited, an Associate Company	Suzuki Motor Cycle India Private Limited, an Associate Company
c.	Tenure of the proposed transaction (particular tenure shall be specified)	Ongoing and perpetual transaction	Ongoing and perpetual transaction
d.	Value of the proposed transaction	Upto a maximum of Rs. 600 crores	Upto a maximum of Rs. 400 crores
e.	The percentage of the listed entity's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction	56%	38%



f.	Justification as to why the RPT is in the interest of the listed entity	The Company, being an associate of NDR Auto Components Limited(NDR)is doing transactions with NDR since inception of NDR in ordinary course of business and on arm's length basis, based on transfer pricing study conducted by external agency, within the limits approved by Audit Committee and shareholders in their respective meetings held on 23rd January, 2023 and 18th July, 2023 and subsequently by audit Committee in its meeting held on 1 st February, 2024. Now there are enhanced limits to be approved by shareholders	The Company, being related party of Suzuki Motorcycle India Private Limited(SMIPL) as defined under Ind AS 24 is doing transactions with SMIPL in ordinary course of business and on arm's length basis, based on transfer pricing study conducted by external agency, within the limits approved by Audit Committee and shareholders in their respective meetings held on 14th March, 2022 and 28th June, 2022 and subsequently by audit Committee in its meeting held on 1 st February, 2024. Now there are enhanced limits to be approved by shareholders
g.	A copy of the valuation or other external party report, if any such report has been relied upon	Not required	Not required
h.	Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPT on a voluntary basis		
i.	Any other information that may be relevant	-	-

(For Item 6) Except Mr. Rohit Relan, Mr. Rishabh Relan, Ms. Vanita Chhabra and Ms. Shyamla Khera, none of the Directors, Key Managerial Personnel and/or their relatives, is/are interested or concerned, financially or otherwise in the resolution. However, they may be deemed to be concerned or interested in the proposed resolution to the extent of their shareholding in the Company, if any.

(For Item 7) None of the Directors, Key Managerial Personnel and/ or their relatives is/ are interested or concerned financially or otherwise in the resolution except may be deemed to be concerned or interested in the proposed resolution to the extent of their shareholding in the Company, if any.

Pursuant to Regulation 23(4) of SEBI(LODR) Regulations, all entities who are shareholders, falling under the definition of related parties shall not vote to approve the relevant resolution irrespective of whether the entity is a party to the particular transaction or not.

Relevant details pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, in respect of Director seeking appointment / re-appointment at this Annual General Meeting

NAME OF THE DIRECTOR	Mr. Raman Venkat Challa	Ms. Vanita Chhabra	Mr. Rohit Relan
DIRECTOR IDENTIFICATION NUMBER	07093663	02161276	00257572
AGE	63 years	66 years	68 years
DATE OF JOINING THE BOARD	18.07.2015	15.05.2024	06.03.1986
QUALIFICATION	A graduate from Delhi College of Engineering with BE in Mechanical Engineering	B. Sc. from Lady Irwin College, Delhi University M.Sc. from Lady Irwin College, Delhi University	Fellow member of the Institute of Chartered Accountants of India. He has done Owner/President Management programme from Harvard Business School
EXPERIENCE INCLUDING EXPERTISE IN SPECIFIC FUNCTIONAL AREA	Mr. Raman Venkat Challa has over 38 years of experience and is presently Member – executive Committee. He was head of the Maruti Suzuki Engineering and R&D function. He successfully led various supplier development & procurement initiatives. He spearheaded the Quality, Technology and Capacity up-gradation of Indian suppliers by way of technical tie-ups & joint ventures with global auto component suppliers of Japan, Europe and United States. He has Expertise in Product Development, Vehicle Testing and Homologation Cost Management	Ms. Vanita Chhabra has over 43 years experience in International sourcing business. Presently she is Whole-time Director of Williams-Sonoma India Private Limited.	Mr. Rohit Relan has over 43 years of experience in automotive components (including experience prior to this Company) and is promoter entrepreneur of Bharat Seats Limited.
TERMS & CONDITIONS OF RE- APPOINTMENT	As per the resolution at item no. 3 of the Notice convening Annual General Meeting on July 18, 2024	As per the resolution at item no. 4 of the Notice convening Annual General Meeting on July 18, 2024	As per the resolution at item no. 5 of the Notice convening Annual General Meeting on July 18, 2024
REMUNERATION LAST DRAWN, INCLUDING SITTING FEES IF ANY	Rs. 1.20 lakhs (Sitting fee only)	NIL	Rs. 281.55 lakhs

REMUNERATION PROPOSED TO BE PAID	Only Sitting fee	Only Sitting fee as per Nomination and Remuneration policy	As per proposed resolution no.5 read with explanatory statement thereto
RELATIONSHIP WITH OTHER DIRECTORS / KMP	None	None	Mr.Rishabh Relan- son
NUMBER OF MEETINGS OF THE BOARD ATTENDED DURING THE YEAR	3	None	4
CHAIRMANSHIPS/ DIRECTORSHIPS HELD IN OTHER COMPANIES AS ON 31.03.2024	1. Krishna Maruti Ltd. 2. Machino Polymers Ltd. 3. Machino Polymers India Pvt.Ltd.	Williams-Sonoma India Private Limited. NDR Auto Components Limited	1. NDR Auto Components Ltd. 2. Toyota Boshoku Relan India Pvt. Ltd. 3. Toyo Sharda India Pvt. Ltd.
CHAIRMANSHIPS/ MEMBERSHIPS OF COMMITTEES OF OTHER COMPANIES AS ON 31.03.2024	-	-Chairman of CSR Committee - NDR Auto Components Ltd. -Member of Audit Committee and Nomination and Remuneration Committee - NDR Auto Components Ltd.	Member of Audit Committee - NDR Auto Components Ltd.
NO. OF SHARES HELD IN THE COMPANY	-	-	38,24,158 Equity shares
CONFIRMATION PURSUANT TO BSE CIRCULAR DATED 20.06.2018	Mr. Raman Venkat Challa has confirmed that he is not debarred from holding the Office of Director by virtue of any SEBI Order or any such authority	Ms.Vanita Chabbra has confirmed that she is not debarred from holding the Office of Director by virtue of any SEBI Order or any such authority	Mr. Rohit Relan has confirmed that he is not debarred from holding the Office of Director by virtue of any SEBI Order or any such authority

COMMUNICATION ON TAX DEDUCTION AT SOURCE (TDS) ON DIVIDEND DISTRIBUTION

The Company is required to withhold taxes at the prescribed rates on the dividend paid to its shareholders. No tax will be deducted on payment of dividend to the resident individual shareholders if the total dividend paid does not exceed Rs. 5,000/-. The withholding tax rate would vary depending on the residential status of the shareholder and documents registered with the Company.

RESIDENT SHAREHOLDERS:

A.1 Tax Deductible at Source for Resident Shareholders

S. No.	Particulars	Withholding tax rate	Documents required (if any)
1	Valid PAN updated in the Company's Register of Members	10%	No document required (if no exemption is sought)
2	No PAN/valid PAN not updated in the Company's Register of Members	20%	No document required (if no exemption is sought)
3	Availability of lower/nil tax deduction certificate issued by Income Tax Department u/s 197 of Income Tax Act, 1961	Rate specified in the certificate	Lower tax deduction certificate obtained from Income Tax Authority

A.2 No Tax Deductible at Source on dividend payment to resident shareholders if the Shareholders submit and register following documents as mentioned in column no.4 of the below table with the Company / Alankit Assignments Limited

S. No.	Particulars	Withholding tax rate	Documents required (if any)
1	Submission of form 15G/15H	nil	Declaration in Form No. 15G (applicable to any person other than a company or a firm) / Form 15H (applicable to an Individual who is 60 years and above), fulfilling certain conditions.
2	Shareholders to whom section 194 of the Income Tax, 1961 does not apply such as LIC, GIC, etc.	nil	Documentary evidence that the said provisions are not applicable.
3	Shareholder covered u/s 196 of Income Tax Act, 1961 such as Government, RBI, corporations established by Central Act & mutual funds.	nil	Documentary evidence for coverage u/s 196 of Income Tax Act, 1961
4	Category I and II Alternative Investment Fund NIL SEBI registration certificate to claim benefit under section 197A (1F) of Income Tax Act, 1961	nil	SEBI registration certificate to claim benefit under section 197A(1F) of Income Tax Act, 1961
5	Recognised provident funds <ul style="list-style-type: none"> • Approved superannuation fund • Approved gratuity fund 	nil	Necessary documentary evidence as per Circular No. 18/2017 issued by Central Board of Direct Taxes (CBDT)
6	National Pension Scheme	nil	No TDS as per section 197A (1E) of Income Tax Act, 1961

B. NON-RESIDENT SHAREHOLDERS:

Withholding tax on dividend payment to non-resident shareholders if the non-resident shareholders submit and register following document as mentioned in column no.4 of the below table with the Company / Alankit Assignments Limited.

S. No.	Particulars	Withholding tax rate	Documents required (if any)
1	Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs)	20% (plus applicable surcharge and cess)	FPI registration number / certificate.
2	Other Non-resident shareholders	20% (plus applicable surcharge and cess) or tax treaty rate whichever is beneficial	To avail beneficial rate of tax treaty following tax documents would be required: <ol style="list-style-type: none"> 1. Tax Residency certificate issued by revenue authority of country of residence of shareholder for the year in which dividend is received 2. PAN 3. Form 10F filled & duly signed 4. Self-declaration for non-existence of permanent establishment/ fixed base in India (Note: Application of beneficial Tax Treaty Rate shall depend upon the completeness of the documents submitted by the non-resident shareholder and review to the satisfaction of the Company)

3	Indian Branch of a Foreign Bank	Nil	Lower tax deduction certificate u/s 195(3) obtained from Income Tax Authority Self- declaration confirming that the income is received on its own account and not on behalf of the Foreign Bank
4	Availability of Lower/ NIL tax deduction certificate issued by Income Tax Department u/s 197 of Income Tax Act, 1961	Rate specified in certificate	Lower tax deduction certificate obtained from Income Tax Authority

Shareholders will be able to download the TDS certificate from the Income Tax Department's website <https://incometaxindiaefiling.gov.in> (refer to Form 26AS).

- (ii) The aforesaid documents such as Form 15G/ 15H, documents under section 196, 197A, FPI Registration Certificate, Tax Residency Certificate, Lower Tax certificate etc. can be emailed at rta@alankit.com or vijayps1@alankit.com on or before July 3, 2024 to enable the Company to determine the appropriate TDS / withholding tax rate applicable. Any communication on the tax determination/deduction received post July 3, 2024 shall not be considered.
- (iii) Application of TDS rate is subject to necessary verification by the Company of the shareholder details as available in Register of Members as on the Record Date, and other documents available with the Company / Alankit Assignments Limited.
- (iv) In case TDS is deducted at a higher rate, an option is still available with the shareholder to file the return of income and claim an appropriate refund. In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided by the Member/s, such Member/s will be responsible to indemnify the Company and also, provide the Company with all information / documents and co-operation in any appellate proceedings.
- (v) In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided by the Member/s, such Member/s will be responsible to indemnify the Company and also, provide the Company with all information / documents and co-operation in any appellate proceedings.
- (vi) This Communication is not exhaustive and does not purport to be a complete analysis or listing of all potential tax consequences in the matter of dividend payment. Shareholders should consult their tax advisors for requisite action to be taken by them.

BOARD'S REPORT

Your Directors have pleasure in presenting the 37th Annual Report together with the Audited Accounts for the year ended 31st March, 2024.

Financial Results

- Rupees in Lakhs -

Particulars	2023-24	2022-23
Revenue from Operations	1,06,681.62	1,05,104.26
Other Income	453.88	409.48
Profit before Financial Cost & Depreciation	6,532.56	5,033.84
Less: Finance Costs	774.15	363.41
Profit before Depreciation & Taxation	5,758.41	4,670.43
Less:		
A) Depreciation	2,400.29	1,707.34
B) Provision for Taxation		
- Current Tax	851.48	716.01
- Deferred Tax	(22.41)	52.54
- Adjustment of tax relating to earlier years	23.61	39.90
Net Profit after Tax	2,505.44	2,154.64
Add: Other Comprehensive Income, Net of Taxes	(16.78)	16.43
Total Comprehensive Income for the year	2,488.66	2,171.07
Transfer to General Reserve	-	-
Balance Carried Forward to Balance Sheet	2,488.66	2,171.07

FINANCIAL HIGHLIGHTS AND OPERATIONS

The revenue from operations and other income for the financial year under review was Rs.1,07,135.50 lakhs as against Rs. 1,05,513.74 lakhs for the previous financial year, showing an increase of 1.54%. The profit before finance costs, depreciation and taxation is Rs. 6,532.56 lakhs for the financial year under review as against Rs. 5,033.84 lakhs for the previous financial year, an increase by 29.77%. The profit after tax increased to Rs.2,505.44 lakhs, as compared to Rs. 2,154.64 lakhs for the previous financial year, i.e. an increase by 16.28%. Total comprehensive income for the year increased to Rs. 2,488.66 lakhs as compared to Rs. Rs. 2,171.07 lakhs for the previous financial year, an increase by 14.63%. This was due to better capacity utilisation as a result of increase in sales of Car Seats to Maruti Suzuki India Limited and cost saving measures taken by the Company.

A new manufacturing facility is being set up at Kharkhauda, in Sonapat, Haryana.

Additional production facility is being set up at Company's plant in Borakalan, Gurugram, Haryana for Two-wheeler wheel assembly project for Suzuki Motor Cycle India Private Limited and for new programmes of Maruti Suzuki India Limited.

TRANSFER TO GENERAL RESERVE

During the Financial Year 2023-24, the Company has not transferred any amount to General Reserves.

DIVIDEND

Your Directors are pleased to recommend for the approval of the shareholders at the 37th Annual General Meeting, a dividend of 80% (Rs.1.60/- per equity share) amounting to Rs.502.40 lakhs for the financial year ended 31.03.2024.

AWARDS AND RECOGNITION

The Company has received the awards for the following:

1. Part Development
2. Special Support

at the Vendor Conference of Maruti Suzuki India Limited, held in Turkey recently.

WEBSITE

As per provisions of the Regulation 46 of the SEBI (LODR), 2015 all necessary information as required to be given to the shareholders/stakeholders, is available at www.bharatseats.com. Shareholders/ stakeholders are requested to refer to investor section.

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

- a. The members of the Company are informed that the dividends that remain unpaid/unclaimed for a period of 7 (seven) years from the date of transfer to the Unpaid / Unclaimed dividend account are required to be transferred to the account of the Investor Education & Protection Fund (IEPF) Authority established by the Central Government.

Accordingly, during the financial year under review, the Company transferred Unclaimed dividend amounting to Rs. 3,24,048/- lying with the Company for a period of seven years pertaining to the financial year ended on 31st March 2016.

- b. The members of the Company are also informed that as per the provisions introduced in the year 2016, underlying equity shares on which dividend remain Unpaid/Unclaimed for a period of 7 (seven) consecutive years are required to be transferred to the Investor Education & Protection Fund (IEPF) Authority established by the Central Government.

Accordingly, during the financial year under review, the Company has transferred 11,852 equity shares in respect of which dividend have not been claimed by the members for seven consecutive years pertaining to the financial year ended on 31st March, 2016, up to financial year ended 31st March, 2022 to IEPF Authority.

SHARE CAPITAL

There is no change in the capital structure of the Company.

CHANGE IN THE NATURE OF BUSINESS

There was no change in the nature of business during the financial year 2023-24 under review.

RECLASSIFICATION OF SOME OF THE PROMOTERS/ PROMOTER GROUP AS PUBLIC

Pursuant to the Memorandum of Family Settlement, there was a change in the management and control of the Company. Some of the promoters, namely Mr. Ajay Relan, Ms. Sharda Relan, Ms. Mala Relan, Mr. Aashim Relan, Ms. Aashita Relan, Sharda Motor Industries Limited and Relan Industrial Finance Limited intended to get themselves reclassified from promoter group to general public category as these entities neither hold any share nor have any control over management/ hold any key managerial position in the Company.

On 1st November, 2022, the Company received requests for reclassification from the said promoters. After getting the approval from the Board and Shareholders, the application was filed and was subsequently approved by BSE on 27th September, 2023 for reclassification of the said promoters from promoter group to general public category.

MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis as stipulated under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached to this report, and forms part of the Annual Report.

CREDIT RATING

ICRA has assigned its short-term credit rating of A2+ and long-term credit rating of A- stable, indicating the outlook on the long term rating as 'Stable'.

RELATED PARTY TRANSACTIONS

All contracts/ transactions entered into by the Company during the financial year with related parties were in the ordinary course of business and were at arm's length basis.

The Related Party Transactions Policy as approved by the Board is uploaded on the Company's website at the web link: <https://bharatseats.com/wp-content/uploads/2020/05/policy-on-related-party-trasactions-REVISED-2022-MAY6-1.pdf>

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

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

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

BOARD ANNUAL EVALUATION

In compliance with the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, performance evaluation was carried out of the Board, its Committees and individual Directors, including the Chairman of the Board.

Nomination & Remuneration Committee reviews the evaluation criteria for the Board, its Committees, Executive and non-executive Directors and Chairman of the Company, considering qualification, expertise, attributes and various parameters based on which evaluation of the Board has to be carried out by the Company.

A meeting of the independent directors was held, which reviewed the performance of the Board (as a whole), Committees of the Board, the non-independent directors and the Chairman.

The evaluation of Independent Directors was carried out by the Board.

This exercise was carried out through a structured evaluation process covering various aspects of the Board such as composition of the Board/ Committees, experience, competencies, performance of specific duties etc. Separate exercise was carried out to evaluate the performance of individual directors, including Board's Chairman who were evaluated on the parameters such as attendance, contribution at the meeting, independent judgment etc. and was found to be satisfactory.

DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Retirement by rotation

In accordance with the Articles of Association of the Company and relevant provisions of the Companies Act, 2013, Mr. Venkat Raman Challa (DIN: 07093663) is liable to retire by rotation at the ensuing Annual General Meeting.

The Board recommends his re-appointment to the Shareholders.

Declaration from Independent Directors

The Company has received declaration from all the Independent Directors confirming that they meet the criteria of Independence as prescribed under Section 149(6) of the Companies Act, 2013 read with the schedules and rules made there under along with declaration for compliance with clause 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Appointments

The Board on the recommendation of the Nomination and Remuneration Committee had recommended to shareholders the re-appointment of Mr. Rishabh Relan (DIN:07726444) as Whole time Director of the Company. The shareholders approved the appointment of Mr. Rishabh Relan for a further term of three years w.e.f.4th February, 2024.

The Board, on the recommendation of the Nomination and Remuneration Committee appointed Mr. Makoto Kunieda as additional director w.e.f.4th August, 2023. The shareholders through the process of postal ballot, the result of which was declared on 7th September, 2023, approved the appointment of Mr. Makoto Kunieda (DIN: 10260765) as non-executive Director liable to retire by rotation w.e.f. 7th September, 2024.

The Board, on the recommendation of the Nomination and Remuneration Committee had recommended to shareholders appointment of Mr. Sanjay Bhattacharyya (DIN: 10449854) and Mr. Sudhir Maheshwari (DIN: 00649505) as Non-Executive Independent Directors of the Company. The shareholders further approved the appointment of Mr. Sanjay Bhattacharyya and Mr. Sudhir Maheshwari as Non-Executive Independent Directors of the Company w.e.f.1st April, 2024 for a term of five years.

The Board, on the recommendation of the Nomination and Remuneration Committee appointed Ms. Vanita Chhabra as additional director w.e.f. 15th May, 2024 and has recommended to shareholders the appointment of Ms. Vanita Chhabra (DIN: 06437336) as non-executive Independent Director.

The Board, on the recommendation of the Nomination and Remuneration Committee has recommended to shareholders, re-appointment of Mr. Rohit Relan as Managing Director of the Company for a further term of three years w.e.f. 1st October, 2024 to 30th September, 2027 on the terms and conditions as mentioned in the relevant item of the notice calling 37th Annual General Meeting.

Resignations

Mr. Shigetoshi Torii resigned from directorship w.e.f. close of working hours of 3rd August, 2023.

Your Board places on record the valuable contribution made by Mr. Shigetoshi Torii during his tenure as Director of the Company.

Cessation

Mr. G.N. Mehra and Mr. Ravindra Gupta ceased to be directors w.e.f. close of business hours of 31st March, 2024 on completion of their tenure as Independent Directors of the Company.

Your Board places on record the valuable contribution made by Mr. G. N. Mehra and Mr. Ravindra Gupta during their tenure as Directors of the Company.

KEY MANAGERIAL PERSONNEL (KMP)

Mr. Sanjeev Kumar resigned from the post of Chief Financial Officer (CFO) w.e.f. close of business hours of 8th February 2024. Mr. Vinod Kumar has been appointed as a CFO and KMP w.e.f. 9th February, 2024. Mr. Rohit Relan, Chairman and Managing Director, Mr. Rishabh Relan, Whole time Director and Ms. Ritu Bakshi, Company Secretary are the KMPs of the Company in terms of Section 203 of the Companies Act, 2013 read with the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014.

Your Board places on record the valuable contribution made by Mr. Sanjeev Kumar during his tenure as CFO of the Company.

CORPORATE GOVERNANCE

The Company is committed to maintaining the highest standards of Corporate Governance and adhere to the Corporate Governance requirements as set out by the Regulators/ applicable laws.

The report on Corporate Governance as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been included in this Annual Report as a separate section, along with the certificate of Mr. R S Bhatia, Company Secretary in Practice.

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

Your Company has not accepted any deposits under Chapter V of the Companies Act, 2013. There was an outstanding loan of Rs. 2260 Lacs as at 31.03.2024 from Mr. Rohit Relan, Chairman and Managing Director of the Company which is exempted as deposit under Rule 2(c)(viii) of Companies (Acceptance of Deposit) Rules, 2014.

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

There are no significant and material orders passed by the Regulators, Courts or Tribunals which would impact the going concern status of the Company and its operations in future.

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

The Directors had laid down internal financial controls to be followed by the Company and such policies and procedures adopted by the Company for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information. The Audit Committee evaluates the internal financial control system periodically.

LISTING

The Equity shares of the Company are listed on the Bombay Stock Exchange. The Company has paid listing fees due to the Stock Exchange.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Your Company believes in giving back to society and has taken steps for that. Alongside business priorities, the Company is committed to society as well and this is apparent through our CSR activities.

During the financial year, your Company has contributed to Venture Centre 'Entrepreneurship Development Center' and to Atal Incubation Centre, both towards skill development for polymer technology.

Further, Bharat Seats continues to empower women as it is an essential for social change. This empowerment comes through education. For the girl child we took the call of "Beti Bachao, Beti Padhao" and contributed to "Study Hall Educational Foundation" a college in Lucknow for girls from the under privileged and marginalized section of society. The college provides education and makes them culturally ready to mix and mingle with all strata of society.

The CSR Policy is uploaded on the Company's website at the web link: <https://bharatseats.com/wp-content/uploads/2020/05/CSR-Policy-bsl-Final2021for-website.doc.pdf>

During the financial year 2023-24, the Company has contributed an amount of ₹36 lakhs towards CSR, which is 2% of

its average net profits for the preceding 3 financial years. There is no amount which is lying unspent in respect of the financial year under review.

The annual report on CSR activities, composition of the CSR committee and other prescribed details are given in the report format provided under the Companies (Corporate Social Responsibility Policy) Rules, 2014 in Annexure III.

ANNUAL RETURN

Pursuant to Sec 92(3) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the copy of Annual Return can be accessed at Company's website at <https://bharatseats.com/wp-content/uploads/2020/05/MGT-7-for-website.pdf>.

MEETINGS OF THE BOARD

Four meetings of the Board of Directors were held during the financial year. For further details, please refer the Report on Corporate Governance given separately in the Annual Report.

AUDIT COMMITTEE

As on 31st March, 2024, the Audit Committee comprised of three Independent Non- executive Directors, namely Mr. G.N. Mehra, Mr. Ravindra Gupta and Ms. Shyamla Khera. Mr. G.N. Mehra was the Chairman of the Committee.

On completion of tenure of Mr. G. N. Mehra and Mr. Ravindra Gupta, Mr. Sanjay Bhattacharyya, Mr. Sudhir Maheshwari and Mr. Rishabh Relan were appointed as Members of Audit Committee w.e.f. 1st April, 2024. Mr. Sudhir Maheshwari was designated as Chairman of the Audit Committee and Ms. Nisha Malhotra was appointed as the member of the Committee w.e.f. 15th May, 2024.

Further, details of the Committee meetings held are given in the Corporate Governance Report. The powers and Role of the Audit Committee are included in the Corporate Governance Report. All the recommendations made by the Audit Committee were accepted by the Board.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- (a) In the preparation of the annual accounts, the applicable accounting standards have been followed and no material departures have been made from the same.
- (b) Appropriate accounting policies have been selected and applied consistently and judgments and estimates made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at 31st March, 2024 and of the Profit of the Company for the year ending 31st March, 2024.
- (c) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) The annual accounts have been prepared on a going concern basis.
- (e) Internal financial controls to be followed by the Company have been laid down and that such internal financial controls are adequate and were operating effectively.
- (f) Proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

PARTICULARS OF EMPLOYEES

Disclosure as required under Sub Rule 2 of Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed hereto as Annexure IV.

The ratio of the remuneration of each Director to the median employees' remuneration and other details in terms of Sub Section 12 of Section 197 of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as part of the report as Annexure V.

COMPANY'S POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION INCLUDING CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES, INDEPENDENCE OF A DIRECTOR AND OTHER MATTERS AS PROVIDED UNDER THE COMPANIES ACT, 2013

The Company has formulated a Nomination and Remuneration Policy which is available on the website of the company. The link of the same is <https://bharatseats.com/wp-content/uploads/2020/05/NRCPolicy2020.pdf>. Other details are

provided in Corporate Governance Report.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

There was no transaction falling under the provision of Section 186 of the Companies Act, 2013 during the financial year under review.

RISK MANAGEMENT

The Company has in place the Risk Management Policy to identify and assess the key risk areas and monitor the same. The Board periodically reviews the risks and suggests steps to be taken to control the risks.

VIGIL MECHANISM

The Company has in place an established Whistle Blower Policy. The Audit Committee and the Board periodically reviews the policy and its implementation. The purpose of this policy is to provide a framework to promote responsible whistle blowing by employees.

The Whistle Blower Policy may be accessed at the Company's website at weblink:<https://bharatseats.com/wp-content/uploads/2020/05/whistle-blower-policy2020.pdf>

HUMAN RESOURCES

Our relations with the employees are very cordial. Your Directors would like to place on record their appreciation of the commitment and efficient services rendered by all employees of the Company, without whose wholehearted efforts, the overall satisfactory performance of the Company would not have been possible.

AUDITORS AND AUDITORS' REPORT

(a) Statutory Auditors

M/s S.R. Batliboi & Co. LLP, Chartered Accountants, LLP, (ICAI Firm Registration No. 301003E/E300005) were appointed as the Statutory Auditors at 35th Annual General Meeting (AGM) of the Company held on 28th June, 2022.

Auditors' Report

Further, the Auditors' Report given by M/s S.R. Batliboi & Co. LLP, Statutory Auditors on the financial statements of the Company for the year ended March 31, 2024 is part of the Annual Report. The Auditors' Report does not contain any qualification, reservation or adverse remark. During the year under review, the Auditors had not reported any matter under Section 143(12) of the Act, therefore, no detail is required to be disclosed under Section 134 (3)(ca) of the Act.

(b) Secretarial Auditor

In accordance with the provisions of the Section 204 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Secretarial Audit was carried out by Mr. R. S. Bhatia, Company Secretary in Practice for the financial year 2023-24. The report of Secretarial Auditor for the financial year 2023-24 is annexed herewith marked as Annexure VI to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

Pursuant Regulation 24A of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Company has obtained annual secretarial compliance report from Mr. R S Bhatia (CP No. 2514), Company Secretary in Practice and the same shall be submitted to stock exchange within the prescribed time limit. The annual secretarial compliance report does not contain any adverse remarks and qualifications.

c) Cost Audit

In accordance with Section 148 (1) of the Companies Act, 2013, the Company is not required to maintain the cost records as specified by the Central Government.

