



# SAR AUTO PRODUCTS LIMITED

Regd. Off : 50-E, Bhaktinagar Industrial Estate, RAJKOT. (GUJARAT) INDIA  
Web site : [www.sarautoproductsltd.com](http://www.sarautoproductsltd.com) E-Mail : [sapl@sarautoproductsltd.com](mailto:sapl@sarautoproductsltd.com)  
Ph. : +91 281 2374726, Fax : +91 281 2376806

**CIN No. : L34100GJ1987PLC010088**

To,  
BSE Limited  
Phiroze Jeejeebhoy Towers  
Dalal Street,  
Mumbai-400 001

Date: 28-09-2017

Respected Sir,

SUB : Submission of Annual Report for the F.Y. 2016-17  
REF : COMPANY CODE 538992


As per captioned subject, Pursuant to Regulation 34 SEBI (Listing Obligation and Disclosure requirements), 2015 we enclosed herewith Annual Report of the Company for the F. Y. 2016-17

You are requested to take the same in your record.

Yours faithfully,

Thanking you

For, SAR Auto Products Ltd.

  
Shreyas R. Virani  
Whole-Time Director  
Din: 00465240



Enclosure: Annual Report



## **INDEX**

SR. NO.	CONTENTS	PAGE NO
1	Company Information	1
2	Notice	2-6
3	Management Discussion and Analysis Report	7-8
4	Report on Corporate Governance	9-17
5	Declaration by CEO	17
6	Certification by CEO and CFO	18
7	Auditor's Certificate on Corporate Governance	19
8	Board's Report	20-26
9	Annexure to Notice, Report on Corporate Governance and Boards' Report- Annexure 01 to 06	26-44
10	Auditor's Report	45-52
11	Balance Sheet	53
12	Profit & Loss Account	54
13	Cash Flow Statement	55
14	Notes Forming Part of Balance Sheet and Profit & Loss Account	56-73
15	Attendance Form, Form No. MGT-11- Proxy Form	74-77
16	Route Map to the Venue of the AGM	78

## **COMPANY INFORMATION**

### **BOARD OF DIRECTORS**

Rameshkumar Dhurlabjibhai Virani  
Shreyas Rameshbhai Virani  
Issacthomas Charianthomas Kavunkal  
Aarti Chintan Sodha

Chairman and Managing Director  
Whole-Time Director  
Independent Director  
Independent Woman Director

### **KEY MANAGERIAL PERSONNEL**

Rameshkumar Dhurlabjibhai Virani	-	Managing Director
Shreyas Rameshbhai Virani	-	Whole-time Director
Ronak M. Khanvani	-	Company Secretary
Shreyas Rameshbhai Virani	-	Chief Financial officer

### **STATUTORY AUDITORS**

Arun M. Kothari  
Chartered Accountant  
4, Jaygujarat Society,  
Opp. Police Commissioner Office,  
Shahibaug  
Ahmedabad – 380 004.

### **SECRETARIAL AUDITOR**

M/s. K.P. RACHCHH & CO.,  
Company Secretary  
317, Krishna Con Arch-2  
Tagore Road, Rajkot 360002.

### **REGISTRARS & SHARE TRANSFER AGENT**

Link Intime India Private Limited  
506-508, Amarnath Business Centre-1,  
(ABC-1), Besides Gala Business Centre,  
Near XT Xavier's College Corner  
Off C G Road, Ellisebridge  
Ahmedabad – 380 006.

### **STOCK EXCHANGE DETAILS**

BSE  
Script Code: 538992  
ISIN: INE002E01010

Ahmedabad Stock Exchange Ltd.

### **BANKERS**

Industrial Development Bank of India  
Amrish, Near K.K.V. Circle,  
Kalawad Road,  
Rajkot (Gujarat) – 360 005.

### **REGISTERED OFFICE**

50-E, Bhaktinagar,  
Inds. Estate, Rajkot- 360 002.  
Ph: 0281- 2374726 Fax: +912812376806  
Email: [sapl@sarautoproductsltd.com](mailto:sapl@sarautoproductsltd.com)  
Website: [www.sarautoproductsltd.com](http://www.sarautoproductsltd.com)  
CIN: L34100GJ1987PLC010088

## **NOTICE**

**Notice** is hereby given that the **THIRTIETH ANNUAL GENERAL MEETING OF THE MEMBERS OF SAR AUTO PRODUCTS LIMITED** will be held at the Registered Office of the Company at 50-E, Bhaktinagar Inds. Estate, Rajkot-360002 on Tuesday on 19<sup>th</sup> September, 2017 at 11:00 A.M. to transact the following business:

### **ORDINARY BUSINESS:**

1. To receive, consider, approve and adopt the Audited Financial Statements as on 31<sup>st</sup> March, 2017 and the Profit & Loss Account for the year ended on that date and the Board's Report and the Auditors' Report thereon.
2. To appoint a Director in place of Shri RameshKumar Durlabhjibhai Virani (DIN 00313236) who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and to fix their remuneration and in this regard to pass, with or without modification(s), the following resolution as an ORDINARY RESOLUTION:

"RESOLVED THAT pursuant to the provisions of section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 M/s J. A. Sheth & Associates, (FRN:119980W), Chartered Accountants, be and are hereby appointed as Statutory auditor of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the Annual General Meeting of the financial year 2021-22, subject to ratification by the shareholders annually, at a remuneration as may be decided by the Chairman in consultation with the Auditors, plus applicable service tax and reimbursement of travelling and out of pocket expenses incurred by them for the purpose of audit."

### **SPECIAL BUSINESS:**

4. To Consider and if thought fit, to pass with or without Modification(s), the following resolution as SPECIAL RESOLUTION

"RESOLVED THAT Pursuant to Provision of Section 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and subject to approval of Members Shri Rameshkumar Durlabhjibhai Virani Director of the company be and is hereby re-appointed as Managing Director of the company for a period of 5 (five) years w.e.f. 29<sup>th</sup> September, 2017 liable to retire by rotation on the terms and conditions including Remuneration decided by the Board.

RESOLVED FURTHER THAT Pursuant to provision of section 196 read with schedule V and other applicable provisions of Companies Act, 2013, if any and applicable rules, consent of the Members of the Company be and is accorded to Mr. Rameshbhai D. Virani who is 73 years (i.e more than 70 years) to continue to act as Managing Director of the Company till his term of 5 (five) years expires on 28<sup>th</sup> September, 2022.

RESOLVED FURTHER THAT any one of the Director of the Company be and is hereby authorized to do all such acts, deeds, things and deal with all such matters and take all steps as may be necessary, proper or expedient to give effect to this resolution"

**Notes:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE, INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT TO BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING PROXY SHOULD HOWEVER BE DEPOSITED AT REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE COMMENCEMENT OF THE MEETING.  
A Person can act as Proxy on behalf of Members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying Voting Rights. A Member holding more than ten percent of the total share capital of the company carrying Voting Rights may appoint a single person as Proxy for his/her entire shareholding and such person shall not act as a Proxy for another person or shareholder.
2. Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board resolution to the Company, authorizing their representative to attend and vote on their behalf at the meeting.
3. The Register of member and Share Transfer Book of the Company will remain closed from 12<sup>th</sup> September, 2017 to 19<sup>th</sup> September, 2017 (Both days inclusive) in connection with the Annual General Meeting.
4. To ensure correct identity each member and proxy holders attending meeting is expected to bring with him/her an appropriate ID document like Driving License, Passport, Voters card, etc.
5. The Members/Proxies are requested to produce the attendance slip duly completed and signed at the entrance of the meeting.
6. Shareholders are requested to bring their copies of Annual Report at the meeting.
7. Members who are holding shares in Physical form are requested to intimate any change in their address immediately to the Company's Registrar and Share Transfer Agent LINK INTIME INDIA PVT. LTD., 506-508, Amarnath Business Centre-1, (ABC-1), Besides Gala Business Centre, Near XT Xavier's College Corner, Off C G Road, Ellisebridge Ahmedabad-380006, quoting their folio no. Further, please note that in case of members holding shares in demat form, any change(s) required in Address, Bank details, etc. are to be intimated to your DP and not to the Company or Registrar.
8. In terms of circular issued by the Securities and Exchange Board of India (SEBI), it is now mandatory to furnish a copy of PAN Card to the Company or its RTA in the following cases viz. Transfer of shares, deletion of name, transmission of share and transposition of shares. Shareholders are requested to furnish copy of Pan Card for all above mentioned transactions.
9. Members having any questions on accounts are requested to send their queries at least 10 days in advance to the Company at its registered office address to enable the Company to collect relevant information.
10. The Route Map of Venue is printed over here at the end of the Notice (attached herewith separately).