SAFETY

Safety first is our motto. While the laws make it mandatory for us to adopt benchmark practices, our values drive us towards this objective.

With the regular guidance from the Safety Team of Maruti Suzuki India Limited, the Company is now among the leading companies which have made safety its culture.

Well trained staff, focus on best practices & aided with installation of state-of-the-art Aerosol fire Detection & Suppression system across locations have worked at force multipliers in our journey.

Besides this the environmentally friendly practices, fire extinguishers, thermography test, adherence to NBC 2016, NOC from fire office & regular third-party inspections speaks of the commitment.

The review mechanism monitoring & mock drills happen periodically & monitored at APEX level. Last but not the least SHE (Safety, Health & Environment) training is regularly imparted to all the employees. Various initiatives taken are,

- Monthly zone wise safety audit system implemented, to ensure zero accident.
- Advanced LOTO system with DOJO room training implemented, to ensure full safety of human being on the shop floor.

EFFECTIVE MANAGEMENT SYSTEMS

The company is system certified for IATF (International Automotive Task Force) 16949 for quality management systems, ISO 14001 for environment management and ISO45001 for occupational health and safety. BSL is also accredited with ISO/IEC 17025:2017 "General Requirements for the competence of Testing & Calibration Laboratories". Our Manesar, Gurgaon and Borakalan Plants have been certified as Comprehensive Excellence "Green" Plants by Maruti Suzuki India Limited.

Your Company's focus on safety and effective mitigation of all the likely risks involved, has led to safe and healthy working environment for all employees thus helping them to perform at their optimum level of competence.

ENVIRONMENT

Through ISO 14001, we are committed to work on continuously improving both Human Safety and Plant safety & Environment through: -

- Management of Safety & Environmental Risks through proactive risk mitigation planning. (Hazard Identification & Risk Assessment (HIRA) and Operation Control Procedure (OCP) Compliance to all safety & Environmental Regulations
- Focus on optimum use of Energy and Reduction of waste.
- Effective handling and waste disposal.
- Implemented Solar system to use renewable resources.
- Energy audit conducted at all the plants and adequate energy saving initiatives being placed related to energy saving.
- Various Energy saving kaizens implemented on the shop floor to save energy.

BSL is taking initiative for carbon neutrality in its new plant at Kharkhauda. The effort for carbon neutrality will be applicable in the area of plant construction, transportation system and usage of green energy.

DISCLOSURE AS REQUIRED UNDER SECTION 22 OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place an Anti-Sexual Harassment Policy in line with the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The Company has constituted Internal Complaints Committee (ICC) known as Prevention of Sexual Harassment (POSH) Committee to enquire into complaints of Sexual Harassment and recommend appropriate action. The Company has not received any complaint of sexual harassment during the financial year 2023-24.

SHARES

a. Buy Back of Securities

The Company has not bought back any of its securities during the year under review.

b. Sweat Equity

The Company has not issued any Sweat Equity Shares during the year under review.

c. Bonus Shares

No Bonus Shares were issued during the year under review.

d. Issue of Shares with differential voting rights

The Company has not issued any shares with differential rights during the year under review.

e. Issue of Shares under Employee Stock Option Scheme

No such issue of shares under employee stock option scheme was made.

- f. Issue of shares through private placement – Nil
- g. Issue of Shares without differential voting rights – Nil.

ACKNOWLEDGEMENTS

The Directors place on record their deep appreciation of the valuable assistance and co-operation extended to the Company by Suzuki Motor Corporation, Japan, Maruti Suzuki India Ltd., Suzuki Motor Gujarat Private Limited, Suzuki Motorcycle India Private Limited, Toyo Seat Co. Ltd., Japan, Inoac Corporation, Japan, Hayashi Telempu (Thailand) Co. Ltd., HDFC Bank Ltd., ICICI Bank Ltd., various departments of Central Government and Government of Haryana. The directors convey their deep appreciation to each and every employee for her/his efficient service, commitment and collective team work.

Your support as shareholders is greatly valued.

Your Directors thank you and look forward to the future with confidence.

For and on behalf of the Board
Bharat Seats Limited

Place : Gurugram
Date : May 15, 2024

(Rohit Relan)
Chairman and Managing Director

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis: -NONE-

Sl. No.	Name(s) of the related party	Nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or Transactions including the value, if any	Date(s) of approval by the Board	Amount paid as advances, if any:	Date on which the resolution was passed in general meeting as required under first proviso to section 188
NONE								

2. Details of material contracts or arrangement or transactions at arm's length basis:

Sl. No.	Name(s) of the related party	Nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or Transactions including the value, if any	Date(s) of approval by the Board	Amount paid as advances, if any:	Date on which the ordinary resolution was passed in general meeting as required under first proviso to section 188
1.	Maruti Suzuki India Limited	Associate Company	Sale or supply of Goods, materials, sale of tooling/ job charges/ miscellaneous income/ expenses	Transaction repetitive in nature	Upto a max. of Rs. 1200 crores per annum		NIL	28.06.2022
2.	Maruti Suzuki India Limited	Associate Company	Purchases of goods, tools or any asset	Transaction repetitive in nature	Upto a max. of Rs. 50 crores per annum		NIL	28.06.2022
3.	Maruti Suzuki India Limited	Associate Company	Electricity/ Utilities purchased/ Factory expenses/ Others	Transaction repetitive in nature	Upto a max. of Rs. 30 crores per annum		NIL	28.06.2022
4.	NDR Auto Components Ltd.	Associate Company	Purchase, transfer or receipt of products, Goods, tools, materials, assets or services	Transaction repetitive in nature	Upto a max. of Rs. 500 crores per Annum		NIL	18.07.2023
5.	NDR Auto Components Ltd.	Associate Company	Sale of goods, tools or any asset	Transaction repetitive in nature	Upto a max. of Rs. 50 crores per Annum		NIL	28.06.2022
6.	Toyo Sharda India Pvt. Ltd.	Associate Company	Sale or supply of Goods, materials Sale of Tooling/ Job Charges, including reimbursement of expenses	Transaction repetitive in nature	Upto a max. of Rs. 100 crores per annum		NIL	28.06.2022
7.	Toyo Sharda India Pvt. Ltd.	Associate Company	Purchase of goods, tool or any asset	Transaction repetitive in nature	Upto a max. of Rs. 150 crores per Annum		NIL	28.06.2022
8.	Toyo Sharda India Pvt. Ltd.	Associate Company	Lease Rent to be received	Transaction repetitive in nature	Upto a max. of Rs. 2 crores per annum Lakhs per Annum		NIL	28.06.2022
9.	Toyo Sharda India Pvt. Ltd.	Associate Company	Management Fees to be received	Transaction repetitive in nature	Upto a max. of Rs. 1 crore per annum		NIL	28.06.2022

Information pursuant to Section 134(3) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, forming part of Board of Directors' Report for the year ended 31st March 2024

(A) CONSERVATION OF ENERGY

(i) the steps taken or impact on conservation of energy.

The following steps have been implemented to save electricity:

Gurugram Plant

1. Provided Variable Frequency Drive (VFD) on cooling tower.
Energy saving 6632 KWH/Year
2. Provided LED (Light -Emitting diode) light in place of old fluorescent light.
Energy saving 3337 KWH/Year
3. Provided Auto timer in offices to switch off the power at ideal time.
Energy saving 1400 KWH/Year
4. Provided energy efficient ceiling fans (BLDC- Brushless Direct Current) in Office Area
Energy saving 1596 KWH/Year

Manesar Plant

1. Optimization of electricity in cooling tower by implementing Variable Frequency Drive (VFD) with motor.
Energy saving 9,360 KWH/Year.
2. Optimization of electricity through Variable Frequency Drive (VFD) Type Air compressor in place of Star Delta-
Energy saving 15,444 KWH/Year
3. Optimization of electricity by replacing of remaining 6% Old CFL (Compact fluorescent lamp) lights to LED (Light - Emitting diode) Lights -
Energy saving 5,840 KWH/Year
4. Used the auto switching of AHU (Air Handling Unit) Units of PU-02 Electrical.
Energy saving 5.731 kwh/Year.

Bhorakalan Plant

1. Energy saving by Changing the generation (Loading & Unloading pressure) setting of Air compressor.
Energy saving 14,974 KWH/Year.
2. Energy Saving by providing new insulation on molding die & extruder heaters to save skin heat losses.
Energy saving 2,122 KWH/Year.
3. Provide Variable Frequency Drive (VFD) drive to STP motor.
Energy saving 9,966 KWH/Year

Gujarat Naviyani Plant

1. Provide LED (Light -Emitting diode) lights in place of normal lights.
Energy saving 13,680 KWH/Year.
2. YTB Chiller Pipeline Insulation.
Energy saving 25,069 KWH/Year.

Gujarat JV Plant

By implementing the motion sensors (In Washroom), timer (In Canteen & Shop floor) and PID (Proportional integral derivative) in Cooling Tower if temperature goes below the set limit blower will automatically switch off.

Total energy saving annually: 32,158 Kwh/Year

(ii) the steps taken by the Company for utilizing alternate sources of energy.

Gurugram Plant

Energy saving through solar power plant 331150 KWH/Year

Manesar Plant

Energy saving through solar power plant 1,81,000 KWH/Year

Bhorakalan Plant

Energy saving through solar power plant 2,99,571 KWH/Year

(iii) capital investment in energy conservation equipment.

Nil

Project was implemented under Operational Expenses.

(B) TECHNOLOGY ABSORPTION

I. RESEARCH AND DEVELOPMENT (R&D)

1) Specific areas in which Research & Development work is carried out by your Company is:

R&D team is backbone of any business house irrespective of segment. This is the team that works on products packed with advanced technologies and processes, conceiving the product and preparing it to be commercialised. Your team is working on the following different product portfolios:

- a) Seating System design & development for passenger cars
- b) NVH components like floor carpet, wheel housing cover, CNG Cover, dash insulation, EV battery cover, etc. for passenger car
- c) Extrusion for molding roof as well as windshield for passenger car
- d) Seating system design & development for 2-Wheelers.

Major accomplishments in the year under review are as follows:

- (i) Four wheeler Seating System - Ministry of surface transport, Govt of India took bold step in matching safety norms of vehicle with that of developed worlds which mandates seats of passenger cars (M1 category) to meet crash norms as promulgated through regulatory norms. This has led to higher level of content in seat like use of side air bag, use of high strength steel 590 MPa /980 MPa for seat superstructure, use of seat mechanism with higher strength and precision, incorporation of child safety features like ISO-FIX. At the same time higher disposal income has made affordability of seats with advanced features like Ventilated seats, seats with electrical controls for all adjustments, seats that have more aesthetic appeal causing use of more plastic parts to decorate and so on.
- (ii) Four wheeler car carpet - which used to be merely fabric to camouflage car floor sheet metal is now performance part that helps in attenuating the vibrations that comes to car floor & also helps absorbing unwanted sounds below & above taking range of sound. R&D team is engaged with Hayashi Telempu Corp from Japan for transferring the technical know-how besides bringing innovation in material & processing technology.
- (iii) Four wheeler windshield extrusion is another critical part which holds windshield glass and hence selection of material and profiles design are very critical. BSL extrusion design team works in technical collaboration with Inoac corporation, Japan for this. With passage of time, the team has groomed to design the part as well as tool inhouse.
- (iv) Part of R&D team is working on two-wheeler seat design and development. Having expertise in profile design, trim cover selection that sustains inclement weather conditions as its directly exposed to atmosphere. Proper foam hardness selection is key to offer ergonomically correct seating posture of riders.

All above teams are supported by the state-of-the-art testing centre which is NABL accredited and also correlated with SMC Japan helping our customer Maruti Suzuki to reduce testing cost by localising all seat testing in India.

- (v) Upgradation of testing lab with New test equipment for flammability check.
- (vi) Test centre has recently added testing equipment like Impedance Tube for checking NVH parameters of carpet, Porosity Density meter for checking carpet fabric quality parameter, Air flow resistance meter, etc.

(vii) inhouse testing facility used for witness test & export related homologation testing reducing the need of sending testing through outside testing agency .

(viii) Upgradation of Tool Room with addition of new machines like portable drill & milling machine.

(ix) New Part Development:

- a) Passenger Car Seats- Your R&D is working on more than 4 mid-cycle-actions (small changes) and 4 major changes.
- b) Passenger Car Carpet- With the backing of technical partner, your R&D has been able to win 2 new programs in production .
- c) Roof & Windshield Moulding – Team is working on 1 new program
- d) 2-Wheeler Seat- Team is working on 2 new programs including EV
- e) Besides all above program team – team is also engaged in Value Engineering and Value analysis (VA-VE) in process, creating design and development standard for each commodity, developing expertise knowledge in fabric lay-outing called “nesting” to increase yield, etc. for value addition.
- f) Upgradation of reverse engineering & quality checking capability by adding post scanning machine.

(x) Enhancing Design Capabilities –

Upgradation of Design team with deployment of Product Life cycle Management (PLM) Tool team center. In PLM Tool all CAD Data , Drawing , Design, (Request for Quotation) RFQ, (Engineering Change Note) ECN will be accessible on system .

Online employee trainings, Dojo workshops, Technical training by MSIL, Mentor and Mentee pair creation in R&D team are few ideas adopted for enhancing the capabilities of employees.

2) Benefits derived as a result of above R&D:

All above stated efforts have helped your Company garner more business than usual. Team strengths have increased manifolds, which can be easily seen through launch of a new plant in Gujarat.

3) R&D Future Plans

Your Company in pursuit of continuous improvement has decided to:

- Develop in-house capability of development of 980 Mpa steel parts besides 590 Mpa steel part
- Create your Company's R&D standard for new technologies that have been launched first time
- Process standards for various processes that are carried out at your Company viz Foaming, Assembly, etc.

4) R&D Expenditure

Your Company's requirement of customers besides internal initiatives as stated which has resulted in capital & other expenditures as follows:

Capital	Rs. 76 lakhs
Recurring	Rs. 1,003 lakhs
Total	Rs. 1,079 lakhs
R&D expenditure as a percentage of total turnover	1.01%

II. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

(i) Efforts made towards Technology absorption and

(ii) the benefits derived like product improvement, cost reduction, product development or import substitution

a) Passenger Car seating system –

1. With new program slated for Japanese export market, R&D is now well versed with 980 Mpa part which is high strength, and still helps in reducing vehicle weight, thus helping reduce carbon footprint.
2. Your team has also been instrumental in launching heated seat version- where heating element is embedded in foam pad with thermostat to control the temperature.

b) Two-Wheeler seating-

1. Increasing throughput of assembly lines with automation of seat system has further improved customer relationship which has resulted in winning few critical business.

c) NVH Components –

Hayashi Telemu Corp, Japan, Technology partner has helped your R&D team to have the needed know-how in design & development of NVH components. Working in tandem with them, has helped win NVH business in many other areas besides vehicle carpet e.g. Wheel housing Trim, Hood insulator, etc .

d) Extrusion –

Your R&D Team has worked extensively on creating local sources for rubber grade that goes in making the extrusion part which consists of two different grades – core which offers flexibility to the part while lip which is made up of different grade of rubber having property of shape retention by way of higher rigidity which helps on clinging the part with vehicle body. This has manifested in winning few critical businesses and has given strong footing for new business growth.

(iii) In case of imported technology, technology imported during the last three years reckoned from the beginning of the financial year

DETAILS OF TECHNOLOGY IMPORTED	YEAR OF IMPORT	HAS TECHNOLOGY BEEN FULLY ABSORBED
- For continuous improvement	2021-2022	Yes
- For manufacture of seating system for four wheelers		Yes
- For Manufacture of extruded components for automobiles		Yes
- For manufacture of carpets and NVH (Noise, Vibration and Harshness) components		Yes
- Technology transfer of 590 Mpa – High strength steel for seating system application in passenger car.		Yes
- For continuous improvement	2022-2023	Yes
- For manufacture of seating system for four wheelers		Yes
- For Manufacture of extruded components for automobiles		Yes
- For manufacture of carpets and NVH (Noise, Vibration and Harshness) components		Yes
- Sandwich layer re-construction in vehicle carpet to meet higher SAC (Sound Absorption coefficient) and TL (Transmission loss) with ceiling limit of carpet weight – In NVH component		Yes
- Heater application in passenger car seating with thermostat to control heat. Manufacturing technology with in-process and End of line checks		Yes

- For manufacture of seating system for four wheelers	2023-2024	Yes
- For Manufacture of extruded components for automobiles		Yes
- For manufacture of carpets and NVH (Noise, Vibration and Harshness) components		Yes
- Sandwich layer re-construction in vehicle carpet to meet higher SAC (Sound Absorption coefficient) and TL (Transmission loss) with ceiling limit of carpet weight – In NVH component		Yes
- Heater application in passenger car seating with thermostat to control heat. Manufacturing technology with in-process and End of line checks		Yes
- Development of all front seats with airbag and rear seats with 3Point Centre Seat Belts		No, will be absorbed by 2025 - 26
- Enhancing testing capabilities with installation of flammability testing machine and 3D Scanner for inspection and reverse engineering purpose		Yes
- Implementation of Siemens, Team Centre, a customized product life cycle application of RD data and workflow management		Yes

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

In terms of actual inflows and actual outflows, foreign exchange outflow on account of import of Capital Goods and raw materials amounted to Rs 410.39 lakhs (Rs. 911.48 lakhs). Other expenditure in foreign currency relating to travelling, training and technical fees amounted to Rs 366.16 lakhs (Rs. 393.38 lakhs). Japan office expenses amounted to Rs.146.12 lakhs (Last Rs.146.62 lakhs). Remittances in foreign currency on account of dividend amounted to Rs. 65.10 lakhs (Rs. 37.20 lakhs). (Figures in bracket pertain to last year)

Annual Report on CSR Activities undertaken by the Company in 2023-24

1. Brief outline on CSR Policy of the Company

The Company has framed a CSR Policy in compliance with the provisions of the Companies Act, 2013.

2. Composition of CSR Committee as on 31st March, 2024

Sl. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Ravindra Gupta	Chairman (Independent Director)	3	3
2	Mr. G.N. Mehra	Independent Director	3	3
3	Ms. Shyamla Khera	Independent Director	3	3
4	Mr. Arvind Varma	Independent Director	3	3

Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company <https://bharatseats.com/contact-details/>

3. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).

Not Applicable as the average CSR obligations in the three immediately preceding financial years was less than Rs.10 crores.

4. Details of the amount available for set off in pursuance of sub-rule (3) and rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any.

Rs.0.51 lakhs

5. Average net profit of the Company as per Section 135(5)

Rs. 1758 Lakhs

6. (a) Two percent of average net profit of the Company as per Section 135(5)

Rs. 35.17 Lakhs

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years

Nil

(c) Amount required to be set off for the financial year, if any

Nil

(d) Total CSR obligation for the financial year (7a+7b-7c)

Rs. 35.17 Lakhs

7 (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in Rs./Lakhs)	Amount Unspent (in Rs./Lakhs)	
	Total Amount transferred to Unspent CSR Account as per Section 135(6)	Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)
36	-	-

(b) Details of CSR amount spent against ongoing projects for the financial year: NIL

1	2	3	4	5	6	7	8	9	10	11	
Sr. No.	Name of the project	Item from the list of activities in Schedule VII of the Act	Local Area (Yes/ No)	Location of the project	Project duration	Amount allocated for the project	Amount spent in the current financial year	Amount transferred to Unspent CSR Account for the project as per Section 135(6)	Mode of Implementation - Direct (Yes / No.)	Mode of Implementation Through Implementing Agency	
										Name	CSR Regn. No

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

1	2	3	4	5	6	7	8	
Sr. no.	Name of the project	Item from the list of activities in Schedule VII of the Act	Local Area (Yes/ No)	Location of the project	Amount spent for the project (in lakhs)	Mode of Implementation Direct (Yes / No)	Mode of Implementation Through Implementing Agency	
							Name	CSR Regn. No
1	Education	Education	No	Lucknow, Uttar Pradesh	12.50	No	Study Hall Education Foundation	CSR00004810
2	Skill development in polymer technology	Technology incubator approved by Central Government	No	Pune, Maharashtra	9.50	No	Entrepreneurship Development Centre	CSR00000220
3	Skill development in polymer technology	Technology incubator approved by Central Government	No	Pune, Maharashtra	12.825	No	Atal Incubation Centre	CSR00017698

(d) Amount spent in Administrative Overheads: 1.175 lakhs

(e) Amount spent on Impact Assessment, if applicable: Not Applicable

(f) Total amount spent for the Financial Year: Rs.36 lakhs (8b+8c+8d+8e)

(g) Excess amount for set off, if any

Sl. No.	Particulars	Amount (Rs./Lakhs)
i	Two percent of average net profit of the Company as per section 135(5)	35.17
ii	Total amount spent for the Financial Year	36
iii	Excess amount spent for the financial year (ii)-(i)	0.83
iv	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any.	-
v	Amount available for set off in succeeding financial years [(iii)-(iv)]	0.83

8. (a) Details of Unspent CSR amount for the preceding three financial years : NIL

1	2	3	4	5	6	7	8	9
Sr. no.	Project ID	Name of the project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project	Amount spent on the project in the reporting Financial Year	Cumulative amount spent at the end of reporting Financial Year	Status of the project - Completed/ Ongoing

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Nil



9. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset wise details):
 - (a) Date of creation or acquisition of the capital asset(s) NIL
 - (b) Amount of CSR spent for creation or acquisition of capital asset NIL
 - (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. NIL
 - (d) Provide details of the capital asset(s) created or acquired NIL (including complete address and location of the capital asset).
10. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5) NOT APPLICABLE

ROHIT RELAN
Chairman and Managing Director

NISHA MALHOTRA
Chairperson-CSR Committee

DISCLOSURE AS REQUIRED UNDER SUB RULE 2 OF RULE 5 OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014
EMPLOYED FOR FULL FINANCIAL YEAR: 2023-24

Name	Designation	Remuneration Gross (Rs.)	Qualifications	Date of Commencement of Employment	Total Experience	Age in Years	Last Employment	Percentage Equity
Mr. Rohit Relan	Chairman and Managing Director	Rs. 281.55 Lakhs	B.Com(hons.), F.C.A., Owner/ President Management Programme from Harvard Business School	06-03-1986	46 Years	68 Years	M/S S.P. Marwah & Co., Chartered Accountants	12.18%
Akira Furukawa	Chief Technical Officer	Rs.130 lakhs	B.Tech (Mechanical)	04-08-2021	32 years	57 years	Maruti Suzuki India Limited	-
Mr. Rishabh Relan	Whole Time Director	Rs. 75.01 lakhs	BSc in Industrial Engineering & Diploma-6 Sigma in lean manufacturing	16-08-2012	12 Years	33 Years	-	1.17%
Ms. Padma Panikkar	AVP	Rs.62.84 lakhs	Graduate	01-05-1987	46 Years	67 Years	Oberoi Hotel	0.01%
Mr. Rajiv Kumar Govila	Sr. VP	Rs.61.60 lakhs	M.Tech (Mech.)	23-01-2023	36 years	63 years	Okaya EV Pvt Ltd	-
Mr. M Shariq Qureshi	VP- Operations	Rs. 56.31 lakhs	PGPM Dual specialization in Operation research	22-03-2010	34 Years	58 years	Rico Auto Industries Ltd.	-

EMPLOYED FOR PART OF FINANCIAL YEAR: 2023-24

Name	Designation and Nature of Duties	Remuneration Gross (Rs.)	Qualifications	Date of Commencement of Employment	Total Experience	Age in Years	Last Employment	Percentage Equity
Mr. Yogesh Bansal	V.P.	Rs.23.11 lakhs	BE(Mech.) M.Tech.-Prod	03-11-2023	27 years	53 years	UNO Minda	-
Mr. Ankur Maheshwari	CGM	Rs.30.65 lakhs	MBA (Human Resource)	04-09-2023	23 years	46 years	SBM Offshore India Ltd.	-
Mr. Ajay Raina	COO	Rs.36.89 lakhs	B.Tech (Mechanical)	05-01-2021	28 years	54 years	M/s SFC Solutions (M/s Cooper Standard India Pvt. Ltd)	-
Dilipkumar Mithulaji Bogawat	V.P.	Rs.30.72 lakhs	B.Tech (Mechanical)	04-02-2023	31 years	56 years	Ciso Cybersecurity Pvt Ltd	-

NOTES:

1. Remuneration includes perquisites and Company's contribution to provident fund.
2. The nature of employment of Mr. Rohit Relan and Mr. Rishabh Relan is contractual. For the rest of employees, it is other than contractual.
3. Mr. Rohit Relan, Chairman and Managing Director of the Company is related to Mr. Rishabh Relan, Whole time Director of the Company. Other than Mr. Rohit Relan and Mr. Rishabh Relan, none of the above mentioned employee is relative of any other director/ manager.

THE RATIO OF THE REMUNERATION OF EACH DIRECTOR TO THE MEDIAN EMPLOYEES' REMUNERATION AND OTHERS DETAIL IN TERMS OF SUB SECTION 12 OF SECTION 197 OF THE COMPANIES ACT, 2013, READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES,

1. The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year:

Sr. No.	Particulars	Ratio to the median remuneration (times)
i)	Mr. Rohit Relan, Chairman and Managing Director	59
ii)	Mr. Rishabh Relan, Whole time Director	16

2. The percentage increase in remuneration of each Director, Chief Financial Officer, Company Secretary or Manager, if any, in the financial year

Sr. No	Particulars	Percentage Increase
i)	Mr. Rohit Relan, Chairman and Managing Director	10%
ii)	Mr. Rishabh Relan, Whole time Director	10%
iii)	Mr. Sanjeev Kumar, Chief Financial Officer (Upto 8.2.2024)	9%
iv)	Mr. Vinod Kumar, Chief Financial Officer (w.e.f. 9.2.2024)*	-
v)	Ms. Ritu Bakshi, Company Secretary	11%

- Was Chief Financial Officer for a part of the year. Hence, percentage increase in remuneration is not comparable, therefore not stated.

3. The percentage decrease in the median remuneration of employees in the financial year is 1.22%
4. Total number of permanent employees on the rolls of company as on March 31, 2024 are 462.
5. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.

Particulars	Non-Managerial	Managerial
% Average increase in salaries during 2023-24	11.32 %	7.70 %

Affirmation that the Remuneration is as per the remuneration policy of the Company.

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2024
[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the
Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Bharat Seats Limited,
1, Nelson Mandela Road,
Vasant Kunj, New Delhi

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Bharat Seats Limited (CIN No. L34300DL1986PLC023540)** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's Books, Papers, Minute Books, Forms and Returns filed and other records maintained by the Company and also the information provided by the Company, its officers, and authorized representatives during the conduct of Secretarial Audit, the explanations and clarifications given to me and the representations made by the Management, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2024 ("audit period") complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2024 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment, and External Commercial Borrowings. As, there was neither any transaction of Direct Investment, External Commercial Borrowings nor any transaction of Overseas Direct Investment therefore no reporting is required to be made.
- v. The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) *The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - d) *The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
 - e) *The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; - Not Applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the financial year under review;
 - g) *The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
 - h) *The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
 - i) The Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 (herein after referred as SEBI LODR); and
 - j) Securities and Exchange Board of India (Depository and Participants) Regulations, 2015;

* No event took place under these regulations during the audit period.

vi) Laws specifically applicable to the industry to which the Company belongs, as identified by the management:

- a) Explosives Act, 1884

I have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has during the financial year ended March 31, 2024 complied with the aforesaid laws.

Based on the information received and records made available I further report that;

- i. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Women Directors. The changes in the composition of the Board of Directors that took place during the financial year under review, were carried out in compliance with the provisions of the Act and the SEBI LODR Regulations.
- ii. Adequate notice(s) were given to all directors regarding holdings of Board Meetings. Agenda and detailed notes on agenda were sent at least seven days in advance to all Directors. A system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting;
- iii. All the decisions at the Board Meetings and Committee meetings were carried through with requisite majority as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be. The dissenting members' views, if any, were captured and recorded as part of the minutes.
- iv. As per the records, the Company filed all the forms, returns, documents and resolutions as were required to be filed with the Registrar of Companies and other authorities and all the formalities relating to the same is in compliance with the Act.
- v. There are adequate systems & processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations & guidelines.

I have checked the compliance management system of the Company to obtain reasonable assurance about the adequacy of systems in place to ensure compliance of specifically applicable laws and this verification was done on test basis. I believe that the Audit evidence which I have obtained is sufficient and appropriate to provide a basis for my audit opinion. Except elsewhere mentioned in this report, in my opinion and to the best of my information and according to explanations given to me, I believe that the compliance management system of the Company is adequate to ensure compliance of laws specifically applicable to the Company.

I further report that during the audit period, there no major events/ actions have taken place having a major bearing on the Company's affairs in pursuance to the above referred laws, rules, regulations, guidelines, standards etc., except that :

- i) An application for reclassification of some of the promoters was made to BSE on 1st November, 2022 and BSE approved the same on 27th September, 2023. Consequently, some of the promoters/ promoter group namely, Mr. Ajay Relan, Ms. Sharda Relan, Ms. Mala Relan, Mr. Aashim Relan, Ms. Aashita Relan, Sharda Motor Industries Limited and Relan Industrial Finance Limited, were reclassified from the category of 'promoter group' to 'public'.

The shareholders of the company at its last Annual General Meeting held on July 18, 2023 has passed following major decisions:

- i) Approved the re-appointment of Mr. Rishabh Relan as Whole Time Director of the Company.
- ii) Granted approval under section 188 of the Companies Act, 2013 and Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, for doing transactions with NDR Auto Components Limited

R.S. Bhatia
Practicing Company Secretary
CP No. 2514
UDIN: F002599F000322567
Peer Review No.: 1496/2021

Place : New Delhi
Date : 07/05/2024

Note: This report is to be read with our letter of even date which is annexed as 'ANNEXURE A' and forms an integral part of this report.

The Board of Directors
BHARAT SEATS LIMITED,
Regd Off.: 1, Nelson Mandela Road,
Vasant Kunj, New Delhi 110070
CIN No: L34300DL1986PLC023540

My Secretarial Audit Report of even date is to be read along with this letter.

My report of even date is to be read along with this letter.

1. Maintenance of record is the responsibility of the management of the Company. Our responsibility is to express an opinion on those records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on text basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. Wherever required, we have obtained the Management representation about the compliance of laws; rules and regulations and happening of events etc.
4. The compliance of the provisions of SEBI laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
5. As regards the books, papers, forms, reports and returns filed by the Company under these regulations, the adherence and compliance to the requirements of the said regulations is the responsibility of management. Our examinations was limited to checking the execution and timeliness of the filing of various forms, reports, returns and documents that need to be filed by the Company under the said regulations. We have verified the correctness and coverage of the contents of such forms, returns and documents.

Place : New Delhi
Date : 07/05/2024

R.S. Bhatia
Practicing Company Secretary
CP No. 2514
UDIN: F002599F000322567
Peer Review No.: 1496/2021

REPORT ON MANAGEMENT DISCUSSION AND ANALYSIS

According to the World GDP Ranking 2024 list, India is the fifth largest economy in the world.

India decisively withstood global headwinds in 2023 and is likely to remain as the world's fastest-growing major economy on the back of growing demand, moderate inflation, stable interest rate regime and robust foreign exchange reserves. With global headwinds fading, India's macros appear to be in a good place in 2024.

The GDP growth in India is dependent on the trajectory of economic and political developments globally. Overall, the forces are likely to balance out in calendar year 2024, giving us a comfortable growth rate. India's growth has shown great resilience despite many external shocks. This is due to increasing economic diversity and the role of policy in smoothing shocks.

Equipping people with better skills and assets has added up to give India good growth in 2024 and beyond.

The geopolitical developments will again test the resilience of India's domestic demand in the coming year, and the worsening or easing of the current conflicts will determine the landing bias of the growth rate to the lower or higher end, respectively.

The lagged impact of interest rate hikes and the global slowdown will be the key drags.

The outlook for the auto industry in 2024 is very positive owing to favourable macroeconomic factors like India's growing economy, investments in infrastructure and robust replacement demand.

As cars become 'computers on wheels', more value comes from digital technology design and software. Manufacturing is going modular, with less in-house production and greater focus on design and assembly. The shift to Electric Vehicle as well as supply chain challenges are causing a rethink of manufacturing footprints.

Artificial Intelligence in the automotive industry helps optimize manufacturing processes, reduce costs, and improve supply chain management. The data from vehicles and sales can help model and regulate the production process with real-time data.

Indian auto industry has kickstarted 2024 on a positive note. The Electric Vehicle market expanded significantly in 2022. This growth accelerated in 2023 and it is expected to grow even further in 2024.

INDUSTRY STRUCTURE AND DEVELOPMENT

One of the most significant sectors in India's economy that contributes significantly to global value chains is the automobile industry. Strong government support, which has enabled this sector to carve out a distinct path among India's manufacturing sectors, has been a major factor in its rise.

The global shortage of semiconductors, or chips, which had rattled automobile production and sales in India through fiscals 2021 and 2022 and a large part of fiscal 2023, is easing, with supply-chain glitches being addressed and improved predictive demand forecast enabling better production schedules. With significant mitigation in the supply side issues of availability of semi-conductors, input material cost and logistics, the vehicle industry is expected to continue to perform well in 2024 fiscal which augers well for the auto component sector.

The unparalleled winner of automobile manufacturers in India is Maruti Suzuki India Limited, who has achieved cumulative production of over 3 crore units. The prime reason why almost every second car sold in India is a Maruti is the brand's proven ownership experience. The company offers the widest sales and service footprint of any car manufacturer, enabling buyers from the remotest parts of India to own and run Maruti cars for decades even. Maruti Suzuki is deeply committed to Government of India's vision of 'Make in India' and going ahead, is gearing up to double production capacity by 2030.

India's auto component industry is an important sector driving macroeconomic growth and employment. The industry comprises players of all sizes, from large corporations to micro entities, spread across clusters throughout the country.

The growing presence of global automobile Original Equipment Manufacturers (OEMs) in the Indian auto components industry has significantly increased the localization of their components in the country. Consumption of increased value-added components and shift in market performance towards larger and more powerful vehicles contributed to increased turnover of auto components sector.

OPPORTUNITIES AND THREATS

The rapidly globalising world is creating newer opportunities for the transportation industry, especially while shifting towards electric, electronic and hybrid cars, which are deemed more efficient, safe and reliable modes of transportation. Over the next decade, this will lead to newer verticals and opportunities for auto component manufacturers. To help them adjust to the shifting dynamics of the sector, the Indian government has already offered various production incentives. India is also investing heavily in electric car infrastructure.

Increasing competition is among the many problems faced by the automotive world.

Despite advancements in electric vehicles, the majority of the industry still relies on gasoline, which is subject to price volatility.

Despite challenges, a convergence of factors such as focus on improved vehicle performance and heightened safety standards is driving the adoption of new materials in automotive components. Industry is committed to a greener, safer and more innovative future, embracing ECG measures for sustainable ecosystem.

The Indian automotive sector is poised to rank number three globally by 2030, led by initiatives such as the PLI for Automobile and Auto Components,

The growing working population and expanding middle class are expected to remain key demand drivers.

India is emerging as a global hub for auto component sourcing and the industry exports over 25% of its production annually.

India is emerging as a global auto component sourcing hub due to its proximity to key automotive markets such as ASEAN, Europe, Japan and Korea.

Incentives are applicable for determined sales of products manufactured in India from April 1, 2022, for a period of five consecutive years. The Ministry of Heavy Industries has announced the extension of the tenure of the Production Linked Incentive (PLI) Scheme for Automobile and Auto Components by one year with partial amendments. Under the amended scheme, the incentive will be applicable for a total of five consecutive financial years, starting from the financial year 2023-24. The disbursement of the incentive will take place in the following financial year 2024-25.

Rising EV startup ecosystem, focus on localization and conducive Govt. policies are acting as a booster to EV ecosystem

SEGMENT WISE/ PRODUCT WISE PERFORMANCE

The Company is currently operating primarily under a single business segment manufacturing complete seating systems and interior components for passenger Cars as well as Utility Vehicles.

RESEARCH AND DEVELOPMENT (R&D)

The rapid globalization is opening new opportunities for the automobile industry, especially while it makes a shift towards electric, electronic and hybrid cars, which are deemed more efficient, safe, and reliable mode of transportation. Over the next decade, this will lead to new verticals and opportunities for auto-component manufacturers, who would need to adapt change via systematic R&D.

Your company has successfully developed:

- NVH components like floor carpet, wheel housing cover, CNG cover, dash insulation, EV battery cover, etc. for passenger car
- Extrusion for roof as well as windshield for passenger car
- Seating system design & development for 4-Wheelers and 2-Wheelers
- Value Engineering and Value analysis (VA-VE) in process, creating design and development standard for each commodity, developing expertise knowledge in fabric lay-outing called “nesting” to increase yield, etc. for value addition.

RISK AND CONCERNS

The Company is exposed to external and internal risks associated with the business.

BUSINESS RISK

The automotive sector is experiencing a significant shift with cutting edge materials leading advancements in vehicle design, safety and sustainability. Challenges such as commodity price fluctuations, geopolitical instability and geographic material concentration are identified as obstacles in the transition to new-age materials.

FINANCIAL RISK

The company's sales and margins are subject to the market factors that affect Maruti Suzuki India Ltd. and Suzuki Motorcycle India Private Ltd. Any disruption of supply chain, availability of raw material could potentially impact its financial position and earnings.

The Company is exposed to the risks associated with fluctuations in foreign currency rates, import duties and taxes.

Your Company reviews forward exchange contracts/ derivative contracts on a regular basis to analyze foreign exchange

exposure and confirms that the Company has a Risk Management policy, with a clause on foreign exchange risk management in place.

Both the operational and financial risks are constantly assessed, and adequate steps are taken from time to time to mitigate them successfully.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an adequate system of internal controls to ensure that transactions are properly authorized, recorded, and reported, apart from safeguarding its assets. The internal control system is supplemented by well-documented policies, guidelines and procedures and reviews carried out by the Company's internal audit function, which submits reports periodically to the Management and the Audit Committee of the Board.

Your Company has a favorable work environment that motivates performance, customer focus and innovation while adhering to the highest degree of quality and integrity.

DISCLOSURE OF ACCOUNTING TREATMENT

The Company has complied with all the provisions of the accounting standards in accordance with Section 133 of the Companies Act, 2013.

HUMAN RESOURCES/ INDUSTRIAL RELATIONS

Your Company believes that employees are key for our success, have immense knowledge and power of innovation. Your Company aims to create an environment where every employee can contribute to the company's performance, excel and grow in their respective jobs. Our focus is to recruit employees with right skills and talent, raise competency through training and development, recognize and reward leadership and performance. Several measures are implemented to retain the talent within the organization. At each location, the work force goes through a mandatory training plan including the vision, mission and company values which forms a base for treating everybody with dignity and respect. To further strengthen and motivate our employees, several initiatives are taken on a continuous basis to foster teamwork, trust and communication across the organization. Employees are encouraged to have a passion for excellence and focus on the customer with a performance goal of doing things right first time and every time. Your Company provides challenging and fulfilling opportunities to maximize employee potential so that every employee excels and grows along with Company's growth.

Your Company ensures quality at our suppliers and service providers by horizontal deployment of learnings and training at our supplier partners.

In addition to timely delivery and quality, your Company's utmost focus is on the safety of its workforce.

Health, Safety and the Environment remain our top priority. Periodic audits are carried out both internally as well as through external agencies to identify gaps and to define action items for continuous improvement, ensuring a safe workplace for employees. The total number of permanent employees on the rolls of Company as on 31st March 2024 are 462.

FINANCIAL PERFORMANCE

The Company continued its focus on lean operations and cost optimization through several measures.

The details of the financial performance of the company appear in the Balance Sheet, Profit & Loss Account and other financial statements forming part of this Annual report. For financial highlights please refer to the heading 'FINANCIAL RESULTS' of the Board's Report.

KEY FINANCIAL RATIOS

Changes in key financial ratios are as under:

Sr. No.	Ratios	Unit	2023-2024	2022-2023	% change
1	Debtors Turnover	Times	10.68	10.14	5.33%
2	Inventory Turnover	Times	31.12	25.69	21.14%
3	Interest Coverage Ratio**	Times	8.44	13.85	(39.06%)
4	Current Ratio	Times	0.76	0.79	(3.80%)
5	Debt Equity Ratio #	Times	0.96	0.41	134.15%
6	Operating Profit Margin**	%	3.89	3.16	23.10%
7	Net Profit Margin	%	2.36	2.05	15.12%
8	Return on Net worth	%	15.02	14.72	2.03%

*Earnings before interest, depreciation, tax and amortization (EBIDTA) have been considered for coverage ratio.

**Operating profit is earning before interest and tax (EBIT)

Interest coverage ratio has reduced and Debt Equity ratio has increased due to additional loan taken & increase in finance charges on lease liabilities

There is a upwards trend, compared to last year due to an overall upswing in sales primarily due to more off-take by MSIL.

DISCLAIMER

Statements in this Report, particularly those which relate to Management Discussion and Analysis as explained in the Corporate Governance Report, describing the Company's objectives, projections, estimates and expectations may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results might differ materially from those either expressed or implied in the statement depending on the circumstances.

CORPORATE GOVERNANCE REPORT

(FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2024)

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Governance is a reflection of the culture and values of a company's board and management. Good governance in a company enhances the confidence, trust and enthusiasm of its stakeholders. For ensuring sound corporate governance practices, the Government of India has put in place a framework based on the stipulations contained under the Companies Act, Securities and Exchange Board of India (SEBI) Regulations, Accounting Standards, Secretarial Standards, etc. Today's market-oriented economy and globalization drive the demand for high quality of governance practices.

Good governance practices is a norm at Bharat Seats. The Company has established systems, procedures and policies to ensure that its Board of Directors is well informed and well equipped to discharge its overall responsibilities and provide the management with the strategic direction catering to exigency of long-term shareholders value.

2. BOARD OF DIRECTORS
(a) Composition of the Board

As on 31st March, 2024, the Board of Directors comprised of nine Directors, with an Executive Director and Promoter as Chairman and Managing Director.

There were two executive Directors of the Company, viz the Chairman and Managing Director and one Whole Time Director. The remaining seven Directors were non-executive Directors, out of which five Directors were independent. There were two Independent women Directors. The number of Independent Directors was more than fifty percent of the total number of Directors.

Maruti Suzuki India Ltd., co-promoter and major customer of the Company, has nominated one non- executive Director on the Board of the Company. Also, Suzuki Motor Corporation, co-promoter has nominated one non-executive Director on the Board of the Company.

The Company is in compliance with the Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (hereinafter referred to as: LODR Regulations), pertaining to composition of Board.

The day-to-day management of the Company is conducted by the Chairman and Managing Director along with one other Executive Director, subject to the supervision and control of the Board of Directors.

All directors, other than Independent Directors and Chairman and Managing Director, are liable to retire by rotation.

(b) Number of Board Meetings and dates on which held

During 2023-24, the Board met four times on 11th May, 2023, 3rd August, 2023, 31st October, 2023 and 1st February, 2024. The maximum gap between two Board meetings was less than one hundred twenty days.

(c) Attendance of Directors at the meeting of the board of directors and the last Annual General meeting

Attendance record of the Directors at the board meetings and at the last annual general meeting is as under:

NAME OF DIRECTOR	AGM held on 18th July, 2023	Date of the Board Meetings held during the year				NO. OF BOARD MEETINGS ATTENDED(TOTAL MEETINGS HELD 4)	% of Attendance
		11/05/2023	03/08/2023	31/10/2023	01/02/2024		
MR. ROHIT RELAN	YES	√	√	√	√	4	100%
MR. SHIGETOSHI TORII*	No	√	x	-	-	1	25%
MR. MAKOTO KUNIEDA**	NOT APPLICABLE	-	-	√	√	2	50%
MR. C.V. RAMAN	YES	√	√	√	x	3	75%
MR. G.N. MEHRA	YES	√	√	√	√	4	100%
MR. RAVINDRA GUPTA	YES	√	√	√	√	4	100%
MRS. SHYAMLA KHERA	YES	√	√	√	√	4	100%
MR. ARVIND VARMA	YES	√	√	√	√	4	100%
MR. RISHABH RELAN	YES	√	√	√	√	4	100%
MRS. NISHA MALHOTRA	YES	√	√	√	√	4	100%

*Mr. Shigetoshi Torii resigned w.e.f. close of business hours of 3rd August, 2023.

**Mr. Makoto Kunieda joined the Board w.e.f. 4th August, 2023.

Video Conferencing facilities were provided to the Directors to facilitate them to participate in the meetings. The Chairman of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee attended the Annual General Meeting.

(d) **Details of Other Directorships/ Committee Memberships**

All the Directors have made necessary disclosures regarding their directorships and other interests as required under section 184 of the Companies Act, 2013 and on the Committee positions held by them in other Companies. None of the directors hold directorship in more than 20 Indian Companies with not more than 10 public limited companies and none of the directors hold directorships in more than 8 listed entities. None of the Independent directors serve as independent director in more than seven listed entities. Further neither of director serve as member of more than 10 committees nor do any of them serve as Chairperson of more than five Committees across all the public limited companies in which they are directors. The Managing Director and CEO do not serve as Independent Director on any listed company.

Details of Directors, category of Directors, No. of other Directorship/ Committee membership held by them as on 31st March, 2024 are given below:

SR. NO.	NAME OF THE DIRECTORS (DIN)	DESIGNATION	CATEGORY	DETAILS OF DIRECTORSHIP OF OTHER LISTED ENTITIES AND CATEGORY OF DIRECTORSHIP		NO. OF OUTSIDE DIRECTORSHIP		NUMBER OF OUTSIDE COMMITTEE POSITIONS HELD		NO. OF SHARES HELD IN BSL
						PUBLIC	PRIVATE	AS MEMBER	AS CHAIRMAN	
1	MR. ROHIT RELAN DIN:00257572	CHAIRMAN AND MANAGING DIRECTOR	PROMOTER/ EXECUTIVE/ NON-INDEPENDENT	NDR Auto Components Limited	Non-executive Non-Independent	1	2	1	-	38,24,158 Equity shares
2	MR. MAKOTO KUNIEDA DIN: 10260765	DIRECTOR	NOMINEE – SUZUKI MOTOR CORPORATION/ NON-EXECUTIVE/ NON- INDEPENDENT	-	-	-	-	-	-	-
3	MR. C.V. RAMAN DIN: 07093663	DIRECTOR	NOMINEE – MARUTI SUZUKI INDIA LTD. NON-EXECUTIVE / NON-INDEPENDENT	-	-	2	1	-	-	-
4	MR. G.N. MEHRA DIN: 00059311	DIRECTOR	NON-EXECUTIVE/ INDEPENDENT	Subros Ltd.	Non-executive Independent	3	-	-	4	-
5	MR. RAVINDRA GUPTA DIN: 01521168	DIRECTOR	NON-EXECUTIVE/ INDEPENDENT	-	-	-	-	-	-	-
6	MS. SHYAMLA KHERA DIN: 06929439	DIRECTOR	NON-EXECUTIVE/ INDEPENDENT	NDR Auto Components Limited	Non-Executive Independent Director	1	-	1	1	-
7	MR. ARVIND VARMA DIN: 02225281	DIRECTOR	NON-EXECUTIVE/ INDEPENDENT	-	-	-	-	-	-	-
8	MS. NISHA MALHOTRA DIN: 09428727	DIRECTOR	NON-EXECUTIVE/ INDEPENDENT	-	-	-	-	-	-	-
9	MR. RISHABH RELAN DIN: 07726444	WHOLETIME DIRECTOR	EXECUTIVE/ NON-INDEPENDENT	NDR Auto Components Limited	Non-executive Non-Independent	1	-	1	-	3,68,000 Equity shares

NOTES:

The Committees considered for the purpose are those prescribed under Regulation 26(1)(b) of the LODR Regulations 2015.

All the relevant information required to be placed before the Board of Directors as per Regulation 17(7) of LODR Regulations were duly placed and were duly considered and taken on record / approved by the Board.

Further, the Board periodically reviews Compliance Reports in respect of laws and regulations applicable to the Company.

Succession Plan

The Board of Directors has satisfied itself that plans are in place for orderly succession for appointment to the Board of Directors and senior management.

(e) Relationship between directors inter-se

There is no relationship between the directors except that:

- (i) Mr. Rohit Relan and Mr. Rishabh Relan are relatives;
- (ii) Mr. C. V. Raman and Mr. Makoto Kunieda are nominees of Maruti Suzuki India Limited and Suzuki Motor Corporation respectively.

The independent Directors do not have any material pecuniary relationship or transactions with the Company, its Directors and its senior management personnel which may affect their independence, except for the Sitting fees, drawn for attending the meetings of the Board and Committee(s) thereof.

(f) Number of Shares and convertible instruments held by Non-Executive Directors

No shares are held by non-executive Directors.

There are no convertible instruments issued by the Company.

(g) Familiarisation Programme

The Company follows familiarisation programmes through various reports/ codes/ policies for all the Directors. The details of familiarization programme have been posted on the website of the Company under the web link : <https://bharatseats.com/wp-content/uploads/2020/05/Familiarization-Programme-for-IDs-2024-BSL.pdf>.

(h) Key Board Skills, Expertise and Competence

The Board comprises qualified members who bring in the required skills, competence and expertise that allows them to make effective contribution to the Board and its Committees.

In view of the objectives and activities of our Business, the Company requires skills/ expertise/ competencies in the areas of Finance, Regulatory, Strategy, Business Leadership, Automotive Technology, Human Resources, risk and Governance.

The Board is satisfied that the current composition reflects an appropriate mix of knowledge, skills, experience, diversity and independence required for it to function effectively. The Board periodically evaluates the need for change in its composition and size.

Core skills/expertise/competencies of the Board Members

The Members of the Board are committed to ensuring that the Board is in compliance with the highest standard of Corporate Governance. In terms of the requirement of the Listing Regulation, the Board has identified the following skills/expertise/competencies fundamental for the effective functioning of the Company, which are currently available with the Board along with the names of the Directors, who have such skill/expertise/competence, are given below:-

Business & Industry

Domain Knowledge in Business and understanding of business environment, optimising the development in the industry for improving Company's business.

Financial Expertise

Financial and risk management, Internal control, Experience of complex financial reporting processes, taxation, Capital allocation, resource utilisation, Understanding of Financial policies and accounting statement and assessing economic conditions.

Governance & Compliance

Experience in developing governance practices, serving the best interests of all stakeholders, maintaining board and management accountability, building long term effective stakeholder engagements and driving corporate ethics and values.

Administration and Government relations

Sr. No.	Name of the Director	Skills
1	Mr. Rohit Relan, Chairman and Managing Director	Business & Industry, Financial Expertise, Governance & Compliance
2	Mr. Makoto Kunieda	Business & Industry
3	Mr. C.V. Raman	Business & Industry
4	Mr. G.N. Mehra	Business & Industry, Financial Expertise, Governance & Compliance
5	Mr. Ravindra Gupta	Financial Expertise, Governance & Compliance
6	Ms. Shyamla Khera	Financial Expertise, Governance & Compliance
7	Mr. Arvind Varma	Administration and Government relations, Governance & Compliance
8	Ms. Nisha Malhotra	Administration and Government relations, Governance & Compliance
9	Mr. Rishabh Relan	Business & Industry, Financial Expertise, Governance & Compliance

(i) Independent Directors

The term Independent Director has been defined under Section 149 of the Companies Act, 2013 and Rules framed there under and Regulation 16 of the Listing Regulations.

Based on the disclosures received from all the Independent Directors and also in the opinion of the Board, the Independent Directors meet the criteria of 'Independence' specified in the Regulation 16(1) of the LODR Regulations and section 149(6) of the Companies Act, 2013 and rules framed there under and are independent of the management as required under Regulation 25 of the LODR Regulations.

The Company has complied with the provisions with respect to appointment and terms of appointment of Independent Directors which are consistent with the Act and Listing Regulations. The Independent Directors on the Board of the Company are given formal appointment letter *inter alia* containing the terms of appointment, role, duties and responsibilities etc. The terms and conditions of appointment are disclosed on the website at <https://bharatseats.com/wp-content/uploads/2020/05/terms-of-appt-ind-director2024.pdf> None of the Independent Directors have resigned before the expiry of their respective tenures during the year under review.

A separate meeting of the Independent Directors was held on February 01, 2024 without the attendance of non-independent Directors and other members of the Management. All the Independent Directors took part in the discussion. At the said meeting, the Independent Directors reviewed the performance of non-independent directors, the Board as a whole and the Chairman of the Company. They also assessed the quality, quantity, timeliness of the flow of information and adequacy of information between the Company's management and the Board.

(j) Performance Evaluation of Directors

The Nomination and Remuneration Committee of the Board reviewed the criteria laid down for the performance evaluation of all Directors. The performance evaluation has been done by the entire Board of Directors, except the Director concerned being evaluated.

(k) Board's Functioning and Procedures

The Board plays a pivotal role in ensuring good governance. Its style of functioning is democratic. The Members of the Board have always had complete freedom to express their opinion and decisions are taken on the basis of a consensus arrived at after detailed discussion. The members are also free to bring up any matter for discussion at the Board Meetings with the permission of the Chairman.

The Board's role, functions, responsibility and accountability are clearly defined. In addition to its primary role of setting corporate goals and monitoring corporate performance, it directs and guides the activities of the management towards the set goals and seeks accountability with a view to ensure that the corporate philosophy and mission viz., to create long term sustainable growth that translates itself into progress, prosperity and the fulfilment of stakeholders' aspirations, is accomplished. It also sets standards of corporate behavior and ensures ethical behavior at all times and strict compliance with Laws and Regulations.

The required information including information as enumerated in Regulation 17(7) read together with Part A of Schedule II of the LODR Regulations is made available to the Board of Directors.

All the items on the agenda are accompanied by notes giving comprehensive information on the related subject and in certain matters such as financial/business plans, financial results, detailed presentations are made. The agenda and the relevant notes are sent in advance separately to each Director to enable the Board to take informed decisions.

The minutes of the meetings of the Board are individually given to all directors for their comments, if any and are noted at the subsequent Board Meeting. The Minutes of the various Committees of the Board are also individually given to the respective Committee members and thereafter tabled for noting purpose at the subsequent Board Meeting, in compliance with Secretarial Standards issued by the Institute of Company Secretaries of India.

COMMITTEES OF THE BOARD:

The Board Committees are set up by the Board and play a crucial role in the governance structure of the Company and deal with specific areas of concern for the Company that need a closer review. The Committees operate under the direct supervision of the Board and the Chairpersons of the respective Committees report to the Board about the deliberations and decisions taken by the Committees. The recommendations of the Committees are submitted to the Board for approval. The Minutes of the meetings of all Committees of the Board are placed before the Board for noting purpose.

The Company has four Committees of the Board:

- 1) Audit Committee
- 2) Nomination and Remuneration Committee
- 3) Stakeholders' Relationship Committee and
- 4) Corporate Social Responsibility Committee

The composition of the various Committees of the Board of Directors is available on the website at: <https://bharatseats.com/wp-content/uploads/2020/05/Committees-May-2024.pdf>.

3. AUDIT COMMITTEE

The Company has an Audit Committee and Mr. G. N. Mehra, Chairman of the Audit Committee is a Non-Executive Independent Director of the Board who has relevant accounting and financial expertise. The composition and terms of reference of the Audit Committee is in compliance with Section 177 of the Companies Act, 2013 and with Regulation 18(1) of the SEBI(LODR) Regulations. The Audit Committee acts as a link between the statutory and internal auditors and the Board of Directors. It addresses itself to matters pertaining to adequacy of internal controls, reliability of financial statements/ other management information, adequacy of provisions for liabilities, and whether the audit tests are appropriate and scientifically carried out and that they are aligned with the realities of the business, adequacy of disclosures, compliance with all relevant statutes and other facets of Company's operation that are of vital concern to the Company. In particular, the role of Audit Committee includes the following:

(a) Functions of the Audit Committee

- i) Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- ii) Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- iii) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- iv) Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
 - b. Changes, if any, in accounting policies and practices and reasons for the same;
 - c. Major accounting entries involving estimates based on the exercise of judgment by management;
 - d. Significant adjustments made in the financial statements arising out of audit findings;
 - e. Compliance with listing and other legal requirements relating to financial statements;
 - f. Disclosure of any related party transactions;
 - g. Modified opinion(s) in the draft audit report.