11 Voting through electronic means:

In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 30th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting service provided by CDSL:

The voting period begins on 16-09-2017 at 10:00 a.m. and ends on 18-09-2017 at 5:00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 13-09-2017, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

The Instructions for members for voting electronically are as under:

In case of members receiving e-mail:

- i. Log on to e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- ii. Click on "Shareholders" tab.
- iii. Now, select the "SAR AUTO PRODUCTS LTD." from the drop down menu and click on "SUBMIT"
- iv. Now enter your user ID
  - a. For CDSL : 16 digit beneficiary ID
  - b. For NSDL : 8 character DPID followed by 8 digits Client ID
  - c. Members holding shares in physical forms should enter Folio Number registered with the Company.
- v. Next enter the image verification as displayed and click on Login.
- vi. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- vii. If you are a first time user follow the steps given below:

	<b>For Members holding shares in Demat Form and Physical Form</b>
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <p>Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.</p> <p>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</p>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <p>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</p>

- viii. After entering these details appropriately, click on "SUBMIT" tab.



- ix. Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- x. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xi. Click on the EVSN for the relevant SAR AUTO PRODUCTS LIMITED on which you choose to vote.
- xii. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or No as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiii. Click on the "RESOLUTION FILE LINK" if you wish to view the entire Resolution details.
- xiv. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xv. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvi. You can also take out print of the voting done by you by clicking on "click here to print" option on the voting page.
- xvii. If demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xviii. Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. I Phone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively Please follow the instructions as prompted by the mobile app while voting on your mobile.
- xix. Note for non-individual shareholders and custodians.
  - Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and custodians are required to log onto <https://www.evotingindia.com> and register themselves as Corporates.
  - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
  - After receiving the login the details a compliance user should be created using the Admin login and password. The compliance user would be able to link the account(s) which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any; in PDF format in the system for the scrutinizer to verify the same.
- xx. In case you have any queries or issues regarding e-voting, you may refer the frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [hepldesk.evoting@cdslindia.com](mailto:hepldesk.evoting@cdslindia.com).

Mr. Kalpesh P. Rachchh proprietor of M/s. K. P. Rachchh & Co., Practicing Company Secretary (Membership no. FCS 5156) (Address: 317 Krishna Con Arch -2, Tagore Road, Rajkot 360 002, Gujarat) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.



The Scrutinizer shall within a period of not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favor or against, if any, forthwith to the Chairman of the Company.

#### **Annexure to Notice**

#### **Item No. 4**

Pursuant to Provisions of section 196, 197 and 203 read with schedule V and all applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 Your Board of Directors at its meeting held on August 04, 2017 re -appointed Shri Rameshbhai D. Virani as Managing Director of the Company for a period of 5 (Five years) w.e.f 29<sup>th</sup> September, 2017 liable to retire by rotation

Pursuant to provision of section 196 read with schedule V, approval of Members is required for continuing/ re -appointing Managing Director who is 73 years (i.e. more than 70 years) by way of passing of Special Resolution. Mr. Rameshbhai D. Virani is re- appointed as Managing Director of the Company w.e.f 29<sup>th</sup> September, 2017 to 28th September, 2022 for a period of 5 years. He is serving on Board as Managing Director since many years and his experience and knowledge would be of immense benefit to the Company and thus Board proposes the resolution as Special Resolution for the approval by the Shareholders of the Company.

Pursuant to provision of section 196(4), the re-appointment of Managing Director and the terms and conditions of such appointment approved by Board is also requires approval of Members in general meeting.

The Board recommends the resolution as Item no.4 for your approval.

Except Mr. Rameshbhai D. Virani, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested.

Place: Rajkot

Date: 04<sup>th</sup> August, 2017

By order of Board of Directors

Sar Auto Products Ltd.

Rameshkumar D. Virani  
Chairman and Managing Director  
DIN: 00313236

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Pursuant to Regulation 34(2) of SEBI LODR Regulations 2015, a Management Discussion & Analysis report is given below:-

### **OVERALL REVIEW**

In this year there is increase in Production. In this year there is Production of 105442 (nos.) parts as compared to last year production of 75419 (nos.) auto parts components. In terms of Turnover the company has achieved the net turnover of Rs. 5,06,69,817/-. The overall Review highlighted below:

<b>Particulars</b>	<b>Year: 2016-2017</b>	<b>Year: 2015-2016</b>	<b>% wise Up/Down</b>
Export Sales	3031956.00	5524264.00	(45.11%)
Domestic Sales	47637861.00	24198806.00	96.86%
Total Sales	50669817.00	29723070.00	70.47%
Other Income	2423344.00	6729854.00	(63.99%)
Earnings Per Share	0.65	0.37	75.68%

### **OUTLOOK ON OPPORTUNITIES, THREATS, RISK AND CONCERN:**

The Company is carrying on the business of manufacturing of auto components such as automobile gears like Spur, Helical, Straight Bevel, Sprockets along with Transmission Spline Shaft, Couplings and Power Takeoff Clutches which are used for Transmission, Engine and Differential gear boxes.

In today's parlance Auto component industry has growth potential as the population is increasing, demand of vehicle in all segment is increasing so the future of the Company seems bright.