- v) Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- vi) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- vii) Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- viii) Approval or any subsequent modification of transactions of the company with related parties;
- ix) Valuation of undertakings or assets of the company, wherever it is necessary;
- x) Evaluation of internal financial controls and risk management systems;
- xi) Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;
- xii) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- xiii) Discussion with internal auditors of any significant findings and follow up there on;
- xiv) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control system of a material nature and reporting the matter to the board;
- xv) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- xvi) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- xvii) To review the functioning of the Whistle Blower mechanism;
- xviii) Approval of appointment of CFO (i.e., the whole- time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- xix) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- xx) Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances/ investments existing loans/ advances/ investments existing as on the date of coming into force of this provision.
- xxi) consider and comment on rationale, cost benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

(b) Powers of Audit Committee

- i) To investigate any activity within its terms of reference.
- ii) To seek information from any employee.
- iii) To obtain outside legal or other professional advice.
- iv) To secure attendance of outsiders with relevant expertise, if it considers necessary.

(c) Review of information by Audit Committee

The Audit Committee shall mandatorily review the following information:

- i) Management Discussion and Analysis of financial condition and results of operations;
- ii) Management letters / letters of internal control weaknesses issued by the statutory auditors;
- iii) Internal audit reports relating to internal control weaknesses; and
- iv) The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.
- v) Statement of deviations:

- (a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
- (b) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).
- vi) To frame and review the policies in relation to the implementation of the Bharat Seats Code of Conduct for Prevention of Insider Trading and to supervise implementation of the same.

The meetings of Audit Committee were held on 11th May, 2023, 3rd August, 2023, 31st October, 2023 and 1st February, 2024. The maximum gap between two meetings was less than one hundred twenty days.

The composition of the Audit Committee and the meetings attended by the members during the year are as follows:

Sr. No.	Name	Category	Designation	No. of meeting held	No. of meetings attended
1	Mr. G. N Mehra	Non-Executive / Independent Director	Chairman	4	4
2	Mr. Ravindra Gupta	Non-Executive / Independent Director	Member	4	4
3	Ms. Shyamla Khara	Non-Executive / Independent Director	Member	4	4

The meetings of the Audit Committee are/ were also attended by the Chairman and Managing Director, Executive Director, Chief Financial Officer, Statutory Auditors and Internal Auditors as Special Invitees as and when required. The Chairman of the Audit Committee attended the last Annual General Meeting to answer the shareholders' queries. Ms. Ritu Bakshi, Company Secretary acts as the Secretary of the Committee.

4. NOMINATION AND REMUNERATION COMMITTEE

The meeting of Nomination and Remuneration Committee was held on 11th May, 2023, 3rd August, 2023 and 1st February, 2024. The composition of Nomination and Remuneration Committee is as follows:

Sr. No.	Name	Category	Designation	No. of meetings held	No. of meetings attended
1	Mr. G. N. Mehra	Non-Executive /Independent Director	Chairman	3	3
2	Mr. Ravindra Gupta	Non-Executive /Independent Director	Member	3	3
3	Mr. Arvind Varma	Non-Executive /Independent Director	Member	3	3
4	Ms. Nisha Malhotra	Non-Executive /Independent Director	Member	3	3

Ms. Ritu Bakshi, Company Secretary acts as the Secretary of the Committee.

Remuneration policy

The Committee's constitution and terms of reference are in compliance with the provisions of section 178 of the Companies Act and Part D of Schedule II of SEBI (LODR), Regulations, 2015 besides other terms as may be referred by the Board of Directors. The policy is available on the website at <https://bharatseats.com/wp-content/uploads/2020/05/NRCPolicy2020.pdf>.

The terms of reference include:

- (a) Formulation of criteria for determining qualifications, positive attributes and independence of a Director and Remuneration for the Directors, Key Managerial Personnel and Senior Management and recommending the same to the Board and
- (b) Identification of persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria as per the policy approved by the Board. The policy of the company is to remain competitive in the industry, to attract and retain the best talent and appropriately reward employed for their individual performance and contribution to the business.

(c) The Nomination and Remuneration Committee lays down the criteria for the performance evaluation of Independent Directors and other Board of Directors and committees of the Board of Directors.

The Non-Executive Director do not draw any remuneration from the company except the sitting fees which were paid at a rate of Rs. 40,000/- for each meeting of the Board/Committee of the Board attended by them during the financial year.

The details of salary, perquisites (including contribution to Provident Fund) and sitting fees paid to directors are given as under: Rs. in lakhs

Name	Position	Gross Remuneration		Sitting Fee
Mr. Rohit Relan	Chairman and Managing Director	Salary	1,73,25,000	-
		Allowances and Perquisites	86,62,500	-
		Contribution to P.F.	21,67,014	-
		Total	2,81,54,514	-
*Mr. Makoto Kunieda	Director		-	-
**Mr. C.V. Raman	Director		-	1.20
Mr. G.N. Mehra	Director		-	7.60
Ms. Shyamla Khera	Director		-	6.40
Mr. Ravindra Gupta	Director		-	6.00
Mr. Arvind Varma	Director		-	6.00
Ms. Nisha Malhotra	Director			4.80
Mr. Rishabh Relan	Whole Time Director	Salary	46,15,828	-
		Allowances and Perquisites	23,07,914	
		Contribution to P.F.	5,77,932	
		Total	75,01,674	

* Mr. Makoto Kunieda joined the Board w.e.f. 4th August, 2023.

**Paid to Maruti Suzuki India Limited, of which Mr. C.V. Raman is a nominee director.

Senior Management Personnel

The Nomination and Remuneration Policy of the Company defines Senior Management of the Company. Below is the list of Senior Management Personnel of the Company as on 31st March 2024:

Sr. No.	Name of Senior Management Personnel	Designation
1	Mr. Akira Furukawa	Chief Technical Officer
2	Mr. Yogesh Bansal	Vice President - Operations
3	Mr. Sanjeev Kawatra	Vice President - Business Development and Marketing
4	Mr. Ankur Maheshwari	Chief Human Resources Officer
5	Ms. Padma Pannikar	Associate Vice President - Corporate Affairs
6	Mr. Anuj Yadav	General Manager - Corporate Quality Assurance
7	Mr. Gulshan Bharti	General Manager - Purchase and Supply Chain Management

During the year ended March 31, 2024, Mr. Alok Kothari, Associate Vice President - Information Technology, resigned with effect from the close of business hours of February 12, 2024.

5. STAKEHOLDERS' RELATIONSHIP COMMITTEE

In compliance with Section 178 of the Companies Act, 2013 and the rules made thereunder and Regulation 20 of SEBI (LODR), 2015, the Company has duly constituted a Stakeholders' Relationship Committee (SRC). The SRC Constitution Charter elaborates in detail the constitution, manner of meetings and roles and responsibilities of SRC.

Stakeholders Relationship Committee is primarily responsible with various matters relating to: -

- Overall review of Transfer of shares.

- Issue of duplicate share certificate.
- Review of shares dematerialized and all other related matters.
- Monitors expeditious redressal of shareholders' grievances.
- Review of measures for effective exercise of voting rights by shareholders
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar and share transfer agent and overseeing their performance.
- Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividend and ensuring timely receipt of dividend/ annual reports by the shareholders of the Company
- And such other terms of reference as may be prescribed by law from time to time.

The meetings were held on 11th May, 2023, 3rd August, 2023, 31st October, 2023 and 1st February, 2024. The composition of the committee and the details regarding meetings held and attended are given as under:

S. No.	Name	Category	Status	No. of meetings held	No. of meetings attended
1.	Ms. Shyamla Khera	Non-Executive/Independent Director	Chairperson	4	4
2.	Mr. G. N. Mehra	Non-Executive/Independent Director	Member	4	4
3..	Mr. Arvind Varma	Non-Executive/Independent Director	Member	4	4
4.	Ms.Nisha Malhotra	Non-Executive/Independent Director	Member	4	4

Details of the status of the Complaints received during the year in the following statement:

S. No.	Received	Resolved	Pending
Complaints	nil	nil	nil

Ms. Ritu Bakshi, Company Secretary is the Compliance Officer as per Regulation 6 of LODR Regulations, 2015. There are no shares pending for transfer as on 31st March, 2024 except those cases where there were discrepancies which were timely pointed out to the concerned stakeholders. The Chairman of the Stakeholders Relationship Committee attended the last Annual General Meeting to answer the shareholders' queries.

6. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The Committee's constitution and terms of reference are in compliance with the provisions of the Section 135 of The Companies Act, 2013, which includes recommending to the Board, indicating the activities of CSR to be undertaken.

The composition of the committee and the details regarding date of meeting held and attended are given as under: Meeting held on 11th May, 2023, 31st October, 2023 and 1st February, 2024

S. No.	Name	Category	Status	No. of meetings held	No. of meetings attended
1.	Mr. Ravindra Gupta	Non-Executive/ Independent Director	Chairman	3	3
2.	Mr. G. N. Mehra	Non-Executive/ Independent Director	Member	3	3
3.	Ms. Shyamla Khera	Non-Executive/ Independent Director	Member	3	3
4.	Mr.Arvind Varma	Non-Executive/ Independent Director	Member	3	3

7. GENERAL BODY MEETINGS

Details of Annual General Meetings held during the last three years:

Year	Date	Time	Venue	Whether Special Resolution passed
2023	18.07.2023	11 a.m.	Video Conferencing/ Other Audio video means(VC/ OAVM)(with deemed venue at 1, Nelson Mandela Road, Vasant Kunj, New Delhi 110070	Yes

2022	28.06.2022	11 a.m.	Video Conferencing/ Other Audio video means(VC/OAVM)(with deemed venue at 1, Nelson Mandela Road, Vasant Kunj, New Delhi 110070	No
2021	21.09.2021	11 a.m.	Video Conferencing/ Other Audio video means(VC/OAVM)(with deemed venue at Regus, Caddie Commercial Tower Hospitality District, Aerocity, New Delhi	Yes

8. POSTAL BALLOT DURING THE YEAR

The Company successfully completed the process of obtaining approval of the members on the following resolutions through postal ballot during the year 2023-2024:

A) Appointment of Mr. Makoto Kunieda, (DIN 10260765) as a Director of the Company the result of which was announced on 7th September, 2023.

Voting pattern and procedure for Postal Ballot

- The Directors of the Company vide its resolution dated 3rd August, 2023 had appointed Mr. R.S.Bhatia, Company Secretary in Practice as the Scrutinizer for conducting the Postal Ballot process.
- Pursuant to the provisions of the Act and MCA Circulars, the Company has sent Postal Ballot Notice dated 3rd August, 2023 together with the explanatory statement on 8th August, 2023 to its members whose name(s) appeared in the Register of Members maintained by RTA of the Company and List of beneficial owners received from National Securities Depository Limited and Central Depository Services (India) Limited as on the Cut-off date i.e. 4th August, 2023 and whose e-mail IDs were available with the Company and Depositories, through electronic means only and has not dispatched physical notices to any member.
- The voting by electronic means under postal ballot was kept open from 9th August, 2023 to 7th September, 2023.
- The physical copy of Postal Ballot Notice along with Postal Ballot Forms and pre-paid business envelope were not sent to the members. Members were asked to communicate their assent or dissent on the proposed resolution through remote e-voting system only. Therefore, neither the Company nor the scrutinizer received any postal ballot form(s).
- All voting by electronic means received upto 5 p.m. on 7th September, 2023, the last date and time fixed by the Company for e-voting had been considered by the scrutinizer.
- On 7th September, 2023, Mr. Rohit Relan, Chairman and Managing Director announced the results of the postal ballot as per the Scrutinizer's Report, as follows:

In Favour/Against	Remote E-voting		
	Voters	No. of Votes	Percentage
In Favour	256	2,39,38,446	99.997
Against	58	761	0.003
Total	314	2,39,39,207	100

Invalid Votes: Nil.

B) Appointment of Mr. Sanjay Bhattacharyya (DIN: 10449854) as a Non-Executive Independent Director of the Company

C) Appointment of Mr. Sudhir Maheshwari (DIN: 00649505) as a Non-Executive Independent Director of the Company.

The results of B) and C) were announced on 7th March, 2024.

Voting pattern and procedure for Postal Ballot

- The Directors of the Company vide its resolution dated 1st February, 2024 had appointed Mr. R.S.Bhatia, Company Secretary in Practice as the Scrutinizer for conducting the Postal Ballot process.
- Pursuant to the provisions of the Act and MCA Circulars, the Company has sent Postal Ballot Notice dated 1st February, 2024 together with the explanatory statement to its members whose name(s) appeared in the Register of Members maintained by RTA of the Company and List of beneficial owners received from

National Securities Depository Limited and Central Depository Services (India) Limited as on the Cut-off date i.e. 2nd February, 2024 and whose e-mail IDs were available with the Company and Depositories, through electronic means only and has not dispatched physical notices to any member.

- (iii) The voting by electronic means under postal ballot was kept open from 7th February, 2024 to 7th March, 2024.
- (iv) The physical copy of Postal Ballot Notice along with Postal Ballot Forms and pre-paid business envelope were not sent to the members. Members were asked to communicate their assent or dissent on the proposed resolution through remote e-voting system only. Therefore, neither the Company nor the scrutinizer received any postal ballot form(s).
- (v) All voting by electronic means received upto 5 p.m. on 7th March, 2024, the last date and time fixed by the Company for e-voting had been considered by the scrutinizer.
- (vi) On 7th March, 2024, Mr. Rohit Relan, Chairman and Managing Director announced the results of the postal ballot as per the Scrutinizer's Report, as follows:

B) Appointment of Mr. Sanjay Bhattacharyya (DIN: 10449854) as a Non-Executive Independent Director of the Company

In Favour/Against	Remote E-voting		
	Voters	No. of Votes	Percentage
In Favour	146	2,39,02,903	99.999
Against	37	308	0.001
Total	183	2,39,03,211	100

Invalid Votes: Nil.

C) Appointment of Mr. Sudhir Maheshwari (DIN: 00649505) as a Non-Executive Independent Director of the Company

In Favour/Against	Remote E-voting		
	Voters	No. of Votes	Percentage
In Favour	144	2,39,02,753	99.999
Against	38	358	0.001
Total	182	2,39,03,111	100

Invalid Votes: Nil.

9. MEANS OF COMMUNICATION

- The unaudited quarterly results are announced within forty-five days of the end of the quarter and the audited annual results within sixty days from the end of the last quarter as stipulated under the LODR regulations. The aforesaid financial results are taken on record by the Board of Directors and are communicated to the Stock Exchange where the company's securities are listed.
- Once the Stock Exchange has been intimated, these results are also published within 48 hours in English newspaper: Financial Express, and Hindi newspaper Jansatta-Delhi.
- All the data required to be filled electronically, such as quarterly financial results, shareholding pattern are being regularly uploaded on the Company's website: www.bharatseats.com and also uploaded on BSE.
- The Annual Report containing *inter alia* Audited Annual Accounts, Directors' Report, Auditors' Report and other important information forming part of Annual Report is displayed on the Company's website.
- The Annual report is forwarded to all members in electronic mode, whose email IDs are registered with Depositories.
- NECS intimation of dividend is forwarded to all members in electronic mode, whose email IDs are registered with Depositories and physical copies are sent in case email ID is not available.

10. GENERAL SHAREHOLDERS INFORMATION
(a) Appointment/ Re-appointment of Directors

As required, a brief profile and other particulars of the Directors seeking appointment/ re-appointment are given in the Notice of the 37th Annual General Meeting and forms part of the Corporate Governance Report.

(b) Annual General Meeting

Number of Annual General Meeting	37th Annual General Meeting
Date and Time	18 th July 2024 at 11 a.m.
Venue	Through Video Conferencing/other audio visual means (VC/OAVM)

(c) Financial Calendar: 2024-25, 1st April, 2024 to 31st March, 2025

First Quarter Ended June, 2024	Before 2nd week of August, 2024
Second Quarter Ended September, 2024	Before 2nd week of November, 2024
Third Quarter Ended December, 2024	Before 2nd week of February, 2025
Year ended March, 2025	Before end of May, 2025

(d) Book Closure Dates

From 12th July, 2024 to 18th July, 2024 (both days inclusive).

(e) Dividend Payment date

The Dividend, if declared, will be paid within 30 days from the date of the Annual General Meeting.

(f) As on 31st March 2024, the Equity Shares of the company are listed on:

BSE Limited. P.J. Towers

Dalal Street, Mumbai – 400 001

Listing fee for the financial year: 2023-2024 has been paid to the stock exchange. The Equity shares of the Company have not been suspended from trading.

(g) Stock Code

Stock Code is 523229.

International Securities Identification Number (ISIN) for NSDL and CDSL: INE415D01024.

(h) Market Price data:

Monthly High and Low quotations as well as the volume of the equity shares of the company traded for the year 2023-2024 based upon BSE Price data is given below:

MONTH	BSE – HIGH	BSE - LOW	VOLUMES	BSE SENSEX
APRIL, 2023	98.90	81.20	403089	61112.44
MAY, 2023	105.25	92.00	805653	62622.24
JUNE, 2023	136.00	99.90	1876674	64718.56
JULY, 2023	144.45	124.55	1249869	66527.67
AUGUST, 2023	138.00	118.05	571992	64831.41
SEPTEMBER, 2023	143.10	116.00	694787	65828.41
OCTOBER, 2023	141.60	118.00	562186	63874.93
NOVEMBER, 2023	163.05	129.05	629247	66988.44
DECEMBER, 2023	173.90	154.75	616102	72240.26
JANUARY, 2024	204.20	156.25	1330900	71752.11
FEBRUARY, 2024	177.60	150.00	1084136	72500.30
MARCH, 2024	177.00	125.65	704373	73651.35

- (i) **Registrar and Share Transfer Agents:** (For Demat Shares and for Physical Shares) Alankit Assignments Ltd.

4E/2, Alankit House, Jhandewalan Extension, New Delhi-110055, Ph: 42541234, Fax: 4254 1201 E-Mail: rta@alankit.com

Contact person: Mr.J.K.Singla, Deputy General Manager

- (j) **Share Transfer System**

In terms of the Listing Regulations, equity shares of the Company can only be transferred in dematerialised form. Requests for dematerialisation of shares are processed and confirmation thereof is given to the respective depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services India Limited (CDSL), within the statutory time limit from the date of receipt of share certificates/ letter of confirmation after due verification.

Further, SEBI vide its circular dated January 25, 2022, mandated that all service requests for issue of duplicate certificate, claim from unclaimed suspense account, renewal/ exchange of securities certificate, endorsement, sub-division/splitting/consolidation of certificate, transmission and transposition which were allowed in physical form should be processed in dematerialised form only. The necessary forms for the above request are available on the website of the Company i.e <https://www.bharatseats.com>. Shareholders holding shares in physical form are advised to avail the facility of dematerialisation. Shareholders should communicate with Alankit Assignments Limited, the Company's Registrars & Share Transfer Agent at rta@alankit.com quoting their folio number or Depository Participant ID and Client ID number, for any queries relating to their securities.

- (k) **Distribution of Shareholding as on 31.03.2024:**

S. NO.	NO. OF SHARES HELD	NO. OF HOLDERS	PERCENTAGE OF HOLDERS (%)	HOLDING	PERCENTAGE OF HOLDING (%)
1	UPTO 500	13969	86.44	13,92,647	4.44
2	501 TO 1000	1169	7.23	9,88,127	3.15
3	1001 TO 5000	840	5.20	18,99,465	6.05
4	5001 TO 10000	92	0.57	6,89,121	2.19
5	10001 TO 20000	46	0.28	6,82,796	2.17
6	20001 TO 30000	13	0.08	3,14,920	1.00
7	30001 TO 40000	6	.004	2,05,074	0.65
8	40001 TO 50000	5	0.03	2,32,539	0.74
9	50001 TO 100000	5	0.03	3,25,014	1.04
10	100001 TO 500000	12	0.07	28,73,139	9.15
11	500001 and ABOVE	4	0.03	2,17,97,158	69.42
	TOTAL	16161	100.00	3,14,00,000	100.00

- (l) **Shareholding pattern as on 31.03.2024:**

S. No.	Category	No. of Shareholders	% of Shareholders	No. of Equity Shares	% of Shares
1.	Promoters and Associate Companies:				
a.	Indian	13	0.08	1,87,69,824	59.78
b.	Foreign	1	0.01	46,50,000	14.81
2.	Non-Promoter Shareholding:				
a.	Other Corporate Bodies	67	0.41	4,02,756	1.28
b.	Mutual Funds	1	0.01	1,000	-
c.	Financial Institutions	1	0.01	34,000	0.11
d.	NRIs	180	1.11	2,56,385	0.82

e.	Trust	3	0.02	57,982	0.18
f.	Indian Public/HUF	15893	98.34	70,20,451	22.36
g.	IEPF Account	2	0.01	2,07,602	0.66
	TOTAL	16161	100.00	3,14,00,000	100.00

(m) Dematerialisation of Shares and liquidity

Electronic holding of members comprises 99.44% of the paid up Equity Shares of the Company as at 31st March, 2024. The Shares of the Company are available for trading with both the Depositories, namely; National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL). As stipulated by Securities and Exchange Board of India (SEBI), a qualified practicing Company Secretary carries out the Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to stock exchanges, NSDL and CDSL and is also placed before the Board of Directors. No discrepancies were noticed during these audits.

- (n) No GDRs/ADRs Warrants or any convertible instruments has been issued by the company.
- (o) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32(7A) of LODR Regulations: The Company did not raise any funds through preferential allotment or qualified institutions placement
- (p) Commodity price risk or foreign exchange risk and hedging activities: The Company is exposed to capital risk, market risk, credit risk and liquidity risk. The details of risks, including foreign exchange exposures as on March 31, 2024 are disclosed in Notes to the Financial Statements.
- (q) Pursuant to Schedule V of the LODR Regulations, the details of shares held in **Unclaimed Suspense Account of “Bharat Seats Limited – Unclaimed Suspense Account”** with Alankit Assignments Limited are as follows:

Type of Securities	Balance As on 1st April, 2023		No. of shareholders who approached for transfer from Suspense Account		No. of shareholders to whom shares were transferred from Suspense Account		Balance As on 31st March, 2024	
	No. of records	No. of shares	No. of records	No. of shares	No. of records	No. of shares	No. of records	No. of shares
Equity Shares	1	1000	-	-	-	-	1	1000

The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

(r) Plant Locations:

- 1) **Plant – I**
Joint Venture Plot No.1,
Maruti Complex, Gurugram - 122015 (Haryana)
Ph : +91- 9643339870-74 Fax : 0124 - 2341188
E-Mail : seats@ bharatseats.net, investor_ relations@bharatseats.net
Website : www.bharatseats.com
- 2) **Plant- II**
Plot No.Mustill No.226, Kila No.7/1, Village
Bhorakalan, Gurugram (Haryana)
- 3) **Plant-III**
Plot No. 26, Sector-3A, Maruti Supplier Park,
IMT, Manesar, Gurugram (Haryana)
- 4) New Survey/ Block No.30
(Old Revenue Survey no. 403/9) Moje
Naviyani, Taluka Dasada Distt.
Surenderanagar, Part of Nihon Industrial Park,
Gujarat
- 5) Plot No.17, Block No.334,335 old 158, 293
T.P.S No 1D, F.P.No 166 +167, Hansalpur
Ahmedabad, Gujarat 382150

(s) Registered Office:

Bharat Seats Limited

1, Nelson Mandela Road, Vasant Kunj, New Delhi 110070 Ph: 09810808631 Email: seats@bharatseats.net.

(t) Investor Relation Cell address for Correspondence

Investors/ shareholders correspondence may be addressed either to the Company's Secretarial Department, contact person: Ms.Ritu Bakshi, Company Secretary and Compliance Officer, functioning at the works - Plant-1 of the Company at Gurugram or to its Registrar and Transfer Agent: Alankit Assignments Ltd., contact person: Mr. J.K.Singla, Deputy General Manager at 4E/2, Alankit House, Jhandewalan Extension New Delhi – 110055.

(u) OTHER DISCLOSURES

Related Party Transactions

The particulars of transactions between the Company and its related parties as per the terms of Ind AS-24, "Related Party Disclosures", specified under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2015 and Regulation 23 of the LODR Regulations, are disclosed in Note No.38(d) of Notes to Financial Statements. However, these transactions are not likely to have any conflict with the Company's interest. All related party transactions are generally with its associates and are entered into based on considerations of various business exigencies. All related party transactions are in the ordinary course of business and are negotiated on arm's length basis and are intended to further the Company's interests. Further, there were no materially significant related party transactions that were entered during the year that have a potential conflict with the interests of your Company at large. A confirmation as to the compliance of Related party transactions as per LODR Regulations is sent to Stock exchange along with quarterly compliance report of Corporate Governance.

Penalties/ Strictures

No Strictures/Penalties have been imposed on the company by the Stock Exchange or the Securities and Exchange Board of India (SEBI) or any statutory authority on any matters related to capital markets during the last three years, except a fine of Rs.5,000/- was imposed by BSE towards late filing of Corporate Governance report by 5 days, for the quarter ended 31st December, 2013 under regulation 27(2) of SEBI(LODR), 2015(erstwhile regulation 49 of the Listing Agreement).And a fine of Rs.10,000/- towards late filing of Related Party transaction report by 2 days, for six months ended 31st March, 2023 under regulation 23(9) of SEBI(LODR), 2015.

In the preparation of the financial statements, the Company has followed the Accounting Standards issued by ICAI. The significant accounting policies, which are consistently applied, have been set out in the Notes to the Accounts.

The Management Discussion and Analysis is an ongoing process within the Organization. An exercise on Business Risk was carried out covering the entire gamut of Business operations and the Board was informed of the same.

The Company has framed Whistle Blower Policy. No personnel had been denied access to the Audit Committee. Adoption of non-mandatory requirements as stipulated under Listing Regulations are being reviewed by the Board from time to time.

Details of compliance with mandatory requirements and adoption of non-mandatory requirements as specified in Part E of Schedule II of LODR Regulations 2015:

The Company has duly complied with all the mandatory requirements under Chapter IV of the SEBI (LODR), 2015. The Company has not adopted the non-mandatory (discretionary) requirements as mentioned in Part E of Schedule II of the SEBI (LODR), 2015 except that the Company has financial statement with unmodified audit opinion and the Internal Auditor reports directly to the Audit Committee.

Disclosure of Accounting Treatment

The financial statements of year under review have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (IND AS) prescribed under Section 133 of the Companies Act, 2013 and other recognized accounting practices and policies to the extent applicable.

Disclosure Pursuant to Clause (2a) Of Schedule V (Annual Report) Of SEBI (LODR) (Amendment) Regulations, 2018 of transactions of the Company with any person or entity belonging to the Promoter/ Promoter group which hold(s) 10% or more shareholding in the listed entity:

Enclosed as Annexure A.

(v) CREDIT RATING

ICRA has assigned its short term credit rating of A2+ and long term credit rating of A- (stable), indicating the outlook on the long term rating as 'Stable'.

(w) CODE OF CONDUCT

In terms of the requirement of Regulation 17(5)(a) of the Securities and Exchange Board of India (Listing and Disclosure Obligations) Regulations 2015 ["SEBI (LODR), 2015"] & Section 149(8) read with Schedule IV of the Companies Act, 2013 ("the Act"), the Board of Directors has adopted the Code of Conduct for Directors and Senior Management. The said Code has been communicated to the Directors and the Members of the Senior Management. A copy of code of conduct has been made available to stock exchange for its wide circulation and has been posted at the website of the Company. All Board members and senior management personnel affirm their compliance with the Code on annual basis. A declaration to this effect signed by the Chairman and Managing Director of the Company, forms part of this Annual Report of the Company enclosed as Annexure B.

(x) CODE OF CONDUCT FOR PROHIBITION OF INSIDER TRADING

The Company has adopted a Code for Prevention of Insider Trading as per SEBI (Prohibition of Insider Trading) Regulations, 2015. All Directors and Designated Employees/ persons who could have access to the Unpublished Price Sensitive Information are governed by the said Code.

(y) PREVENTION OF SEXUAL HARASSMENT

Your Company has zero tolerance for sexual harassment at its workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at the workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

An Internal Committee has been constituted in accordance with the provisions of the POSH Act to redress complaints received regarding sexual harassment and all the provisions regarding the constitution are complied with.

During the year under review, the status of complaints on sexual harassment is as follows:

No. of Complaints filed during the financial year: Nil

No. of Complaints disposed of during the financial year: Nil

No. of Complaints pending as on the end of financial year: Nil

(z) REPORT ON CORPORATE GOVERNANCE

A report on Corporate Governance forms part of the Annual Report of the Company and is sent to the shareholders accordingly. The Company also submits a quarterly compliance report on Corporate Governance to the Stock Exchanges within the time stipulated under SEBI(LODR) 2015.

Disclosures of Compliance with Corporate Governance Requirements

The Company has complied with Corporate Governance Requirements as specified in Regulation 17 to 27 of LODR.

The Company has complied with Clause (b) to (i) of sub regulation (2) of Regulation 46, relating to website disclosures. The Company's website contains a separate section 'Investor Relations' where members can access the details of the Board, Policies, the Board Committee, financials, details of unclaimed dividend and shares transferred/ liable to be transferred to IEPF, Stock exchange disclosures etc.

(aa) CERTIFICATIONS

In compliance with Regulation 17(8) and 33 of the SEBI (LODR), 2015, the Company duly places a Certificate signed by Chairman and Managing Director and Chief Financial Officer of the Company before the Board of Directors enclosed as Annexure C.

The Company has obtained a certificate from its Secretarial Auditor regarding compliance of conditions of Corporate Governance stipulated under Listing Regulations and the said certificate is attached to the Directors Report and forms a part of the Annual Report. The said certificate is sent to the shareholders and Stock Exchanges along with the Annual Report of the Company is enclosed as Annexure D.

A certificate from the Company Secretary in Practice has been received stating that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Board/ Ministry of Corporate Affairs or any such statutory authority is enclosed as Annexure E.

(ab) REMUNERATION TO STATUTORY AUDITORS

S.R. Batliboi & Co. LLP, Chartered Accountants (ICAI Firm Registration number 301003E/ E300005, the Company's Statutory Auditor is responsible for performing an independent audit of the Financial Statements and expressing an opinion on the conformity of those financial statements with accounting principles generally accepted in India.

As required under Regulation 34 read with Part C of the Schedule V of the LODR Regulations, the total fees paid by the Company is Rs. 36 lakhs (and its subsidiaries – Not Applicable) on a consolidated basis to the Statutory auditor and all entities in the network firm/ entity of which the statutory auditor is a part.

ANNEXURE A

DISCLOSURE PURSUANT TO CLAUSE (2A) OF SCHEDULE V (ANNUAL REPORT) OF SEBI (LODR) (AMENDMENT) REGULATIONS, 2018

Disclosures of transactions of the listed entity with any person or entity belonging to the Promoter/ Promoter group which hold(s) 10% or more shareholding in the listed entity

A. Names of promoter/ promoter group, with 10% or more shareholding and description of relationship:

	Names of promoter/ promoter group, with 10% or more shareholding	Nature of relationship
	Maruti Suzuki India Limited	Entities with joint control or significant influence over the Company
	Suzuki Motor Corporation, Japan	
	NDR Auto Components Limited	
	Rohit Relan	Key Management Person

Transactions during the year:

(Rs. In Lakhs except as otherwise stated)

Particulars		2023-2024	2022-2023
i)	Sale of products Maruti Suzuki India Limited NDR Auto Components Limited	78,242.96 148.40	81,031.01 92.59
		78,391.36	81,123.60
ii)	Purchases of Material, traded goods (Inclusive of all taxes) NDR Auto Components Limited Maruti Suzuki India Ltd	33,401.49 1,263.94	32,330.10 127.43
		34,665.43	32,457.53
iii)	Purchase of Fixed Asset NDR Auto Components Limited	0.88	133.97
iv)	Rental Income NDR Auto Components Limited	115.20	72.00
v)	Job work Income Maruti Suzuki India Limited	11.20	16.90
vi)	Interest Income Maruti Suzuki India Limited	-	0.83
vii)	Remuneration to Key Management Person Mr. Rohit Relan Short term employee benefits Post-employment benefits	259.88 21.67	236.25 19.70
		281.55	255.95

viii)	Other Expenses:		
	a) Power & Fuel Maruti Suzuki India Limited	305.69	292.45
	b) Rent: Maruti Suzuki India Limited	288.55	20.51
	c) Factory Expenses: Maruti Suzuki India Limited	7.68	8.72
	d) Reimbursement of expenses NDR Auto Components Limited	142.42	142.92
	e) Sitting fees: Maruti Suzuki India Limited (of which Mr. C.V. Raman is a nominee Director)	1.20	1.60
		745.54	466.20
(ix)	Miscellaneous expenses(Discount on sales) Maruti Suzuki India Limited	1.29	0.97
(x)	Interest Expense Rohit Relan NDR Auto Components Limited	185.45	162.27
		119.31	71.84
		304.76	234.11
(xi)	Advance received Maruti Suzuki India Limited	619.08	938.50
(xii)	Dividend paid Maruti Suzuki India Limited Suzuki Motor Corporation, Japan NDR Auto Components Limited Rohit Relan	65.10	37.20
		65.10	37.20
		126.00	72.00
		53.54	30.59
		309.74	176.99
(xiii)	Loan received from Related Party NDR Auto Components Limited	700.00	-
(xiv)	Sale of Property, Plant & Equipment NDR Auto Components Limited	39.64	111.91

DECLARATIONS**CERTIFICATE OF CODE OF CONDUCT FOR THE YEAR: 2023-24**

Bharat Seats Limited is committed to conducting its business in accordance with the applicable laws, rules and regulations and with the highest standards of business ethics.

As provided under Listing Regulations, I hereby certify that all the Board members and Senior Management personnel have affirmed the compliance with the Code of Business Conduct and Ethics for the year ended 31st March, 2024.

For Bharat Seats Limited

(Rohit Relan)
Chairman and Managing Director

CEO / CFO Certification

To
The Board of Directors
Bharat Seats Limited

As provided under Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 we certify the following to the Board that for the year ended 31st March, 2024:

- A. We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2024 and to the best of our knowledge and belief:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (2) these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit committee:
- (1) that there have been no changes in internal control over financial reporting during the year;
 - (2) that there have been no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (3) There were no instances of fraud of which we have become aware.

For Bharat Seats Limited

Rohit Relan
Chairman and Managing Director

For Bharat Seats Limited

Vinod Kumar
Chief Financial Officer

Place : Gurugram
Date : May 8, 2024

CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of Bharat Seats Limited
CIN L34300DL1986PLC023540

I have examined the compliance of conditions of Corporate Governance by the Company for the year ended 31st March, 2024 as stipulated under Regulation 17 to 27, clauses (b) to (i) of sub-regulation (2) of 46, para C, D and E of Schedule V and any other relevant provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") with the relevant records/documents maintained by the Company furnished to me for my review and report on Corporate Governance as approved by the Board of Directors.

The compliance of conditions of Corporate Governance is the responsibility of the management. My examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit, nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me and representation made by the Directors and the management, I confirm that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned SEBI Listing Regulations, 2015.

I further state that such compliance is neither an assurance as to the future viability of the company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

PLACE : NEW DELHI
DATE : 07/05/2024

R S BHATIA
COMPANY SECRETARY IN PRACTICE
CP NO.:2514
UDIN:F002599F000322622
Peer Review No.: 1496/2021

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015)

To,
The Members of
Bharat Seats Limited
1, Nelson Mandela Road,
Vasant Kunj, New Delhi-110070

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Bharat Seats Limited having CIN No. L34300DL1986PLC023540 and having registered office at 1, Nelson Mandela Road, Vasant Kunj, New Delhi-110070 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing obligations and Disclosure Requirements) Regulation 2015.

In my opinion and to the best of my information and according to the verifications (including Director Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company and its officers, I hereby Confirm that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2024 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other statutory Authority.

Sr. No.	Name of Director	DIN	Date of Appointment in the company
1	Mr. Rohit Relan	00257572	06/03/1986
2	Mr. Makoto Kunieda	10260765	04/08/2023
3	Mr. Raman Venkat Challa	07093663	18/07/2015
4	Mr. Arvind Varma	02225281	21/10/2014
5	Ms. Shyamla Khera	06929439	21/07/2014
6	Ms. Nisha Malhotra	09428727	28/01/2022
7	Mr. Rishabh Relan	07726444	04/02/2021

Ensuring the eligibility of for the appointment / continuity of Director on the Board is the responsibility of the management of the Company. Our Responsibility is to express an opinion on these based on our verification. This Certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Note: Mr. G. N. Mehra and Mr. Ravindra Gupta ceased to be directors of the Company from the closing of business hours of 31st March, 2024 hence their name not included above.

R.S. BHATIA
COMPANY SECRETARY IN PRACTICE
CP No.:2514
UDIN:F0002599000322633
P/R No.: 1496/2021

Place : New Delhi
Date : 07/05/2024

INDEPENDENT AUDITOR'S REPORT

To the Members of Bharat Seats Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Bharat Seats Limited ("the Company"), which comprise the Balance sheet as at March 31, 2024, the Statement of Profit and Loss, including the statement of Other Comprehensive loss, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of material accounting policies and other explanatory information in which are included the returns for the year ended on that date audited by the branch auditors of the Company's branch located at Japan.

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the branch, the aforesaid financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its profit including other comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Emphasis of matter – Income Tax Search

We draw attention to Note 38 (I) of the financial statements relating to a search under Section 132 of the Income Tax Act, 1961 conducted by the Income Tax Department at certain premises of the Company including manufacturing locations and residence of few of its employees/key managerial personnel.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the financial year ended March 31, 2024. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key audit matters	How our audit addressed the key audit matter
<p>Revenue recognition including price variations (as described in Note 28 of the financial statements)</p> <p>Revenue is measured by the Company at the fair value of consideration received/ receivable from its customers and in determining the transaction price for the sale of products, the Company considers the effects of price variations provided to the customer.</p> <p>The Company's business also requires passing on price variations to the customer for the sales made by the Company. The Company at the year end, has provided for such price variations to be passed on to the customer. The estimated price variations at the year-end is shown under note 28 to the financial statements.</p> <p>We have considered this as a key audit matter on account of the significant judgement and estimate involved in calculation of price variations to be recorded as at the year end</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • Assessed the Company's accounting policy for revenue recognition including the policy for recording price variations in terms of Ind AS 115. • Obtained understanding of the revenue process, and the assumptions used by the management in the process of calculation of price variations, including design and implementation of controls, and tested the operating effectiveness of these controls. • Tested completeness and arithmetical accuracy of the data used in the computation of price variations. • Obtained and reviewed balance confirmation from customer to ensure the existence of trade receivables. • Tested, on sample basis, debit/ credit notes in respect of agreed price variations passed on to the customers. • Assessed the revenue-related disclosures included in Note 28 to the financial statements

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive loss, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with

SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Obtain sufficient appropriate audit evidence regarding the financial statements/financial information of the branch to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements/financial information of the components which have been audited by us. For the branch included in the financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the financial year ended March 31, 2024 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

We did not audit the financial statements and other financial information of one branch included in the accompanying financial statements of the Company whose financial statements and other financial information reflect total assets of Rs. 54.63 lacs as at March 31, 2024 and the total revenues of Rs. NIL for the year ended on that date, as considered in the financial statements/information of these branches have been audited by the branch auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of branches, is based solely on the report of such branch auditors. Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the branches, as noted in the 'Other Matter' paragraph we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branch not visited by us except for the matters stated in the paragraph (j)vi below on reporting under Rule 11(g)

The modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2(b) above on reporting under Section 143(3)(b) and paragraph (j)vi below on reporting under Rule 11(g).

- (c) The report on the accounts of the branch office of the Company audited under Section 143(8) of the Act by branch auditor have been sent to us and have been properly dealt with by us in preparing this report;
- (d) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account and with the returns received from the branches not visited by us;
- (e) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (f) The matter described in Emphasis of Matter – Income tax search paragraph above, in our opinion, may have an adverse effect on the functioning of the Company;
- (g) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act;
- (h) With respect to the adequacy of the internal financial controls with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (i) In our opinion, the managerial remuneration for the year ended March 31, 2024 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (j) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 27 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;
 - iv.
 - a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or

indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

- c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend. As stated in note 38 (j) to the financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.
- vi. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that, audit trail feature is not enabled for certain changes made using privileged/ administrative access rights and also for certain tables, as described in note 38 (k) to the financial statements. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with in respect of accounting software.

For **S.R. BATLIBOI & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Amit Chugh

Partner

Membership No.: 505224

UDIN: 24505224BKFJYD5144

Place: Gurugram
Date: May 15, 2024

Annexure '1' referred to in paragraph under the heading "Report on other legal and regulatory requirements" of our report of even date

Re: Bharat Seats Limited ("the Company")

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i) . (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (i) . (a) (B) The Company has maintained proper records showing full particulars of intangibles assets.
- (i) . (b) All Property, Plant and Equipment have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regards to the size of the Company and the nature of the assets. No material discrepancies were noticed on such verification.
- (i) . (c) The title deeds of all the immovable properties (other than properties where the Company is the lessee, and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.
- (i) . (d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2024.
- (i) . (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) . (a) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification. The inventory has been physically verified by the management during the year except for inventories lying with third parties. In our opinion, the frequency of verification by the management is reasonable and the coverage and procedure for such verification is appropriate. Inventories lying with third parties substantially been confirmed by them as at March 31, 2024 and discrepancies of 10% or more in aggregate for each class of inventory were not noticed in respect of such confirmations. And no discrepancies of 10% or more in aggregate for each class of inventory have not been noted.
- (ii) . (b) As disclosed in note 22 to the financial statements, the Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks during the year on the basis of security of current assets of the Company. The quarterly returns/statements filed by the Company with such banks and financial institutions are in agreement with the unaudited books of accounts of the Company.
- (iii) (a) During the year the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(a) of the Order is not applicable to the Company.
- (iii) (b) During the year the Company has not made investments, provided guarantees, provided security and granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(b) of the Order is not applicable to the Company.
- (iii) (c) The Company has not granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(c) of the Order is not applicable to the Company.
- (iii) (d) The Company has not granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(d) of the Order is not applicable to the Company.
- (iii) (e) There were no loans or advances in the nature of loan granted to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(e) of the Order is not applicable to the Company.
- (iii) (f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.
- (iv) There are no loans, investments, guarantees, and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable and accordingly, the requirement to report on clause 3(iv) of the

Order is not applicable to the Company.

- (v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of seating system and interior component for the automotive and surface transport, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, duty of customs, cess and other statutory dues applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (vii) (b) The dues of duty of excise have not been deposited on account of any dispute, are as follows:

Name of the statute	Nature of the dues	Amount	Amount paid under protest (In Lacs)	Period to which the amount relates	Forum where the dispute is pending
Central Excise Act, 1994	Disallowance of input tax credit on account of difference between physical stock of inputs and stock as reflected in statutory records	228.20	-	1996-1999	CESTAT, Delhi

There are no dues of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, value added tax, cess, and other statutory dues which have not been deposited on account of any dispute.

- (viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- (ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (ix) (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (ix) (c) Term loans were applied for the purpose for which the loans were obtained.
- (ix) (d) On an overall examination of the financial statements of the Company, the Company has used funds raised on short-term basis in the form of cash credit facility from banks aggregating to Rs. 2282.28 lacs for long-term purposes representing acquisition of property plant and equipment.
- (ix) (e) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company.
- (ix) (f) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on Clause 3(ix)(f) of the Order is not applicable to the Company.
- (x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- (x) (b) The Company has not made any preferential allotment or private placement of shares /fully or partially



or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

- (xi) (a) No fraud by the Company or no fraud on the Company has been noticed or reported during the year
- (xi) (b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor/ secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (xi) (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) (a) The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a) of the Order is not applicable to the Company.
- (xii) (b) The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(b) of the Order is not applicable to the Company.
- (xii) (c) The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(c) of the Order is not applicable to the Company.
- (xiii) Transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.
- (xiv) (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- (xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.
- (xvi) (b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause (xvi)(b) of the Order is not applicable to the Company.
- (xvi) (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
- (xvi) (d) There are no other Companies part of the Group, hence, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- (xix) On the basis of the financial ratios disclosed in note 38 (o) to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date



BHARAT SEATS LIMITED

- of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 38(e) to the financial statements.
- (xx) (b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act. This matter has been disclosed in note 38(e) to the financial statements.
- (xxi) The Company is not required to prepare Consolidated Financial Statements. Accordingly, the requirement to report on clause 3(xxii) of the order is not applicable to the Company.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005
per Amit Chugh
Partner
Membership Number: 505224
UDIN: 24505224BKFJYD5144

Place of Signature: Gurugram
Date: May 15, 2024

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF BHARAT SEATS LIMITED**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls with reference to financial statements of Bharat Seats Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to these financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to these financial statements.

Meaning of Internal Financial Controls With Reference to these Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls With Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to standalone financial statements of the Company, insofar as it relates to one branch at Japan, is based on the corresponding reports of the auditors of such branch.

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Amit Chugh

Partner

Membership Number: 505224

UDIN: 24505224BKFJYD5144

Place of Signature: Gurugram

Date: May 15, 2024

BALANCE SHEET AS AT 31ST MARCH 2024

CIN: L34300DL1986PLC023540

(Rs. in lakhs except as otherwise stated)

	Notes	As at 31st March 2024	As at 31st March 2023
ASSETS			
1 Non-current assets			
Property, plant and equipment	5(a)	20,743.60	19,204.96
Capital work in progress	6	4,883.47	1,196.49
Intangible assets	5(b)	116.33	145.99
Right of use assets	5(c)	6,703.70	555.45
Financial assets			
i) Other Financial assets	7	130.30	132.43
Other non-current assets	8	82.24	97.16
Non-current tax assets (Net)	9	1,582.73	1,269.72
		34,242.37	22,602.20
2 Current assets			
Inventories	10	3,972.69	2,883.77
Financial assets			
i) Trade receivables	11	10,330.92	9,651.47
ii) Cash and cash equivalents	12	20.63	37.43
iii) Other bank balances	13	16.53	83.17
iv) Other financial assets	14	93.65	-
Other current assets	15	1,848.62	519.11
		16,283.04	13,174.95
Total Assets		50,525.41	35,777.15
EQUITY AND LIABILITIES			
1 Equity			
Equity share capital	16	628.00	628.00
Other equity	17	16,054.64	14,005.58
Total Equity		16,682.64	14,633.58
2 Liabilities			
Non-current liabilities			
Financial liabilities			
i) Borrowings	18	5,303.77	3,260.00
ia) Lease liabilities	19(a)	6,496.85	428.79
Provisions	20	69.90	70.47
Deferred tax liabilities (Net)	21	673.56	695.97
		12,544.08	4,455.23
Current liabilities			
Financial liabilities			
i) Borrowings	22	3,535.45	2,725.01
ia) Lease liabilities	19(b)	652.50	159.13
ii) Trade payables			
- Total outstanding dues of micro enterprises and small enterprises	23	830.44	1,030.87
- Total outstanding dues of creditors other than micro enterprises and small enterprises	23	13,895.21	10,784.45
iii) Other financial liabilities	24	694.41	894.68
Other current liabilities	25	1,368.06	820.32
Provisions	26	322.62	273.88
		21,298.69	16,688.34
Total Equity and Liabilities		50,525.41	35,777.15

The accompanying notes are an integral part of the financial statements

As per our report of even date

 For **S.R. Batliboi & Co. LLP**
 Chartered accountants
 ICAI Registration No. 301003E/E300005

 per **AMIT CHUGH**
 Partner
 Membership no. 505224
 Place : Gurugram
 Date : May 15th 2024

For and on behalf of Board of Directors
ROHIT RELAN
 Chairman and Managing Director
 DIN: 00257572
 Place : Gurugram
 Date : May 15th 2024

RITU BAKSHI
 Company Secretary
 Place : Gurugram
 Date : May 15th 2024

RISHABH RELAN
 Whole Time Director
 DIN: 07726444
 Place : Gurugram
 Date : May 15th 2024

VINOD KUMAR
 Chief Financial Officer
 Place : Gurugram
 Date : May 15th 2024

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2024

CIN: L34300DL1986PLC023540

(Rs. in lakhs except as otherwise stated)

Particulars	Notes	Year Ended 31st March 2024	Year Ended 31st March 2023
I INCOME			
Revenue from operations	28	1,06,681.62	1,05,104.26
Other income	29	453.88	409.48
Total income		1,07,135.50	1,05,513.74
II EXPENSES			
Cost of materials consumed	30	88,813.19	90,051.34
Purchase of traded goods	31	16.11	33.66
(Increase)/decrease in inventories of finished goods, work in progress and traded goods	32	(65.43)	8.91
Employee benefits expense	33	4,488.75	4,054.57
Finance costs	34	774.15	363.41
Depreciation and amortization expenses	35	2,400.29	1,707.34
Other expenses	36	7,350.32	6,331.42
Total expenses		1,03,777.38	1,02,550.65
III Profit before tax		3,358.12	2,963.09
IV Tax expenses			
Current tax	21	851.48	716.01
Deferred tax expenses/(credit)	21	(22.41)	52.54
Adjustment of tax relating to earlier years	21	23.61	39.90
Income tax expense		852.68	808.45
V Profit for the year		2,505.44	2,154.64
VI Other comprehensive income			
Items not to be reclassified to profit or loss in subsequent periods:			
i) Re-measurement gains/(losses) on defined benefit plans (refer note 38(a))		(22.42)	21.96
ii) Income tax effect (refer note 21)		5.64	(5.53)
Total other comprehensive income for the year, net of taxes		(16.78)	16.43
VII Total comprehensive income for the year, net of taxes		2,488.66	2,171.07
VIII Earnings per equity share of Rs. 2 each:			
(1) Basic (Rs.)	37	7.98	6.86
(2) Diluted (Rs.)	37	7.98	6.86

The accompanying notes are an integral part of the financial statements

As per our report of even date

 For **S.R. Batliboi & Co. LLP**
 Chartered accountants
 ICAI Registration No. 301003E/E300005

per AMIT CHUGH
 Partner
 Membership no. 505224
 Place : Gurugram
 Date : May 15th 2024

For and on behalf of Board of Directors
ROHIT RELAN
 Chairman and Managing Director
 DIN: 00257572
 Place : Gurugram
 Date : May 15th 2024

RITU BAKSHI
 Company Secretary
 Place : Gurugram
 Date : May 15th 2024

RISHABH RELAN
 Whole Time Director
 DIN: 07726444
 Place : Gurugram
 Date : May 15th 2024

VINOD KUMAR
 Chief Financial Officer
 Place : Gurugram
 Date : May 15th 2024

STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2024

CIN: L34300DL1986PLC023540

(Rs. in lakhs except as otherwise stated)

	For the year ended 31st March, 2024	For the year ended 31st March, 2023
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before income tax	3,358.12	2,963.09
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortization expense	2,400.29	1,707.34
(Gain)/Loss on sale of property, plant and equipment	(1.87)	1.30
Gain on termination of Right of use assets	(20.21)	-
Finance cost	768.23	355.47
Interest income	(26.43)	(5.23)
Excess provision no longer required written back	(119.25)	(194.90)
Unrealised foreign exchange (gain)/loss	(1.96)	12.16
Operating profit before working capital changes	6,356.92	4,839.23
Adjustments for changes in working capital :		
(Increase)/decrease in inventories	(1,088.92)	2,415.30
(Increase)/decrease in trade receivables	(679.45)	1,420.58
(Increase)/decrease in other financial and non- financial assets	(1,349.97)	340.39
(Increase)/decrease in other non-current assets	13.07	(33.04)
Increase/(decrease) in trade payables	3,031.54	(1,022.60)
Increase/(decrease) in other financial, non financial liabilities and provisions	573.49	(2,083.36)
Cash generated from operating activities	6,856.68	5,876.50
Income tax paid (net of refunds)	(1,182.44)	(1,622.54)
Net cash flow from operating activities	5,674.24	4,253.96
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment including capital work in progress, capital advances net of capital creditors	(7,327.30)	(6,050.23)
Proceeds from sale of property, plant and equipment	42.98	142.32
Fixed Deposits matured during the year	65.60	85.77
Fixed Deposits made during the year	(69.48)	(89.77)
Interest income received	24.85	5.23
Net cash flow from/(used in) investing activities	(7,263.35)	(5,906.68)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from long term borrowings	2,952.50	-
Repayment of long term borrowings	(355.56)	-
Proceeds/(repayments) from short term borrowings (net)	(442.73)	2,260.22
Proceeds from inter corporate short term borrowings	700.00	-
Dividend paid on equity shares	(439.60)	(251.20)
Interest Paid	(556.06)	(307.87)
Repayment of principal lease liabilities	(134.76)	(2.07)
Payment of interest on lease liabilities	(151.48)	(17.06)
Net cash flow from financing activities	1,572.31	1,682.02
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(16.80)	29.30
Cash and cash equivalents at the beginning of the period	37.43	8.13
Cash and cash equivalents at the end of the period	20.63	37.43
Components of cash and cash equivalents		
Cash and cash equivalents		
Balances with banks:		
Current accounts	5.54	28.88
Balance with Japanese bank, Japan	15.00	7.50
Cash on hand	0.09	1.05
Net Cash and cash equivalents as at the end of the period	20.63	37.43

Note: The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind As) 7 statement of cash flows.

The accompanying notes are an integral part of the financial statements

As per our report of even date

For and on behalf of Board of Directors

For **S.R. Batliboi & Co. LLP**
Chartered accountants
ICAI Registration No. 301003E/E300005

ROHIT RELAN
Chairman and Managing Director
DIN: 00257572
Place : Gurugram
Date : May 15th 2024

RISHABH RELAN
Whole Time Director
DIN: 07726444
Place : Gurugram
Date : May 15th 2024

per **AMIT CHUGH**
Partner
Membership no. 505224
Place : Gurugram
Date : May 15th 2024

RITU BAKSHI
Company Secretary
Place : Gurugram
Date : May 15th 2024

VINOD KUMAR
Chief Financial Officer
Place : Gurugram
Date : May 15th 2024

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2024
A Equity Share Capital (Refer note 16)

(Rs. in lakhs except as otherwise stated)

	Nos.	Amount
As at 1st April, 2022	3,14,00,000	628.00
Changes in equity share capital during the year	-	-
Balance as at 31st March, 2023	3,14,00,000	628.00
Changes in equity share capital during the year	-	-
Balance as at 31st March 2024	3,14,00,000	628.00

B Other Equity (Refer note 17)

(Rs. in lakhs except as otherwise stated)

	Reserves & Surplus		Total
	General Reserve	Retained Earnings	
As at 1st April,2022	3,950.73	8,134.98	12,085.71
Net profit for the year	-	2,154.64	2,154.64
Other Comprehensive Income for the year			
Remeasurements gain/(loss) on defined benefit plans.	-	16.43	16.43
Dividends			
Final dividend paid during the year	-	(251.20)	(251.20)
As at 31st March 2023	3,950.73	10,054.85	14,005.58
Net profit for the year	-	2,505.44	2,505.44
Other Comprehensive Income for the year			
Remeasurements gain/(loss) on defined benefit plans.	-	(16.78)	(16.78)
Dividend			
Final dividend paid during the year	-	(439.60)	(439.60)
As at 31st March 2024	3,950.73	12,103.91	16,054.64

The accompanying notes are an integral part of the financial statements

As per our report of even date

For **S.R. Batliboi & Co. LLP**
Chartered accountants
ICAI Registration No. 301003E/E300005

per **AMIT CHUGH**
Partner
Membership no. 505224
Place : Gurugram
Date : May 15th 2024

For and on behalf of Board of Directors
ROHIT RELAN
Chairman and Managing Director
DIN: 00257572
Place : Gurugram
Date : May 15th 2024

RITU BAKSHI
Company Secretary
Place : Gurugram
Date : May 15th 2024

RISHABH RELAN
Whole Time Director
DIN: 07726444
Place : Gurugram
Date : May 15th 2024

VINOD KUMAR
Chief Financial Officer
Place : Gurugram
Date : May 15th 2024

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

1. Corporate information

Bharat Seats Limited ('the company') is a public limited company domiciled in India and incorporated on March 06, 1986 under the provisions of Companies Act, 1956 having its registered office at 1, Nelson Mandela Road, Vasant Kunj, New Delhi 110070. The Company is listed on Bombay Stock Exchange Limited. The Company is a joint venture of Suzuki Motor Corporation- Japan, Maruti Suzuki India Ltd. and M/s Rohit Relan and Associates for the manufacture of complete seating system and interior component for the automotive and surface transport. The Company's manufacturing facilities are located in Haryana and Gujarat. The financial statements were approved for issue by the board of directors for issue in accordance with resolution dated May 15, 2024.

2. Material Accounting policies

2.1 Basis of preparation

The financial statement of the Company has been prepared in accordance with the Indian accounting standards (Ind AS) notified under the Companies (Indian Accounting Standard), Rules 2015 (as amended from time to time) and presentation requirements of schedule III (Division II) of the Companies Act, 2013.

The preparation of financial statements in conformity with Ind AS, requires management to make estimates, judgments and assumptions that affects the application of accounting policies and reported amount of assets, liabilities, income and expenses and the disclosures of the contingent assets and liabilities at the date of financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to estimate is recognized prospectively in current and future periods.

The financial statements have been prepared on a historical cost convention on an accrual basis except for certain financial instruments, financial assets, and defined employee benefits plan, which have been measured at fair value.

Financial Statements are presented in INR and all values are rounded to nearest Lakhs (INR 00,000) except when otherwise stated.

The Company has prepared the financial statement on the basis that it will continue to operate as a going concern.

2.2 Property, plant and equipment

Capital work in progress is stated at cost, net of accumulated impairment loss, if any. Plant and equipment are stated at cost, less accumulated depreciation and accumulated impairment losses, if any. The cost comprises of purchase price, taxes, duties, freight and other incidental expenses directly attributable and related to acquisition and installation of the concerned assets and are further adjusted by the amount of CENVAT credit, VAT credit and GST credit availed wherever applicable. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their respective useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized.

The Company identifies and determines cost of each component/part of the assets separately, if the component/part has a cost which is significant to the total cost and has useful life that is materially different from that of remaining asset.

Capital work-in-progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date. It is capitalised from the date construction is complete and asset is ready for its intended use.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Depreciation on property, plant and equipment is calculated on straight line basis over the useful lives of the assets are as follow:

Nature	Method	Estimated useful life (years)	Useful life as per Companies Act, 2013 (years)
Plant and machinery	Straight line method	8-21	15
Electrical fittings	Straight line method	21	10
Tools and dies	Straight line method	5	15
Furniture and Fixtures	Straight line method	10	10
Vehicles	Straight line method	8	8
Office Equipment	Straight line method	5	5
Computers	Straight line method	3 and 6	3 and 6
Building	Straight line method	30	30

Electrical fittings and plant & machinery has been depreciated over useful life different from life specified in Schedule II of Companies Act, 2013 based on the technical estimates made by the management, it believes that the useful lives as given above represent the period over which the assets are expected to be used.

Assets having value less than Rs. 5,000 are depreciated fully in the year of purchase.

2.3 Intangible assets

Separately acquired intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangibles, excluding capitalised development cost, are not capitalised and the related expenditure is reflected in the statement of Profit and Loss in the period in which the expenditure is incurred. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Research and Development cost

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognised as an intangible asset when the Company can demonstrate all the following:

- i) The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- ii) Its intention to complete and ability and intention to use or sell the asset;
- iii) How the asset will generate future economic benefits;
- iv) The availability of adequate resources to complete the development and to use or sale the asset; and
- v) The ability to measure reliably the expenditure attributable to the intangible asset during development.

Following the initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is ready for the intended use. It is amortised on straight line basis over the estimated useful life. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

During the period of development, the asset is tested for impairment annually.

The useful lives of intangible assets are assessed as finite. Intangible assets with finite lives are amortized over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period or method, as appropriate and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of profit and loss in the expense category consistent with the function of the intangible assets.

Intangible assets with finite useful life are amortized on a straight-line basis over their estimated useful life of 6 years.

There are no intangible assets with infinite useful life.

Gains or losses arising from disposal of the intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the assets are disposed off.

2.4 Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's, recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Company's impairment calculation is based on detailed budgets and forecast calculations which are prepared separately for each of the Company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For the remaining economic life of the asset or cash-generating unit (CGU), a long-term growth rate is calculated and applied to projected future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining economic life.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such an indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

2.5 Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (Impairment of non-financial assets).

ii) Lease liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its weighted average cost of debts as incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short term leases and leases of low value assets

The Company applies the short-term lease recognition exemption to its short-term leases of property i.e. those leases that have a lease term of twelve months or less from commencement date and do not contain a purchase option. It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payment on short term leases and leases of low-value assets are recognized as expenses on a straight-line basis over the term of the lease.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognized as per the terms of lease agreement. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

2.6 Foreign Currencies

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Company's financial statements are presented in Indian rupee (Rs.) which is also the Company's functional and presentation currency.

Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate prevailing at the date of transaction.

Measurement of foreign currency items at the balance sheet date

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Exchange differences

Exchange differences arising on settlement or translation of monetary items are recognized as income or expense in the period in which they arise with the exception of exchange differences arising on reporting of long term foreign currency monetary items at rates different from those at which they were initially recorded in so far as they relate to the acquisition of depreciable capital assets are shown by addition to/deduction from the cost of the assets as per exemption provided under IND AS 21 read along with Ind AS 101 appendix 'D' clause-D13AA.

2.7 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are recognized as expense in the period in which they occur.

Borrowing cost includes interest and other costs incurred in connection with the borrowing of funds and charged to Statement of Profit & Loss on the basis of effective interest rate.

2.8 Inventories

a. Basis of valuation:

Inventories are valued at lower of cost and net realizable value after providing cost of obsolescence, if any. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. The comparison of cost and net realizable value is made on an item-by-item basis.

b. Method of valuation:

- i.) **Cost of raw materials** has been determined by using first-in-first-out method and comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventories to their present location and condition.
- ii.) **Cost of finished goods and work in progress** includes an appropriate share of production overheads based on normal operating capacity. Cost is determined on first-in-first-out method basis.
- iii.) **Cost of traded goods** has been determined by using first-in-first-out method and comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventories to their present location and condition.
- iv.) **Net realizable value** is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

2.9 Cash and cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and subject to insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash at banks and on hand and short-term deposits, as defined above net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

2.10 Employees Benefits

i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognized in respect of employee service upto the end of the reporting period and are measured at the amount expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

ii) Other long-term employee benefit obligations

a) Gratuity

The Employee's Gratuity Fund Scheme, which is defined benefit plan, is maintained with Life insurance Corporation. The liabilities with respect to Gratuity Plan are determined by actuarial valuation on projected unit credit method on the balance sheet date, based upon which the Company contributes to the Company Gratuity Scheme. The difference, if any, between the actuarial valuation of the gratuity of employees at the year end and the balance of funds is provided for as assets/ (liability) in the books. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognizes the following changes in the net defined benefit obligation under Employee benefit expense in statement of profit or loss:

1. Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements.
2. Net interest expense or income.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through OCI in the period in

which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

b) Provident fund

Retirement benefits in the form of Provident fund / Pension Schemes are defined contribution schemes and the contributions are charged to the statement of profit and loss of the year when the contributions to the respective funds become due. The Company has no obligation other than contribution payable to these funds.

c) Compensated Absences

Accumulated leaves which are expected to be utilized within next 12 months are treated as short term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement and is discharged by the year end. The Company recognizes expected cost of short-term employee benefit as an expense, when an employee renders the related service.

The Company treats accumulated leaves to be carried forward beyond 12 months as long-term employee benefits for measurement purpose, such long term compensated absence are provided for based on actuarial valuation which is done as per projected unit credit method at year end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer the settlement for at least twelve months after the reporting date.

d) Voluntary retirement

Expenses incurred on voluntary retirement of employees are charged off to the Statement of Profit & Loss in the year of occurrence.

2.11 Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- a) In the principal market for the asset or liability, or
- b) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets & liabilities on the basis of the nature, characteristics and the risks of the asset or liability and the level of the fair value hierarchy as

explained above.

2.12 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i) Financial assets

The Company classified its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through OCI or through profit & loss).
- Those measured at amortized cost.

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in 2.13 "Revenue from contracts with customers".

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- ▶ Financial assets at amortised cost (debt instruments)
- ▶ Financial assets at fair value through other comprehensive income (FVTOCI) with recycling of cumulative gains and losses (debt instruments)
- ▶ Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- ▶ Financial assets at fair value through profit or loss

The Company's financial assets are only classified as debt instruments at amortised cost.

Financial Assets at amortized cost (Debt instruments)

A "financial asset" is measured at the amortized cost if both the following conditions are met:

- 1) Business model test: The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows (rather than to sell the instrument prior to its contractual maturity to release its fair value change), and
- 2) Cash flow characteristics test: Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate to the gross carrying amount of financial assets. When calculating the effective interest rate the company estimates the expected cash flow by considering all contractual terms of the financial instruments. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.

Financial assets at FVTPL

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in the statement of profit and loss.

FVTPL is a residual category for financial instruments. Any financial instrument, which does not meet the criteria for amortized cost or FVTOCI, is classified as at FVTPL. A gain or loss on a Debt instrument that is subsequently measured at FVTPL and is not a part of a hedging relationship is recognized in statement of profit or loss and presented net in the statement of profit and loss within other gains or losses in the period in which it arises. Interest income from these Debt instruments is included in other income.

De recognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognized (i.e., removed from the Company's statement of financial position) when:

- the rights to receive cash flows from the asset have expired, or
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass through" arrangement and either;
 - (a) the Company has transferred substantially all the risks and rewards of the asset, or
 - (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred assets and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

In accordance with IND AS 109, the Company applies expected credit losses (ECL) model for measurement and recognition of impairment loss on the following financial asset and credit risk exposure.

- Financial assets measured at amortised cost, e.g., Loans, Security deposits, trade receivable, bank balance, other financial assets etc.

The Company follows "simplified approach" for recognition of impairment loss allowance on trade receivables. Under the simplified approach, the Company does not track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

There is no significant credit risk in relation to financial assets including trade receivables.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognized gains, losses (including impairment gains or losses) or interest.

ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified at initial recognition as financial liabilities at fair value through profit or loss, loans and borrowings, and payables, net of directly attributable transaction costs. The Company financial liabilities include loans and borrowings including bank overdraft, trade payable, trade deposits, retention money and other payables.

The measurement of financial liabilities depends on their classification, as described below:

Trade Payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 90 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at fair value and subsequently measured at amortised cost using EIR method.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the statement of profit and loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in IND AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognised in OCI. These gains/ losses are not subsequently transferred to profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

Financial liabilities at amortized cost

Borrowings are initially recognised at fair value, net of transaction cost incurred. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortization process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is

treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

2.13 Revenue from contract with customer

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

Sale of goods

Revenue from sale of goods is recognised at the point in time when control of the assets is transferred to the customer, generally on delivery of the goods. The normal credit term is 30 to 60 days upon delivery.

The Company also considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of goods, the Company considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

i) Variable Consideration

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. The contracts for the sale of goods provide price revision receivable from/payable to customers on account of change of commodity prices/purchase price and these prices escalations and relaxations give rise to variable consideration. Contract revenue includes price revision received/receivable from customers and similarly, price revision for material purchased or payable to vendors has also been included in purchases.

ii) Significant financing component

Generally, the Company receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

Contract balances

Contract Assets

A contract asset is a right to consideration in exchange for goods or services transferred to the customers. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional.

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets for further reference.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

Other revenue streams:**i) Interest Income**

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head “other income” in the statement of profit and loss.

ii) Lease income

Rental income arising from operating leases on property let out by the Company is accounted for on a straight-line basis over the lease terms and is included in other income in statement of profit and loss.

iii) Rendering of services

Revenue from service-related activities is recognised as and when services are rendered and on the basis of contractual terms with the parties and is included in revenue in the statement of profit and loss under the head other income.

2.14 Taxes

Tax expense for the year comprises of current tax and deferred tax (including MAT).

a) Current Tax

Current income tax, assets and liabilities are measured at the amount expected to be paid to or recovered from the taxation authorities in accordance with the Income Tax Act, 1961 and the Income Computation and Disclosure Standards (ICDS) enacted in India by using tax rates and the tax laws that are enacted at the reporting date.

Current income tax relating to items recognised outside the statement of profit and loss is recognised outside profit or loss (either in other comprehensive income or equity). Current tax items are recognised in correlation to the underlying transactions either in OCI or directly in equity. Management periodically evaluates position taken in the tax returns with respect to situation in which applicable tax regulations are subject to interpretations and establishes provisions wherever appropriate, if any.

b) Deferred Tax

Deferred tax is provided using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets and liabilities are recognised for all taxable temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or direct in equity.

Deferred Tax includes Minimum Alternate Tax (MAT) recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e. the period for which MAT credit is allowed to be carried forward. The Company reviews the “MAT credit entitlement” asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax asset against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income

taxes levied by the same taxation authority on either the same taxable entity which intends either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

2.15 Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effect of all potentially dilutive equity shares.

2.16 Provisions and Contingent Liabilities

Provisions

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Onerous Contracts

If the Company has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. However, before a separate provision for an onerous contract is established, the Company recognises any impairment loss that has occurred on assets dedicated to that contract.

An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Company cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. The cost of fulfilling a contract comprises the costs that relate directly to the contract (i.e., both incremental costs and an allocation of costs directly related to contract activities).

Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of embodying economic benefits resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases, where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements unless the probability of outflow of resources is remote.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

2.17 Dividend distributions

The Company recognizes a liability to make payment of dividend to owners of equity when the distribution is authorized and is no longer at the discretion of the Company and is declared by the shareholders. A corresponding amount is recognised directly in equity.

2.18 Current versus non – current classification

The Company presents assets and liabilities in the balance sheet based on current/non- current classification. An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle,

- Held primarily for purpose of trading,
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle,
- It is held primarily for purpose of trading,
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Deferred tax assets and deferred tax liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

3. Significant accounting judgements, estimates and assumptions:

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements.

a) Operating lease commitments – Company as lessor

The Company has entered into commercial property leases on its investment property portfolio. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a substantial portion of the economic life of the commercial property, and that it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

b) Assessment of lease term:

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option.

Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

c) Revenue from contracts with customers

The Company applied the following judgments that significantly affect the determination of the amount and timing of revenue from contracts with customers:

- **Determining method to estimate variable consideration and assessing the constraint.**

Certain contracts for the sale of products include a right of price revision on account of change of commodity prices/purchase price that give rise to variable consideration. In estimating the variable consideration, the Company is required to use either the expected value method or the most likely amount method based on which method better predicts the amount of consideration to which it will be entitled.

The Company determined that the most likely method is the appropriate method to use in estimating the variable consideration for the sale of products. The selected method that better predicts the amount of variable consideration was primarily driven by the number of volume thresholds contained in the contract. The most likely amount method is used for those contracts with a single volume threshold, while the expected value method is used for contracts with more than one volume threshold.

Before including any amount of variable consideration in the transaction price, the Company considers whether the amount of variable consideration is constrained. The Company determined that the estimates of variable consideration are not constrained based on its historical experience, business forecast and the current economic conditions. In addition, the uncertainty on the variable consideration will be resolved within a short time frame.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

a) Property, plant and equipment

The useful lives and residual values of property, plant and equipment are determined by the management based on technical assessment by the management. The Company believes that the derived useful life best represents the period over which the Company expects to use these assets.

b) Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority.

Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective domicile of the companies.

c) Gratuity benefit

The cost of defined benefit plans (i.e., Gratuity benefit) is determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. In determining the appropriate discount rate, management considers the interest rates of long term government bonds with extrapolated maturity corresponding to the expected duration of the defined benefit obligation. The mortality rate is based on publicly available mortality tables for the specific countries. Future salary increases and pension increases are based on expected future inflation rates for the respective countries. Further details about the assumptions used, including a sensitivity analysis, are given in Note 37 (a).

d) Fair value measurement of financial instrument

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

e) Impairment of financial assets

The impairment provisions of financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

f) Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use.

The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are also relevant to other intangibles.

g) Lease incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore its incremental borrowing rate (IBR) to measure lease liability. The IBR is the rate of interest that the Company would have to pay to borrow over similar terms, and with a similar security, the fund necessary to obtain an asset of a similar value to the right of use assets in similar economic environments. The IBR therefore affects what the Company "would have to pay" which requires estimates when no observable rates are available or when they need to be adjusted to reflect the term and conditions of the lease. The Company estimates the IBR using observable inputs such as market interest rates when available.

4. a) New and amended standards

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated 31 March 2023 to amend the following Ind AS which are effective for annual periods beginning on or after 1 April 2023. The Company applied for the first-time these amendments.

(i) Definition of Accounting Estimates - Amendments to Ind AS 8

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates.

The amendments had no impact on the Company's standalone financial statements.

(ii) Disclosure of Accounting Policies - Amendments to Ind AS 1

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments have had an impact on the Company's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Company's financial statements.

(iii) Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to Ind AS 12

The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases.

The Company previously recognised for deferred tax on leases on a net basis. As a result of these amendments, the Company has recognised a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-of-use assets. Since, these balances qualify for offset as per the requirements of paragraph 74 of Ind AS 12, there is no impact in the balance sheet. There was also no impact on the opening retained earnings as at 1 April 2022.

Apart from these, consequential amendments and editorials have been made to other Ind AS like Ind AS



101, Ind AS 102, Ind AS 103, Ind AS 107, Ind AS 109, Ind AS 115 and Ind AS 34.

b) Climate - related matters

The Company considers climate-related matters in estimates and assumptions, where appropriate. This assessment includes a wide range of possible impacts on the Company due to both physical and transition risks. Even though the Company believes its business model and products will still be viable after the transition to a low-carbon economy, climate-related matters increase the uncertainty in estimates and assumptions underpinning several items in the financial statements. Even though climate-related risks might not currently have a significant impact on measurement, the Company is closely monitoring relevant changes and developments, such as new climate-related legislation.


Notes to financial statements for the year ended 31 March 2024
Note - 5(a) : Property, plant and equipment

(Rs. in lakhs except as otherwise stated)

Particulars	Land Free Hold	Land Lease Hold	Office Equipments	Furniture & Fixtures	Building & Roads	Plant & Machinery	Vehicles	Electrical Fittings	Computers	Total
Gross block Cost										
At 1 April 2022	1,041.99	39.41	194.56	252.69	9,019.26	20,440.30	198.64	1,723.99	589.25	33,500.09
Additions	-	-	60.93	17.82	2,134.78	3,862.62	20.50	363.15	102.81	6,562.61
Disposals	-	-	-	-	-	(945.49)	-	-	(81.86)	(1,027.35)
At 31 March 2023	1,041.99	39.41	255.49	270.51	11,154.04	23,357.43	219.14	2,087.14	610.20	39,035.35
Additions	-	-	52.00	18.00	756.00	2,567.48	214.08	133.78	88.00	3,829.34
Disposals	-	-	(7.00)	-	-	(100.03)	(49.88)	-	(1.30)	(158.21)
At 31 March 2024	1,041.99	39.41	300.49	288.51	11,910.04	25,824.88	383.34	2,220.92	696.90	42,706.48
Depreciation										
At 1 April 2022	-	35.99	144.70	209.91	2,293.76	15,261.00	127.38	597.68	391.96	19,062.38
Charge for the year	-	3.40	16.92	8.32	283.55	1,183.83	18.99	74.25	62.48	1,651.74
Disposals	-	-	-	-	-	(805.66)	-	-	(78.07)	(883.73)
At 31 March 2023	-	39.39	161.62	218.23	2,577.31	15,639.17	146.37	671.93	376.37	19,830.39
Charge for the year	-	0.01	27.13	16.76	372.71	1,623.08	28.05	92.85	89.00	2,249.59
Disposals	-	-	(6.25)	-	-	(65.47)	(44.08)	-	(1.30)	(117.10)
At 31 March 2024	-	39.40	182.50	234.99	2,950.02	17,196.78	130.34	764.78	464.07	21,962.88
Net block value										
At 31 March 2024	1,041.99	0.01	117.99	53.52	8,960.02	8,628.10	253.00	1,456.14	232.83	20,743.60
At 31 March 2023	1,041.99	0.02	93.87	52.28	8,576.73	7,718.26	72.77	1,415.21	233.83	19,204.96

Note: i) On transition to Ind AS (i.e. 1 April 2015), the Company has elected to continue with the carrying value of all Property, plant and equipment measured as per the previous GAAP and use that carrying value as the deemed cost of Property, plant and equipment.

Notes to financial statements for the year ended 31 March 2024
Note - 5(b) : Intangible assets

(Rs. in lakhs except as otherwise stated)

Particulars	Computer software	Total
Gross block		
At 1 April 2022	295.14	295.14
Additions	88.09	88.09
Disposals	-	-
At 31 March 2023	383.23	383.23
Additions	1.89	1.89
Disposals	-	-
At 31 March 2024	385.12	385.12
Amortisation		
At 1 April 2022	189.30	189.30
Charge for the year	47.94	47.94
Disposals	-	-
At 31 March 2023	237.24	237.24
Charge for the year	31.55	31.55
Disposals	-	-
At 31 March 2024	268.79	268.79
Net block		
At 31 March 2024	116.33	116.33
At 31 March 2023	145.99	145.99

Note - 5(c) : Right of use assets

(Rs. in lakhs except as otherwise stated)

Particulars	Leasehold land	Total
Gross block		
At 1 April 2022	190.81	190.81
Additions	422.04	422.04
Disposals	-	-
At 31 March 2023	612.85	612.85
Additions	6,531.52	6,531.52
Disposals	(131.01)	(131.01)
Other Adjustments	(45.90)	(45.90)
At 31 March 2024	6,967.46	6,967.46
Amortisation		
At 1 April 2022	21.99	21.99
Charge for the year	7.66	7.66
Other Adjustments	27.75	27.75
At 31 March 2023	57.40	57.40
Charge for the year	119.15	119.15
Other Adjustments	109.04	109.04
Disposals	(21.83)	(21.83)
At 31 March 2024	263.76	263.76
Net block		
At 31 March 2024	6,703.70	6,703.70
At 31 March 2023	555.45	555.45

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024
6 Capital work in progress

(Rs. in lakhs except as otherwise stated)

	As at 31st March 2024	As at 31st March 2023
Capital work in progress		
Opening cost	1,196.49	777.96
Additions during the year *	6,588.21	6,631.03
Deduction and adjustment during the year**	(2,901.23)	(6,212.50)
	4,883.47	1,196.49

* Capital work in progress includes interest capitalised Rs 65.65 lakhs (31st March 2023: Rs Nil)

** Adjustment includes assets capitalised during the year

Capital work in progress ageing schedule as at 31st March 2024

(Rs. in lakhs except as otherwise stated)

	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	4,881.66	1.81	-	-	4,883.47
	4,881.66	1.81	-	-	4,883.47

Capital work in progress ageing schedule as at 31st March 2023

(Rs. in lakhs except as otherwise stated)

	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	1,170.98	25.51	-	-	1,196.49
	1,170.98	25.51	-	-	1,196.49

Note: No projects under capital work in progress (CWIP) were suspended as at March 31, 2024 and March 31, 2023. Also, No projects are overdue in terms of time and cost as per original plans.

7 Non-current financial assets (valued at amortised cost)

(Rs. in lakhs except as otherwise stated)

	As at 31st March 2024	As at 31st March 2023
(Unsecured, considered good)		
Security deposits	130.30	108.26
Fixed Deposits account with remaining maturity more than twelve months	-	24.17
	130.30	132.43

8 Other non current assets

(Rs. in lakhs except as otherwise stated)

	As at 31st March 2024	As at 31st March 2023
(Unsecured, considered good)		
Capital advances	62.27	64.12
Prepaid expenses	19.97	33.04
	82.24	97.16

9 Non-current tax assets (net)

(Rs. in lakhs except as otherwise stated)

	As at 31st March 2024	As at 31st March 2023
Advance Tax (net of provisions and tax deducted at source)	1,582.73	1,269.72
	1,582.73	1,269.72

10 Inventories *

(Rs. in lakhs except as otherwise stated)

	As at 31st March 2024	As at 31st March 2023
(Valued at lower of cost and net realisable value unless otherwise stated)		
Raw materials and components	3,175.74	2,179.40
Work-in-progress	182.86	173.24
Finished goods	376.18	320.80
Stores and spares	216.75	189.60
Traded Goods	21.16	20.73
	3,972.69	2,883.77

Note:

*Inventories are hypothecated with the bankers against working capital limits (Refer note 18 and 22)

11 Trade receivables

(Rs. in lakhs except as otherwise stated)

	As at 31st March 2024	As at 31st March 2023
(Unsecured)		
Trade Receivable	343.09	153.38
Receivable from Related Parties (refer note 38 (d))	9,987.83	9,498.09
	10,330.92	9,651.47

Break-up for security details:

Trade receivables		
Secured, considered good	-	-
Unsecured, considered good	10,330.92	9,651.47
Trade Receivables which have significant increase in credit risk	-	-
Trade Receivables - credit impaired	-	-
	10,330.92	9,651.47
Impairment Allowance (allowance for bad and doubtful debts)		
Unsecured, considered good	-	-
Trade Receivables which have significant increase in credit Risk	-	-
Trade Receivables - credit impaired	-	-
	-	-

Note:

a) Trade Receivables are non interest bearing. Credit period generally falls in the range of 30 to 60 days.

Trade receivables ageing schedule as at 31st March 2024

(Rs. in lakhs except as otherwise stated)

	Outstanding for following periods from due date of payment						Total
	Current but not due	Less than 6 months	6 months - 1 year	1-2 Years	2-3 years	More than 3 years	
Undisputed trade receivables - considered good	10,184.38	143.38	0.58	2.58	-	-	10,330.92
	10,184.38	143.38	0.58	2.58	-	-	10,330.92

Trade receivables ageing schedule as at 31st March 2023

(Rs. in lakhs except as otherwise stated)

	Outstanding for following periods from due date of payment						Total
	Current but not due	Less than 6 months	6 months - 1 year	1-2 Years	2-3 years	More than 3 years	
Undisputed trade receivables - considered good	9,365.57	248.02	0.22	37.66	-	-	9,651.47
	9,365.57	248.02	0.22	37.66	-	-	9,651.47

12 Cash and cash equivalents

(Rs. in lakhs except as otherwise stated)

	As at 31st March 2024	As at 31st March 2023
Balance with banks:		
Current accounts	5.54	28.88
Cash on hand	0.09	1.05
Balance with Japanese bank, Japan	15.00	7.50
	20.63	37.43

Note: There are no restrictions with regard to cash and cash equivalents at the end of the current and previous year.

13 Other bank balances

(Rs. in lakhs except as otherwise stated)

	As at 31st March 2024	As at 31st March 2023
Fixed Deposits account with an original maturity less than twelve months	-	65.60
Unclaimed dividend accounts*	16.53	17.57
	16.53	83.17

* The company can utilise the balance towards settlement of unclaimed dividend.

14 Other financial assets

(Rs. in lakhs except as otherwise stated)

	As at 31st March 2024	As at 31st March 2023
Fixed Deposits account with an original maturity of more than twelve months but remaining maturity less than twelve months	93.65	-
	93.65	-

15 Other current assets

(Rs. in lakhs except as otherwise stated)

	As at 31st March 2024	As at 31st March 2023
(Unsecured, considered good)		
Advances given to suppliers	920.74	132.62
Others		
Balance with statutory / government authorities	754.32	219.61
Prepaid expenses	171.98	150.38
Interest accrued but not due	1.58	-
Others	-	16.50
	1,848.62	519.11

16 Equity

(Rs. in lakhs except as otherwise stated)

	As at 31st March 2024	As at 31st March 2023
	Amount	Amount
Equity Share Capital		
(a) Authorised		
3,50,00,000 Equity Shares of Rs. 2/- each (31st March 2023: 3,50,00,000 Equity Shares of Rs. 2/- each)	700.00	700.00
Issued ,subscribed & fully paid-up		
3,14,00,000 Equity Shares of Rs. 2/- each (31st March 2023: 3,14,00,000 Equity Shares of Rs. 2/- each)	628.00	628.00

(b) Reconciliation of the shares outstanding at the beginning and at the end of the year

	As at 31st March 2024		As at 31st March 2023	
	No. of shares	Amount in lakhs	No. of shares	Amount in lakhs
At the beginning of the year	3,14,00,000	628.00	3,14,00,000	628.00
Add: Equity shares issued	-	-	-	-
	3,14,00,000	628.00	3,14,00,000	628.00

(c) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 2/- per share (31st March 2023 : Rs 2/- per share). Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(d) Details of Shareholders holding more than 5% shares in the Company is set out below (representing legal and beneficial ownership):

(Rs. in lakhs except as otherwise stated)

Name of Shareholders	As at 31st March 2024		As at 31st March 2023	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Maruti Suzuki India Limited	46,50,000	14.81	46,50,000	14.81
Suzuki Motor Corporation, Japan	46,50,000	14.81	46,50,000	14.81
NDR Auto Components Limited	90,00,000	28.66	90,00,000	28.66
Rohit Relan	38,24,158	12.18	38,24,158	12.18
	2,21,24,158	70.46	2,21,24,158	70.46

(e) Details of Shareholding of promoters alongwith changes during the year

Shares held by promoters at the end of the year	No. of shares As at 31st March 2024	No. of shares As at 31st March 2023	% change during the year
NDR Auto Components Limited	90,00,000	90,00,000	0.00
Suzuki Motor Corporation, Japan	46,50,000	46,50,000	0.00
Maruti Suzuki India Limited	46,50,000	46,50,000	0.00
Pranav Relan JT. Rohit Relan	4,28,250	4,28,250	0.00
Rishabh Relan JT. Rohit Relan	3,68,000	3,68,000	0.00
Rohit Relan	38,24,158	38,24,158	0.00
Ritu Relan JT. Rohit Relan	2,82,500	2,82,500	0.00
Ayush Relan JT. Rohit Relan	2,16,916	2,16,916	0.00
	2,34,19,824	2,34,19,824	-

(f) The Company does not have any equity shares issued as bonus, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date.

17 Other equity

(Rs. in lakhs except as otherwise stated)

	As at 31st March 2024	As at 31st March 2023
(a) General reserve		
Balance as at the beginning of the year	3,950.73	3,950.73
Transfer from statement of profit & loss	-	-
	3,950.73	3,950.73
(b) Retained earnings		
Balance as at the beginning of the year	10,054.85	8,134.98
Net profit for the year	2,505.44	2154.64
Items of other comprehensive income recognised directly in retained earnings		
Remeasurements of post employment benefit obligation, net of tax	(16.78)	16.43
Dividends		
Final dividend of Re. 1.40 per share for March 2023 (31st March, 2022 Re. 0.8/- per share)	(439.60)	(251.20)
	12,103.91	10,054.85
	16,054.64	14,005.58

18 Borrowings

(Rs. in lakhs except as otherwise stated)

	As at 31st March 2024	As at 31st March 2023
Secured		
Term loans -from banks	2,043.77	-
Unsecured		
Loans from related parties (refer note 38 (d))	3,260.00	3,260.00
	5,303.77	3,260.00

18.1 The requisite particulars in respect of secured borrowings are as under:

	As at 31st March 2024	As at 31st March 2023	Particulars of security / guarantees / terms of repayment / default
Term Loan - HDFC Bank-1			Particulars of security:
Balance outstanding	1,644.44		- First pari-passu charge on all movable fixed assets of the Company.
Current maturity	533.33		-
Non - current amount	1,111.11		- Equitable mortgage on factory land and building located at Borakalan Second pari-passu charge on Current assets of the Company.
			Terms of repayment: Period of loan is 48 months (Including 3 months moratorium period), sanctioned on 27.02.2023, repayable in 45 equal monthly instalments commencing from 27.08.2023. Rate of interest is at 3 months MCLR, present rate 9.40% per annum.
Term Loan - HDFC Bank-2			Particulars of security:
Balance outstanding	952.50		- First pari-passu charge on all movable fixed assets of the Company.
Current maturity	19.84		-
Non - current amount	932.66		- Equitable mortgage on factory land and building located at Borakalan Second pari-passu charge on Current assets of the Company.
			Terms of repayment: Period of loan is 5 years (Including 1 year moratorium period), sanctioned on 06.02.2024, repayable in 48 equal monthly instalments commencing from 22.03.2025. Rate of interest is at 3 months T-bill, present rate 8.80% per annum.
Total	2,043.77		-

18.2 The requisite particulars in respect of unsecured borrowings are as under:

(Rs. in lakhs except as otherwise stated)

	As at 31st March 2024	As at 31st March 2023	Particulars of terms of repayment / default/ rate of interest
Loans from related parties			
- Loan from directors			
Balance outstanding	2,260.00	2,260.00	Repayable by the year 2027. Rate of interest is @ 8.30% per annum
Current maturity	-	-	
Non - current amount	2,260.00	2,260.00	
- Loan from related party			
Balance outstanding	1,000.00	1,000.00	Long term loan from NDR Auto Components Limited, present rate of intrest 8.30% per annum.
Current maturity			
Non - current amount	1,000.00	1,000.00	
Total	3,260.00	3,260.00	

19(a) Non- current lease liabilities

(Rs. in lakhs except as otherwise stated)

	As at 31st March 2024	As at 31st March 2023
Non-current lease liability (refer note 38(i))	6,496.85	428.79
	6,496.85	428.79

19(b) Current lease liabilities

(Rs. in lakhs except as otherwise stated)

	As at 31st March 2024	As at 31st March 2023
Current lease liability (refer and 38(i))	652.50	159.13
	652.50	159.13

20 Non- Current provisions

(Rs. in lakhs except as otherwise stated)

	As at 31st March 2024	As at 31st March 2023
Provision for employee benefits		
Gratuity (refer note 38 (a))	69.90	70.47
	69.90	70.47

21 Income Taxes

(Rs. in lakhs except as otherwise stated)

	As at 31st March 2024	As at 31st March 2023
a) Income Tax expense in the statement of profit and loss comprises:		
Current income tax charge	851.48	716.01
Adjustment of tax relating to earlier years	23.61	39.90
Deferred Tax		
Relating to origination and reversal of timing differences	(22.41)	52.54
Income tax expense reported in the statement of profit and loss	852.68	808.45
b) Other comprehensive income		
Tax on Re-measurement gain/(losses) on defined benefit plans	5.64	(5.53)
Income tax related to items recognised in OCI during the year	5.64	(5.53)
c) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate:		
Accounting profit before tax	3,358.12	2,963.09
Applicable tax rate	25.168%	25.168%
Computed tax expense	845.17	745.75
Expense not allowed for tax purpose	(16.10)	22.20
Other differences	-	0.60
Tax Relating to earlier year	23.61	39.90
Income tax charged to Statement of Profit and loss at effective rate	852.68	808.45

(d) Deferred tax relates to the following:

	As at 31st March 2024	As at 31st March 2023	for the year ended 31st March 2024	for the year ended 31st March 2023
Deferred tax assets on account of :				
Effect of expenditure debited to statement of profit and loss in the current year but allowed for tax purposes in following years	79.34	70.18	9.16	11.71
Difference in right on use assets and lease liability	33.72	1.19	32.53	1.41
Total deferred tax assets	113.06	71.37	41.69	13.12
Deferred tax liabilities on account of :				
Differences in depreciation in block of fixed assets as per tax books and financial books	786.62	767.34	19.28	65.66
Total deferred tax liabilities	786.62	767.34	19.28	65.66
Total deferred tax liabilities (net)	673.56	695.97	(22.41)	52.54

(e) Reconciliation of deferred tax liabilities (net)

	As at 31st March 2024	As at 31st March 2023
Opening balance	695.97	643.43
Tax expense (credits) during the year recognised in Statement to profit and loss	(22.41)	52.54
Tax expense (credits) during the year recognised in OCI	-	-
Closing balance	673.56	695.97

22 Short Term Borrowings

(Rs. in lakhs except as otherwise stated)

	As at 31st March 2024	As at 31st March 2023
Secured		
Working capital loan	2,282.28	2,725.01
Current maturities of long-term borrowings (refer note 18)	553.17	-
Unsecured		
Inter corporate deposits	700.00	-
	3,535.45	2,725.01

The requisite particulars in respect of secured borrowings are as under:

(Rs. in lakhs except as otherwise stated)

Particulars	As at 31st March 2024	As at 31st March 2023	Particulars of security / guarantees /terms of repayment / default
Secured:			
Working Capital Loan from banks			
- Loan from ICICI Bank at 6 months MCLR, Present rate 8.65% per annum.	791.23	1,208.79	1) ICICI Bank Ltd : - Sanctioned amount of Rs. 1,760 lacs Particulars of Security: i) First pari-passu charge on current assets ii) Second pari-passu charge on moveable fixed assets. iii) Mortgage on factory land and building located at Borakalan, Haryana on 2nd pari-passu basis.
- Loan from HDFC Bank at 01 year MCLR, Present rate 8.45% per annum.	1,491.05	1,516.22	2) HDFC Bank Ltd : - Sanctioned amount of Rs. 1,760 lacs Particulars of Security: i) First pari-passu charge on current assets of the Company. ii) Second pari-passu charge on entire moveable fixed assets. iii) Equitable mortgage on factory land and building located at Borakalan, Haryana on 2nd pari-passu basis.
Unsecured Loan:			
Inter corporate loans	700.00	-	- Short term inter- corporate loan taken from NDR Auto Components Limited at current rate of 8.30%
	2,982.28	2,725.01	

Note:i) The company has undrawn cash credit facility of Rs. 968.77 lakhs from ICICI bank Ltd and Rs. 268.95 lakhs from HDFC Bank Limited as on 31st March 2024.

ii) The monthly statements of revenue filed by the Company during the year with banks are in agreement with the books of accounts.

iii) The Company has not defaulted on any loan payable.

Change in liabilities arising from financing activities

(Rs. in lakhs except as otherwise stated)

	1st April 2023	Cash flows	New Lease	Others	31st March 2024
Non-current borrowings (refer note 18 and 22)	3,260.00	2,596.94	-	(553.17)	5,303.77
Short term Borrowings (refer note 22)	2,725.01	257.27	-	553.17	3,535.45
Lease Liability	587.92	(134.76)	6,531.52	164.67	7,149.35
Total	6,572.93	2,719.45	6,531.52	164.67	15,988.57

	1st April 2022	Cash flows	New Lease	Others	31st March 2023
Non-current borrowings (refer note 18)	3,260.00	-	-	-	3,260.00
Short term Borrowings (refer note 22)	464.79	2,260.22	-	-	2,725.01
Lease Liability (refer note 19(a) & (b))	167.95	(2.07)	422.04	-	587.92
Total	3,892.74	2,258.15	422.04	-	6,572.93

The 'Others' column includes the effect of interest accrued on lease liabilities and current maturities of long-term borrowings.

23 Trade payables

(Rs. in lakhs except as otherwise stated)

	As at 31st March 2024	As at 31st March 2023
Dues of Micro and small enterprises (refer below note)	830.44	1,030.87
Dues of other than Micro and small enterprises	13,895.21	10,784.45
	14,725.65	11,815.32

* Trade Payables include due to related parties Rs 5082.98 lakhs (31st March 2023: Rs 1351.95 lakhs) refer note 38 (d)

* Trade Payables are unsecured and usually paid within 60 days of recognition.

* Trade Payables are usually non-interest bearing.

Trade payables ageing schedule as at 31st March 2024

(Rs. in lakhs except as otherwise stated)

	Outstanding for following periods from due date of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total Outstanding dues of micro enterprises and small enterprises	830.44	-	-	-	-	830.44
Total Outstanding dues of creditors other than micro enterprises and small enterprises	12,702.18	915.68	166.18	54.92	56.26	13,895.21
	13,532.62	915.68	166.18	54.92	56.26	14,725.65

Trade payables ageing schedule as at 31st March 2023

(Rs. in lakhs except as otherwise stated)

	Outstanding for following periods from due date of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total Outstanding dues of micro enterprises and small enterprises	1,030.87	-	-	-	-	1,030.87
Total Outstanding dues of creditors other than micro enterprises and small enterprises	10,222.89	369.09	129.59	9.28	53.60	10,784.45
	11,253.76	369.09	129.59	9.28	53.60	11,815.32

Disclosure under MSMED Act

Information as required to be furnished as per section 22 of Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) for year ended 31st March, 2024 is given below. This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

	As at 31st March 2024	As at 31st March 2023
i) Principal amount remaining unpaid to any supplier covered under MSMED Act (refer note 23)	830.44	1,030.87
ii) Interest due remaining unpaid to any supplier covered under MSMED Act	Nil	Nil
iii) The amount of interest paid by the buyer in terms of section 16, of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	Nil	Nil
iv) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act.	Nil	Nil
v) The amount of interest accrued and remaining unpaid at the end of each accounting year.	Nil	Nil
vi) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	Nil	Nil

Note: The total dues of Micro and Small Enterprises which were outstanding for more than stipulated period are Rs. Nil

24 Other financial liabilities

(Rs. in lakhs except as otherwise stated)

	As at 31st March 2024	As at 31st March 2023
Interest accrued but not due	27.86	30.54
Unpaid dividends (refer note (a))	16.53	17.57
Other Payables		
Creditors for capital goods - Micro and small enterprises	-	-
Creditors for capital goods - other than Micro and small enterprises	649.52	846.07
Security deposit	0.50	0.50
	694.41	894.68

(a) Investor Education and Protection Fund is being credited by the amount of unclaimed dividend after seven years from the due date. The Company has transferred Rs. 3.24 lakhs (31st March, 2023 Rs.3.14 lakhs) out of unclaimed dividend pertaining to the financial year 2015-2016 to Investor Education and Protection Fund of Central Government in accordance with the provisions of section 125 of the Companies Act, 2013.

25 Other current liabilities

(Rs. in lakhs except as otherwise stated)

	As at 31st March 2024	As at 31st March 2023
Statutory dues payable	152.70	140.61
Advance received from customer	1,215.36	679.71
	1,368.06	820.32

26 Current provisions

(Rs. in lakhs except as otherwise stated)

	As at 31st March 2024	As at 31st March 2023
Provision for employee benefits		
Gratuity (refer note no. 38 (a))	13.07	9.90
Leave encashment	309.55	263.98
	322.62	273.88

27 Contingent liabilities & commitments

(Rs. in lakhs except as otherwise stated)

	As at 31st March 2024	As at 31st March 2023
(A) Contingent liabilities (to the extent not provided for)		
(a) Claims against the company not acknowledged as debt		
i) Excise duty (refer note (a) below)	228.20	486.85
ii) Labour cases (refer note (b) below)	184.56	208.56
	412.76	695.41
(B) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for:		
a) Capital commitments (net of advance)	408.14	697.61
b) Other commitments (net of advance)	2,257.94	457.40
	2,666.08	1,155.01

a) Contingent liability with respect to item (i) above represents disputed excise demands pertaining to various years ranging from 1996 to 1999. This matter is pending with appellate authorities and the company believes that it has merit in these cases and more likely than not the company will succeed in these cases. The company is contesting this demands and the management, including its tax advisors, believe that its position will likely to be upheld in the appellate process and accordingly no provision has been accrued in the financial statements for the demand raised.

b) The Company has suspended few workmen in the year 2002 for misconduct and instigating other workmen to give less production including himself. The Company has adhered to all the stipulated process as is desired by statute, mainly the Industrial Dispute Act and The Payment of Wages Act. The workmen has raised a demand notice and state government has raised the dispute to Industrial Tribunal cum Labour court. The tribunal has passed order in favour of workmen with reinstatement with back wages. The Company has filed a Writ in the Punjab and Haryana High court in Chandigarh for grant of stay and the same has been granted on 08th August, 2018. The Company is contesting the demands and the management, including its legal advisors, believe that its position will likely to be upheld in the honourable High Courts and accordingly no provision has been accrued in the financial statements for the demand raised.

The management believes that the ultimate outcome of these proceeding will not have a material adverse effect on the Company's financial position and results of operations.

c) There are numerous interpretative issues relating to the Supreme Court (SC) judgement dated 28th February, 2019 on Provident Fund (PF) on the inclusion of allowances for the purpose of PF contribution as well as its applicability of effective date. The Company is evaluating and seeking legal inputs regarding various interpretative issues and its impact.

(C) For Commitment related to lease, refer note 38(i).
28 Revenue from operations

(Rs. in lakhs except as otherwise stated)

	Year Ended 31st March 2024	Year Ended 31st March 2023
Revenue from contract with Customers		
a) Sale of products	1,06,000.24	1,04,878.19
b) Sale of services	446.09	-
c) Other operating revenues		
Scrap sales	235.29	226.07
Revenue from operations (a+b+c)	1,06,681.62	1,05,104.26

28.1 Disaggregated revenue information

Set out below is the disaggregation of the Company's revenue from contracts with customers:

Type of goods		
Seating system	97,411.24	93,587.57
Carpets	5,338.60	4,851.99
Extrusions	1,658.37	1,580.67
Others	1,592.03	4,857.96
Total revenue from contracts with customers	1,06,000.24	1,04,878.19
India	1,06,446.33	1,04,878.19
Outside India	-	-
Total revenue from contracts with customers	1,06,446.33	1,04,878.19
Timing of revenue recognition		
Goods transferred at a point in time	1,06,000.24	1,04,878.19
Services transferred over time	446.09	-
Total revenue from contracts with customers	1,06,446.33	1,04,878.19

28.2 Contract balances

Trade receivables	10,330.92	9,651.47
Contract liabilities	1,215.36	679.71

Trade Receivables are non interest bearing. Credit period generally falls in the range of 30 to 60 days.

Contract liabilities consist of short-term advances received from customer to supply goods.

28.3 Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

Revenue as per contracted price	1,06,721.22	1,05,118.37
Adjustments		
Sales return	(39.60)	(14.11)
Revenue from contracts with customers	1,06,681.62	1,05,104.26

28.4 Performance obligation

The performance obligation is satisfied upon delivery of the equipment to the customer and payment is generally due within 30 to 60 days from delivery.

28.5 Revenue from contracts with customers is measured by the Company at the transaction price i.e. amount of consideration received/ receivable in exchange of transferring goods or services to the customers. In determining the transaction price for the sale of goods, the Company considers the effect of price adjustments, to be claimed/ passed on to the customers, based on various cost parameters like raw material and other costs. Adequate Provisions have been made for such price differences with a corresponding impact on the revenue. Accordingly, revenue for the current year is net of such price differences.

29 Other income

(Rs. in lakhs except as otherwise stated)

	Year Ended 31st March 2024	Year Ended 31st March 2023
Interest received on financial assets carried at amortised cost:		
Bank deposits	6.07	4.40
Others (including interest on income tax refund)	20.36	0.83
Other non-operating income		
Management Consultancy Income	1.88	10.53
Rental Income	217.94	163.37
Excess provision no longer required written back	119.25	194.90
Gain on termination of Right of use assets	20.21	-
Miscellaneous Income	66.30	35.45
Gain on sales of property, plant & equipment	1.87	-
	453.88	409.48

30 Cost of materials consumed

(Rs. in lakhs except as otherwise stated)

	Year Ended 31st March 2024	Year Ended 31st March 2023
Inventory at the beginning of the year	2,179.40	4,566.25
Add: Purchases	89,809.53	87,664.49
Less: Inventory at the end of the year	3,175.74	2,179.40
	88,813.19	90,051.34

31 Purchase of traded goods

(Rs. in lakhs except as otherwise stated)

	Year Ended 31st March 2024	Year Ended 31st March 2023
Purchases	16.11	33.66
	16.11	33.66

32 (Increase)/decrease in inventories of finished goods, work-in-progress and traded goods

(Rs. in lakhs except as otherwise stated)

	Year Ended 31st March 2024	Year Ended 31st March 2023
Inventory at the beginning of the year		
Finished goods	320.80	369.13
Work in progress	173.24	150.88
Traded Goods	20.73	3.37
Scrap materials	-	0.30
	514.77	523.68
Inventory at the end of the year		
Finished goods	376.18	320.80
Work-in-progress	182.86	173.24
Traded Goods	21.16	20.73
Scrap materials	-	-
	580.20	514.77
Changes in inventories of finished goods, work-in-progress and traded goods ((Increase) / Decrease)	(65.43)	8.91

33 Employee benefits expense

(Rs. in lakhs except as otherwise stated)

	Year Ended 31st March 2024	Year Ended 31st March 2023
Salaries, wages, bonus and other benefits	4,005.30	3,633.28
Contributions to provident and other funds	185.91	161.70
Gratuity expense (refer note No. 38 (a))	60.11	51.27
Staff welfare expenses	237.43	208.32
	4,488.75	4,054.57

Note: The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective. Based on a preliminary assessment, the entity believes the impact of the change will not be significant.

34 Finance costs

(Rs. in lakhs except as otherwise stated)

	Year Ended 31st March 2024	Year Ended 31st March 2023
Interest on debts & borrowings	553.38	338.41
Interest on lease liability (refer note 38(i))	214.85	17.06
Bank charges	5.92	7.94
	774.15	363.41

35 Depreciation and amortization expenses

(Rs. in lakhs except as otherwise stated)

	Year Ended 31st March 2024	Year Ended 31st March 2023
Depreciation of property, plant and equipment (refer note 5(a))	2,249.59	1,651.74
Depreciation on right of use assets (refer note 5(c) and 38(i))	119.15	7.66
Amortization of intangible assets (refer note 5(b))	31.55	47.94
	2,400.29	1,707.34

36 Other expenses

(Rs. in lakhs except as otherwise stated)

	Year Ended 31st March 2024	Year Ended 31st March 2023
Power and fuel	1,156.45	1,016.54
Rent (refer note 38(i))	42.30	31.64
Repair and maintenance:		
Buildings	41.48	64.80
Plant and machinery	350.17	345.59
Others	59.53	40.88
Insurance	154.29	134.50
Research and development expenses	125.93	96.50
Consumption of stores and spares	108.75	123.52
Payment to Auditors		
As Auditors:		
Audit Fee	18.00	18.00
Limited Review	18.00	19.50
In other capacity - Other services (certification fees)	4.00	8.00
Reimbursement of expenses	6.47	2.19
Loss on sale/discard of property, plant and equipment	-	1.30
Contribution towards Corporate Social Responsibility (CSR) (refer note no. 38 (e))	36.00	24.00
Contract manpower and jobwork expenses	2,793.45	2,576.77
Legal and professional expenses	584.23	308.97
Technical know how fees and royalty	180.28	166.79
Freight Outward	568.22	457.02
Travelling and conveyance	456.66	330.91
Miscellaneous expenses	646.11	564.00
	7,350.32	6,331.42

37 Earnings per equity shares

(Rs. in lakhs except as otherwise stated)

	Year Ended 31st March 2024	Year Ended 31st March 2023
a) Basic Earnings per share		
Numerator for earnings per share		
Profit after taxation	2,505.44	2,154.64
Denominator for earnings per share		
Weighted number of equity shares outstanding during the year (Nos.)	3,14,00,000	3,14,00,000
Earnings per share- Basic (one equity share of Rs. 2/- each) Rs.	7.98	6.86
b) Diluted Earnings per share		
Numerator for earnings per share		
Profit after taxation	2,505.44	2,154.64
Denominator for earnings per share		
Weighted number of equity shares outstanding during the year (Nos.)	3,14,00,000	3,14,00,000
Earnings per share- Diluted (one equity share of Rs. 2/- each) Rs.	7.98	6.86

Note: There are no instruments issued by the Company which have effect of dilution of basic earning per share.

38 Other Notes to Accounts

- a. Disclosures pursuant to Ind AS-19 "Employee Benefits"(specified under section 133 of the Companies Act, 2013, read with Rule 7 of Companies (Accounts) Rules, 2015) are given below :

Defined Benefit Plan

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The Scheme is funded with the Life Insurance Corporation of India in the form of a qualifying insurance policy.

The Company has also provided for leave encashment which is unfunded.

The following tables summarize the components of net benefit expense recognised in the other comprehensive income in the statement of the profit and loss and the funded status and amounts recognised in the balance sheet for the respective plans:

i) Net defined benefit expense (recognised in the statement of profit and loss for the year)

(Rs. in lakhs except as otherwise stated)

Particulars	As At 31st March 2024	As At 31st March 2023
Opening defined benefit obligation	368.46	391.48
Current Service Cost	54.24	45.09
Interest Cost	26.89	27.01
Remeasurement (gains)/ losses	21.85	(24.91)
Benefits paid	(73.36)	(70.21)
Closing defined benefit obligation	398.08	368.46

ii) Changes in the fair value of plan assets are as follows: (Rs. in lakhs except as otherwise stated)

Particulars	As At 31st March 2024	As At 31st March 2023
Opening fair value of plan assets	288.09	301.83
Addition(reduction) due to difference identified in the plan assets at the beginning of the period	-	-
Fair value of plan assets at the beginning of the year	288.09	301.83
Interest income	21.03	20.83
-Return on plan assets (expected amounts included in net interest expense)	(0.57)	(2.95)
Contributions from the employer	79.93	38.59
Benefits paid	(73.37)	(70.21)
Closing fair value of plan assets	315.11	288.09

iii) The amount included in the Balance Sheet (Rs. in lakhs except as otherwise stated)

Particulars	As At 31st March 2024	As At 31st March 2023
Present value of defined benefit obligation	398.08	368.46
Fair value of plan assets	315.11	288.09
Amount Recognised in Balance Sheet-Asset/ (Liability)	(82.97)	(80.37)

iv) Amount recognised in the statement of profit and loss (Rs. in lakhs except as otherwise stated)

Particulars	As At 31st March 2024	As At 31st March 2023
Current service cost	54.24	45.09
Interest cost on benefit obligation	5.87	6.18
Reduction due to difference in plan assets at the beginning of the year	-	-
Remeasurements	-	-
Defined Benefit Cost recognised in statement of Profit or Loss	60.11	51.27

v) Remeasurements- other comprehensive income (OCI) (Rs. in lakhs except as otherwise stated)

Particulars	As At 31st March 2024	As At 31st March 2023
Return on plan assets (excluding amount included in net interest expense)	0.57	2.95
Actuarial (gains)/ losses arising from changes in demographic assumption	-	-
Actuarial (gains)/ losses arising from changes in financial assumptions	4.73	(8.57)
Actuarial (gains)/ losses arising from experience adjustments	17.11	(16.34)
Defined benefit costs recognised in other comprehensive income	22.41	(21.96)

vi) Broad categories of plan assets as a percentage of fair value of total plan assets

Particulars	Gratuity
Insured with LIC	100.00%

vii) The principal assumptions used in determining defined benefit obligation

Particulars	As At 31st March 2024	As At 31st March 2023
Discount rate	7.10%	7.30%
Rate of increase in compensation	9.00%	9.00%
Average outstanding service of employees upto retirement (years)	23.79	22.04

viii) A quantitative sensitivity analysis for significant assumption (Rs. in lakhs except as otherwise stated)

Particulars	As At 31st March 2024	As At 31st March 2023
Change in discount rate		
Decrease in defined benefit obligation due to 1% increase in discount rate	22.53	19.74
Increase in defined benefit obligation due to 1% decrease in discount rate	22.59	22.24
Rate of salary escalation		
Increase in defined benefit obligation due to 1% increase in expected salary escalation rate	21.52	18.81
Decrease in defined benefit obligation due to 1% decrease in expected salary escalation rate	19.50	17.40

Change in defined benefit obligation due to 1% increase/ decrease in mortality rate, if all other assumptions remains constant is negligible

ix) Maturity profile of defined benefit obligation (Rs. in lakhs except as otherwise stated)

Particulars	As At 31st March 2024	As At 31st March 2023
i) Duration of defined benefit payments		
Within next 12 months	79.62	54.02
Between 2 to 5 years	185.07	204.37
Above 5 years	429.63	371.42
Total	694.32	629.81

x) Enterprise best estimate of contribution during next year (Rs. in lakhs except as otherwise stated)

Particulars	As At 31st March 2024	As At 31st March 2023
Enterprise best estimate of contribution during next year	60.94	45.40

- xi) The estimates of rate of escalation in salary considered in actuarial valuation are after taking into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is as certified by the Actuary.
- xii) Discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of the obligations.
- xiii) The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefits obligation as a result of reasonable changes in key assumption occurring at the end of the reporting period.
- xiv) The plan assets are maintained with Life Insurance Corporation of India (LIC).

b) Contribution to Defined Contribution Plan, recognised as expense for the year is as under:

(Rs. in lakhs except as otherwise stated)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Provident fund/ other employees fund	185.91	161.70

c. Operating segment information

The Company has only one reportable business segment as it manufactures and deals only in different seating systems, carpet etc. in terms of Ind AS 108 "Operating Segment". Further, the Company operates only in one geographical segment -India. All the assets of the Company are located in India. The chief operating officer and chief financial officer (chief operating decision maker) monitors the operating results as one single segment for the purpose of making decisions about resource allocation and performance assessment. Hence, the disclosure requirements of the standard are not considered.

The revenue from external customer includes revenue from three customer which is equal to 10% or more of entity's revenue amounts to Rs 1,05,063.87 lakhs (31st March, 2023: Rs. 1,03,805.60 lakhs).

d. Related party transactions

The related parties as per the terms of Ind AS-24, "Related Party Disclosures", (specified under section 133 of the Companies Act, 2013, read with Rule 7 of Companies (Accounts) Rules, 2015 as amended from time to time) are disclosed below:-

A. Names of related parties and description of relationship:

Sr.No	Names of parties	Nature of relationship
i)	Entities with Joint Control or significant influence over the Company	Maruti Suzuki India Ltd. Suzuki Motor Corporation, Japan. NDR Auto Components Limited
ii)	Key management persons	Mr. Rohit Relan—Chairman and Managing Director Mr. Rishabh Relan – Whole time Director Mr. Sanjeev Kumar - Chief Financial Officer till 08.02.2024 Mr. Vinod Kumar - Chief Financial Officer w.e.f. 09.02.2024 Ms. Ritu Bakshi-Company Secretary Mr Ashwani Aggarwal- Whole time Director till 15.12.2022 Mr. Ravindra Gupta - Independent Director till 31.03.2024 Mr. Girish Narain Mehra - Independent Director till 31.03.2024 Ms. Shyamla Khera - Independent Director Mr. Arvind Varma -Independent Director Ms. Nisha Malhotra - Independent Director
iii)	Relatives of key management persons	Mrs. Sharda Relan -Mother of Mr. Rohit Relan Mrs. Ritu Relan -Wife of Mr. Rohit Relan Mr. Ayush Relan - Son of Mr. Rohit Relan Mr. Pranav Relan - Son of Mr. Rohit Relan
iv)	Enterprises over which entities(s): referred to in (i) above is able to exercise significant influence	Toyota Boshoku Relan India Pvt. Ltd. Toyo Sharda India Pvt. Ltd. Suzuki Motorcycle India Pvt. Ltd. Suzuki Motor Gujarat Pvt. Ltd. Krishna Maruti Limited Bellsonica Auto Components India Pvt. Ltd.

B. Transactions with related parties

(Rs. in lakhs except as otherwise stated)

Particulars	2023-24	2022-23
i) Sale of products		
Entities with Joint Control or significant influence over the Company		
Maruti Suzuki India Ltd.	78,242.96	81,031.01
NDR Auto Components Ltd.	148.40	92.59
Suzuki Motorcycle India Pvt. Ltd.	6,497.28	10,085.50
Suzuki Motor Gujarat Pvt. Ltd.	20,323.63	12,689.09
Toyo Sharda India Pvt. Ltd.	180.26	212.84
Bellsonica Auto Component India Pvt. Ltd.	441.13	-
Krishna Maruti Limited	2.31	-
	1,05,835.97	1,04,111.03
ii) Purchases of Material, traded goods (Including all taxes)		
Entities with Joint Control or significant influence over the Company		
NDR Auto Components Ltd.	33,401.49	32,330.10
Maruti Suzuki India Ltd.	1,263.94	127.43
iii) Purchase of Fixed Asset		
NDR Auto Components Ltd.	0.88	133.97
Toyo Sharda India Pvt. Ltd.(net of reimbursement expenses)	5,752.22	8,263.11
	40,418.53	40,854.61
iii) Other Income:		
a) Rental Income:		
Toyo Sharda India Pvt. Ltd.	102.74	91.37
NDR Auto Components Ltd.	115.20	72.00
b) Management Consultancy Income:		
Toyo Sharda India Pvt. Ltd.	1.88	10.53
c) Job Work Income:		
Entities with Joint Control or significant influence over the Company		
Maruti Suzuki India Ltd.	11.20	16.90
Toyo Sharda India Pvt. Ltd.	-	0.54
d) Interest Income:		
Entities with Joint Control or significant influence over the Company		
Maruti Suzuki India Ltd.	-	0.83
	231.02	192.17

iv) Remuneration to Key Managerial Persons		
Key management persons		
Rohit Relan		
-Short term employee benefits	259.88	236.25
-Post employment benefits	21.67	19.70
Rishabh Relan		
-Short term employee benefits	69.24	60.64
-Post employment benefits	5.77	4.72
Sanjeev Kumar		
-Short term employee benefits	43.60	42.26
-Post employment benefits	2.08	2.17
Vinod Kumar		
-Short term employee benefits	5.12	-
-Post employment benefits	0.30	-
Ashwani Aggarwal (till 15.12.2022)		
-Short term employee benefits	-	102.18
-Post employment benefits	-	4.53
Ritu Bakshi		
-Short term employee benefits	28.52	23.47
-Post employment benefits	1.79	3.24
	437.97	499.16
v) Other Expenses :		
a) Power & Fuel		
Entities with Joint Control or significant influence over the Company		
Maruti Suzuki India Ltd.	305.69	292.45
b) Rent:		
Entities with Joint Control or significant influence over the Company		
Maruti Suzuki India Ltd.	288.55	20.51
c) Factory Expenses :		
Entities with Joint Control or significant influence over the Company		
Maruti Suzuki India Ltd.	7.68	8.72

d) Miscellaneous Expenses- Reimbursement of Expenses		
Entities with Joint Control or significant influence over the Company		
NDR Auto Components Ltd.	142.42	142.92
Toyo Sharda India Pvt. Ltd.	90.29	66.76
e) Miscellaneous Expenses- Short term employee benefits (Sitting Fees):		
Key Management Persons		
Mr. C.V. Raman*	1.20	1.60
Mr. Arvind Varma	6.00	4.80
Mr. Girish Narain Mehra	7.60	5.20
Mr. Ravindra Gupta	6.00	4.80
Ms. Shyamla Khera	6.40	6.00
Ms. Nisha Malhotra	4.80	4.00
* Paid to Maruti Suzuki India Limited, of which Mr. C.V. Raman is a nominee director.		
f) Miscellaneous Expenses- Discount on sales		
Entities with Joint Control or significant influence over the Company		
Maruti Suzuki India Ltd.	1.29	0.97
	867.92	558.74
vi) Interest Expense		
Key management persons		
Rohit Relan	185.45	162.27
Entities with Joint Control or significant influence over the Company		
NDR Auto Components Ltd.	119.31	71.84
	304.76	234.11
vii) Dividend paid:-		
Entities with Joint Control or significant influence over the Company		
Maruti Suzuki India Limited	65.10	37.20
Suzuki Motor Corporation, Japan	65.10	37.20
NDR Auto Components Limited	126.00	72.00
Key management persons		
Rohit Relan	53.54	30.59
Rishabh Relan	5.15	2.94
Relatives of key management persons		
Pranav Relan	6.00	3.43
Ayush Relan	3.04	1.74
Ritu Relan	3.96	2.26
	327.89	187.36

viii) Loans Received from related parties		
NDR Auto Components Ltd.	700.00	-
	700.00	-
ix) Advance received during the year		
Entities with Joint Control or significant influence over the Company		
Maruti Suzuki India Ltd.	619.08	938.50
Suzuki Motorcycle India Pvt. Ltd.	-	840.00
Suzuki Motor Gujarat Pvt. Ltd.	83.70	-
	702.78	1778.50
x) Sale of property plant and equipment		
Entities with Joint Control or significant influence over the Company		
NDR Auto Components Limited	39.64	111.91

3. Closing Balances at the year end

i) Trade receivables		
Entities with Joint Control or significant influence over the Company		
Maruti Suzuki India Ltd.	6,983.56	7,144.74
Suzuki Motorcycle India Pvt. Ltd.	454.01	1,109.66
Suzuki Motor Gujarat Pvt. Ltd.	2,455.61	1,243.69
Krishna Maruti Limited	1.04	-
Bellsonica Auto Components India Pvt. Ltd.	93.62	-
	9987.84	9498.09
ii) Trade Payable		
Entities with Joint Control or significant influence over the Company		
NDR Auto Components Ltd.	4,164.61	687.47
Toyo Sharda India Pvt. Ltd.	644.46	664.47
	4809.07	1351.94
iii) Performance bank guarantee outstanding in favour of:		
Entities with Joint Control or significant influence over the Company		
Maruti Suzuki India Ltd.	661.68	701.65
Suzuki Motor Gujarat Pvt. Ltd.	83.70	840.00
	745.38	1541.65
iv) Unsecured Loans from Related parties		
Key management persons		
Rohit Relan	2,260.00	2,260.00
	2260.00	2260.00

v) Advance from Customers		
Entities with Joint Control or significant influence over the Company		
Maruti Suzuki India Ltd.	619.08	659.05
Suzuki Motor Gujarat Pvt. Ltd.	83.70	-
	702.78	659.05
vi) Loan Received from Related Parties		
Entities with Joint Control or significant influence over the Company		
NDR Auto Components Ltd.	1,700.00	1,000.00
	1700.00	1000.00

*The remuneration to the key management personnel does not include the provision made for leave benefits, as it has been determined on an actuarial basis for the Company as a whole.

Terms and Conditions of transactions with related parties

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year end are unsecured and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended March 31, 2024 the Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

e. Expenditure on corporate social responsibility

As per provisions of section 135 of the Companies Act, 2013, the Company has to incur at least 2% of average net profits of the preceding three financial years towards Corporate Social Responsibility ("CSR"). Accordingly, a CSR committee has been formed for carrying out CSR activities as per the Schedule VII of the Companies Act, 2013. The Company has contributed a sum of Rs.36 lakhs (31st March, 2023 : Rs.24.00 lakhs) towards relief activities, education, healthcare and Skill Development purpose. The same is debited to the Statement of Profit and Loss.

(Rs. In Lakhs except as otherwise stated)

Details of CSR expenditure		
Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
a) Gross amount required to be spent by the Company during the year	36.00	23.49
b) Amount approved by the Board to be spent during the year	36.00	23.49
c) Amount spent during the year (in cash)		
i) Construction/acquisition of any asset		
ii) On purposes other than (i) above	36.00	24.00
d) Amount yet to be paid in cash		
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	-	-
e) Details related to spent / unspent obligations:		
i) Contribution to Public Trust	-	-
ii) Contribution to Charitable Trust	-	-
iii) Unspent amount in relation to:	-	-
- Ongoing project	-	-
- Other than ongoing project	-	-

Details of ongoing project

Opening Balance		Amount required to be spent during the period	Amount spent during the year		Closing Balance			
With Company	In Separate CSR Unspent A/c		From Company's bank A/c	From Separate CSR Unspent A/c			With Company	In Separate CSR Unspent A/c
-	-	-	-	-	-	-	-	-

In case of S. 135(5) (Other than ongoing project)				
Opening Balance	Amount deposited in Specified Fund of Sch. VII within 6 months	Amount required to be spent during the year	Amount spent during the year	Closing Balance
-	-	36.00	36.00	-

f. Fair value measurements

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments:

(Rs. in lakhs except as otherwise stated)

Financial Instruments by category	Carrying Value		Fair Value	
	As At 31st March 2024	As At 31st March 2023	As At 31st March 2024	As At 31st March 2023
Financial assets at amortized cost				
Other Financial assets	130.30	132.43	130.30	132.43
Cash and cash equivalents	20.63	37.43	20.63	37.43
Other bank balances	16.53	83.17	16.53	83.17
Other Current Financial Assets	93.65	-	93.65	-
Trade receivables	10,330.92	9,651.47	10,330.92	9,651.47
Financial liabilities at amortized cost				
Non-current borrowings	5,303.77	3,260.00	5,303.77	3,260.00
Current borrowings	3,535.45	2,725.01	3,535.45	2,725.01
Trade payables	14,725.65	11,815.32	14,725.65	11,815.32
Other financial liabilities	694.41	894.68	694.41	894.68
Lease liabilities (current and non current)	7,149.35	587.92	7,149.35	587.92

The fair value of the financial assets and liabilities is included at the amount at which the instruments could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following method and assumption were used to estimate the fair value.

- i) The fair value of unquoted instruments, loans from banks and other financial liabilities, as well as other non-current financial liabilities is estimated by discounting future cash flow using rates currently available for debt on similar terms, credit risk and remaining maturities. In addition to being sensitive to a reasonably possible change in the forecast cash flow or the discount rate, the fair value of the equity instruments is also sensitive to a reasonably possible change in the growth rates. The valuation requires management to use unobservable inputs in the model, of which the significant unobservable inputs are disclosed in the tables below. Management regularly assesses a range of reasonably possible alternatives for those significant unobservable inputs and determines their impact on the total fair value.
- ii) Receivables/Payables are evaluated by the Company based on parameters such as interest rate, risk factors,

and individual credit worthiness of the counterparty and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.

- iii) The significant unobservable inputs used in the fair value measurement categorized within level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at 31st March, 2024 are as shown below :-

Fair Value Hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

Note: The Company has measured its all financial assets and liabilities at amortized cost accordingly, Quantitative disclosures fair value measurement hierarchy in not applicable on the Company.

Financial risk management

The Company has instituted an overall risk management program which also focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance. The Corporate Finance department evaluates financial risks in close co-operation with the various stakeholders.

The Company is exposed to market risk, credit risk and liquidity risk. These risks are managed pro-actively by the Senior Management of the Company.

i) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprises three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity price risk. Financial instruments affected by market risks include loans and borrowings, deposits, investments and foreign currency receivables and payables. The sensitivity analyses in the following sections relate to the position as at 31st March, 2024 and 31st March, 2023. The analyses exclude the impact of movements in market variables on; the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities. The sensitivity of the relevant Profit and Loss item is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held as at 31st March, 2024 and 31st March, 2023.

A) Currency Risk:-

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in foreign currency). Foreign currency exchange rate exposure is partly balanced by purchasing of goods from the respective countries. The Company evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies.

Foreign currency risk sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD, Euro and JPY exchange rates, with all other variables held constant. The impact on the Company profit before tax is due to changes in the fair value of monetary assets and liabilities.

Unhedged foreign currency exposures recognized are as under: (Rs. In Lakhs except as otherwise stated)

Currency Payable	Currency Symbol	31st March, 2024		Gain/(loss)	
		Foreign Currency	Indian Rupees	Impact on profit before tax	
				5% Increase	5% Decrease
United States Dollar	\$	2.51	208.90	(10.45)	10.45
Euro	EUR	0.26	23.73	(1.19)	1.19
Japanese Yen	JPY	115.74	63.76	(3.19)	3.19
Canadian Dollar	CAD	0.14	8.74	(0.44)	0.44

(Rs. In Lakhs except as otherwise stated)

Currency Payable	Currency Symbol	31st March, 2023		Gain/(loss)	
		Foreign Currency	Indian Rupees	Impact on profit before tax	
				5% Increase	5% Decrease
United States Dollar	\$	1.89	155.39	(7.77)	7.77
Euro	EUR	0.30	26.45	(1.32)	1.32
Japanese Yen	JPY	108.70	67.17	(3.36)	3.36
Canadian Dollar	CAD	0.63	38.15	(1.91)	1.91

The Company does not have any derivative financial instruments such as foreign currency forward contracts to mitigate the risk of changes in exchange rate on foreign currency exposures.

B) Interest rate risk:

Interest rate is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long term debt obligation at floating interest rates:

(Rs. In Lakhs except as otherwise stated)

Sensitivity Analysis	Gain/(loss)	Gain/(loss)
	Impact on profit before tax	Impact on profit before tax
	50 bps increase	50 bps decrease
31st March 2024	(44.20)	44.20
31st March 2023	(29.93)	29.93

C) Price risk

The Company is not exposed to any price risk as there is no investment in securities and the Company does not deal in commodities.

ii) Liquidity risk:

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company employs' prudent liquidity risk management practices which inter alia means maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. Given the nature of the underlying businesses, the corporate finance maintains flexibility in funding by maintaining availability under committed credit lines and this way liquidity risk is mitigated by the availability of funds to cover future commitments. Cash flow forecasts are prepared and the utilized borrowing facilities are monitored on a daily basis and there is adequate focus on good management practices whereby the collections are managed efficiently. The Company while borrowing funds for large capital project, negotiates the repayment schedule in such a manner that these match with the generation of cash on such investment. Longer term cash flow forecasts are updated from time to time and reviewed by the senior management of the Company.

The table below represents the maturity profile of Company's financial liabilities at the end of 31st March, 2024 and 31st March, 2023 based on contractual undiscounted payments:

As At 31st March 2024	On demand	Less than 3 Month	3 to12 Month	1-5 years	More than 5 years	Total
Trade payables	-	13,830.55	617.75	257.72	19.63	14,725.65
Interest bearing borrowings	-	133.33	3,402.12	5,303.77	-	8,839.22
Other financial liabilities (excluding current maturity of long term borrowings)	-	27.86	0.50	649.52	16.53	694.41
Lease liabilities (current and non current)	-	652.50	-	1,886.34	4,610.51	7,149.35
Total	-	14,644.24	4,020.37	8,097.35	4,646.67	31,408.63

As At 31st March 2023	On demand	Less than 3 Month	3 to12 Month	1-5 years	More than 5 years	Total
Trade payables	-	11,432.27	190.59	172.84	19.63	11,815.32
Interest bearing borrowings	-	-	2,725.01	3,260.00	-	5,985.01
Other financial liabilities (excluding current maturity of long term borrowings)	-	30.54	0.50	846.07	17.57	894.68
Lease liabilities (current and non current)	-	159.13	-	65.10	363.69	587.92
Total	-	11,621.94	2,916.09	4,344.01	400.90	19,282.93

Reconciliation of Interest bearing borrowings:

(Rs. In Lakhs except as otherwise stated)

Particulars	As At 31st March 2024	As At 31st March 2023
(i) Non-Current borrowings	5,303.77	3,260.00
(ii) Short-term borrowings	3,535.45	2,725.01
Total	8,839.22	5,985.01

iii) Credit risk:

Credit risk is the risk of financial loss to the Company if a customer or the counterparty to a financial instrument fails to meet its contractual obligation, and arises principally from the Company's receivables from customers. Credit risk arises from cash held with banks, as well as credit exposure to customers including outstanding accounts receivables. The maximum exposure to credit risk is equal to the carrying value of the financials assets. The Company assesses the credit quality of the counterparties, taking in to account their financial position, past experience and other factors.

Balances with banks is subject to low credit risk due to good credit ratings assigned to these banks.

Credit risk relating to trade receivable, securities given is considered negligible as counterparties are having good credit quality.

h. Capital Management

For the purposes of Company's capital management, Capital includes equity attributable to the equity holders of the Company and all other equity reserves. The primary objective of the Company's capital management is to ensure that it maintains an efficient capital structure and maximize shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders or issue new shares. The Company is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the year ended 31st March, 2024 and 31st March, 2023.

The Company monitors capital using gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep the gearing ratio between 0% to 10%.

The gearing ratio for each year is as follows:-

(Rs. in lakhs except as otherwise stated)

Particulars	As At 31st March 2024	As At 31st March 2023
Total Borrowings (including current maturities) (refer note 18 and 22)	8,839.22	5,985.01
Less: Cash and Cash Equivalent (excluding unpaid dividend account)	(20.63)	(37.43)
Net debt	8,818.59	5,947.58
Equity	16,682.64	14,633.58
Total capital	16,682.64	14,633.58
Total Capital and net debt	25,501.23	20,581.16
Gearing Ratio	0.35	0.29

i Lease
Contractual maturities of lease liabilities

The Company has entered into leases for its commercial premises, duration of such leases is 20 to 33 years. These lease agreements are normally renewed on expiry. At the date of commencement of the lease, the Company recognize lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. The rental expense charged to statement of profit and loss is Rs. 42.30 lakhs.

The weighted average incremental borrowing rate applied to lease liabilities recognized in the balance sheet at the date of initial application is 10.15%.

Set out below are the carrying amounts of lease liabilities and the movements during the year :-

(Rs. in lakhs except as otherwise stated)

Particulars	As At 31st March 2024	As At 31st March 2023
Opening balance /Reclassified on account of adoption of Ind AS 116	587.92	167.95
Add: Accretion of interest	491.43	17.06
Add: Addition of Lease Liability	6,531.52	422.04
Less: Principal repayment of lease liability	134.76	2.07
Less: Payment of interest on lease liability	151.48	17.06
Less: Reversal due to Termination	175.28	-
Closing balance	7,149.35	587.92
Non-current lease liability (Refer note 19(a))	6496.85	428.79
Current lease liability (Refer note 19(b))	652.50	159.13

The maturity analysis of lease liabilities is disclosed in note 38(f)

The following are the amounts recognised in profit or loss:	Note	2023-24	2022-23
Depreciation expense of right-of-use assets	35	119.15	7.66
Interest expense on lease liabilities	34	214.85	17.06
Expenses related to short term leases/ low value assets (included in other expenses)	36	42.30	31.64
Gain on Termination of ROU	29	(20.21)	-
Total amount recognised in profit or loss		356.09	56.36

Company as lessor

The Company has entered into a cancellable operating lease with Toyo Sharda India Private Limited for a further period of 3 years starting from 01 October 2021 at such terms and conditions mutually agreed upon. The rent shall increase by 5% annually. Lessee shall not assign/ sublet property to any other person. The total rent recognised as income during the year is Rs. 102.74 lakhs (31st March 2023: Rs. 91.37 lakhs).

The Company has entered into a cancellable operating lease with NDR Auto Components Limited for a period of 3- years extendable every three years up to a period of 9 years, starting from 16th August 2022, at such terms and conditions mutually agreed upon. The rent shall increase by 15% after every three years, Lessee shall not assign/ sublet property to any other person. The total rent recognised as income during the year is Rs. 115.20 lakhs (31st March 2023: Rs. 72.00 lakhs).

j. Dividend Paid and Proposed: (Rs. In Lakhs except as otherwise stated)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Dividend declared and paid during the year:		
Final Dividend for the year ended 31st March, 2023	439.60	251.20
Rs. 1.40 per equity share (31st March, 2022 Rs.0.80 per equity share)		
	439.60	251.20
Proposed dividend on Equity Shares		
Proposed Dividend for the year ended 31st March, 2024	502.40	439.60
Rs.1.60 per equity share (31st March, 2023 Rs. 1.40 per equity share)		
Total	502.40	439.60

Events after the reporting period

The board of directors have proposed dividend after the balance sheet date which are subject to approval by the shareholders at the annual general meeting.

k The Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software, except that audit trail feature is not enabled at database level and the underlying Oracle database due to space/performance constraints. Further no instance of audit trail feature being tampered with was noted in respect of software.

l During the month of May 2023, the Income Tax Department ('the department') conducted a search under section 132 of the Income Tax Act, 1961 at certain premises of the Company including manufacturing locations and residence of few of its employees/key managerial personnel. The business and operations of the Company continued without any disruptions.

The Company has subsequently received notices wherein the department has sought details of certain transactions and documents. The Company is making the required submissions. No demand notice has been raised on the Company as of date. Based on the aforesaid and having regard to the matters of inquiry during the search proceedings stated above, management is of the view that no material adjustments are required to these financial results in this regard.

m The Company is engaged in supplying seats for two-wheeled motor vehicles classifying the same under HSN 9401 2000 chargeable to tax at the rate of 18%. The entire industry was facing an interpretational issue with respect to such classification and certain disputes were also raised by the authorities that such seats should be classifiable under CTH 8714 which is taxable under GST at the rate of 28%. The Company re-classified two-wheeler seats and parts thereof and started charging GST at the rate of 28% w.e.f. 18th December 2023 on all the supplies made. Further the Company also paid the differential GST amount suo moto amounting to Rs. 2,891 lacs to the department for supplies made in the past period.

The Company subsequently received a letter dated 16th March 2024 from the Directorate General of GST stating that interest under section 50 of the CGST Act shall be deposited. In response to the above, the Company has replied via letter dated 28th March 2024 where the Company reiterated the submissions made in response to the letter and submitted that the Company is of the firm view that the tax liability has been paid suo moto under protest and it has good merit and there will not be any future liability against this. Further the Company has not received any demand notice from the department as on date.

n Other Statutory Information

(i) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(ii) The Company do not have any transactions with companies struck off.

(iii) The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961

(iv) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including

foreign entities (Intermediaries) with the understanding at the Intermediary shall.

- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (vi) The Company have not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- (vii) The Company do not have any charge or satisfaction which is yet to be registered with Registrar of Companies (ROC) beyond the statutory period.
- (viii) The Company did not have any long-term contracts including derivative contracts, for which there were any material foreseeable losses.

o Ratio Analysis and its elements

Note no. 1 to 38 pertaining to balance sheet and statement of profit and loss form an integral part of the financial statements.

Ratio	Numerator	Denominator	March 31, 2024	March 31, 2023	% Change	Remarks
Current ratio	Current Assets	Current Liabilities	0.76	0.79	-3.80%	-
Debt- Equity Ratio	"Total Debt (i.e. Non-Current Borrowings + Current Borrowings) (Including Lease Liability) "	Total Equity	0.96	0.41	134.15%	Debt equity ratio has increased due to additional loan taken for expansion & increase in lease liability for new project & exiting project.
Debt Service Coverage ratio	Profit after Tax + Finance Cost in profit and loss account + Depreciation and amortization + Other Adjustment like gain on disposal of PPE	Finance Cost in profit and loss + Finance Cost Capitalised + Lease and Principal Repayments (Long-term)	4.47	13.77	-67.54%	Debt service coverage ratio has reduced due to additional loan taken & increase in finance charges on lease liabilities
Return on Equity ratio	Profit after Tax	Average Total Equity	0.16	0.16	0.00%	
Inventory Turnover ratio	Revenue from operation	Average Inventory	31.12	25.69	21.14%	
Trade Receivable Turnover Ratio	Net Credit Sales	Average Trade Receivables	10.68	10.14	5.33%	-
Trade Payable Turnover Ratio	Net Credit Purchase of Raw Material + Purchase of Stock-in-Trade	Average Trade Payables	6.77	7.06	-4.10%	-

Net Capital Turnover Ratio	Revenue from operation	Average Working Capital (i.e. Current Assets - Current Liabilities)	(21.27)	(29.92)	-28.90%	There is improvement due to increase in the inventory & other current assets.
Net Profit ratio	Profit after Tax	Revenue from Operation	0.023	0.021	9.52%	
Return on Capital Employed	Profit before Tax + Finance Cost	Average of (Total Equity + Total Debt + Deferred Tax Liabilities)	0.156	0.160	-2.50%	
Return on Investment	Interest (Finance Income)	Investment	-	-	-	The Company has nil investment, hence the ratio is not applicable.

As per our report of even date

For and on behalf of the Board of Directors

For S. R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration number 301003E/E300005

ROHIT RELAN
Chairman cum Managing Director
(DIN 00257572)
Place : Gurugram
Date : May 15th 2024

RISHABH RELAN
Whole Time Director
(DIN: 07726444)
Place : Gurugram
Date : May 15th 2024

per AMIT CHUGH
Partner
Membership no. 505224
Place : Gurugram
Date : May 15, 2024

RITU BAKSHI
Company Secretary
Place : Gurugram
Date : May 15th 2024

VINOD KUMAR
Chief Financial Officer
Place : Gurugram
Date : May 15th 2024



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JOINT VENTURE PLOT NO. 1, MARUTI COMPLEX,
GURUGRAM - 122015 (HARYANA)