Your Company regularly monitors the various risks associated with its business. The Company is identifying, minimizing and mitigating the risks and the same are reviewed periodically. The Risk i.e. Changes in Government Policies, Fluctuation in Foreign Exchange Rates, Prices of Raw materials, Competition, Manpower, identified. The Company is trying to overcome/minimize it by taking certain steps, which are in hand of company.

### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

Your Company is committed to maintaining high standards of internal controls designed to provide accuracy of information, efficiency of operations, and security of assets. The company has adequate internal controls commensurate with the size and nature of its operations to ensure orderly and efficient conduct of business.

These controls ensure the safeguarding of assets, prevention and detection of fraud and error, Irregularities. These controls ensure the accuracy and completeness of the accounting records, timely preparation of reliable financial information and adherence to Companies policies, procedures and legal obligations. The audit committee of the Board of Directors meets periodically to review the performance as reported by the auditors.

**FINANCIAL PERFORMANCE :**

As stated earlier, the Company has achieved its commercial production and the Net turnover of Rs. 5,07,30,430/- in the Financial year 2016-2017. In this year, company has earned Profit of Rs. 30.84 lacs as compared to last year's profit of Rs. 17.67 lacs.

**EXPORTS :**

Export turnover of the Company decreased compare to last year.

**HUMAN RESOURCE AND DEVELOPMENT :**

There has been no material development on the Human Resource/ Industrial Relations Front during the year.

**CORPORATE SOCIAL RESPONSIBILITY :**

Your Company is committed to conduct its business in a socially responsible, ethical and environmental friendly manner and to continuously work towards improving quality of life of the communities in its operational areas. The Company has a duly constituted CSR Committee, which is responsible for fulfilling the CSR objectives of the Company. As CSR is not applicable to company under section 135 of the Companies Act, 2013 and fluctuations in the profitability of the Company no CSR activities was carried out during last year.

**CAUTIONARY STATEMENT :**

Management Discussion and Analysis Report are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realized by the Company. Actual results could differ materially from those expressed or implied. Important factors that could make deference to the Company's operation include global and Indian market conditions, changes in the Government Regulations, Tax regimes, WTO Regulations and such other factor.

The Company assumes no responsibility to publicly to amend, modify or revise any of these statements on the basis of any subsequent developments, information or events.

Place: Rajkot

Date: 04<sup>th</sup> August, 2017

For and on Behalf of

Sar Auto Products Ltd.

Rameshkumar D. Virani  
Chairman and Managing Director  
DIN: 00313236

## **REPORT ON CORPORATE GOVERNANCE**

As required compliance of Corporate Governance under Regulation 34 read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements), 2015, However This regulation of Schedule V is not applicable to company but company has given below voluntary compliance Report on Corporate Governance for the financial year ended on 31st March, 2017 along with certificate of auditors of the Company.

### **1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE**

Corporate Governance is very important to build confidence and trust which leads to strong, stable and long term partnership with the Investors and all other Stakeholders. The detailed Report on implementation of Corporate Governance Code as incorporated under Regulation 34 read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements), 2015 and Listing Agreement with the Stock Exchange/s is set out below.

### **2. BOARD OF DIRECTORS:**

#### **(I) Composition of Board:**

The Board consists of 4 (Four) Directors showing the fair combination of Executive, Non-Executive and Independent Directors. The directors are different in respect of the knowledge and expertise in the field. Some of the directors are professionals from different field; some are having the vast knowledge and experience of marketing/Production

#### **(II) Attendance of each Director at the Board Meetings held during the year 2016-17 and Annual General Meeting :-**

No.	Name of Director	Category	No. of Board Meeting Attended	Attendance at Last AGM
1	Shri Rameshbhai Virani	NI- E	5	Yes
2.	Shri Shreyas Virani	NI-E	5	Yes
3	Shri Issacthomas C. Kavunkal	IND-NE	5	Yes
4.	Smt. Aarti Chintan Sodha	IND-NE	5	No

NI- non independent, NE- non executive, IND- independent, E- executive

#### **(III) No. of other Companies or Committees in which Director is Director/Chairman**

No.	Name of Director	No. of other Directorship	No. of Committees in which Member	Chairmanship At the Committee
1	Shri Ramesh Virani	Nil	4	1
2	Shri Shreyas Virani	Nil	4	1

3	Shri IssacThomas C. Kavunkal	Nil	5	3
4	Smt. Aarti Chintan Sodha	Nil	2	--

As per Section 165 (1) of the Companies Act, 2013, none of the directors can hold directorship in more than 20 Companies including 10 public companies and as per Regulation 36 of SEBI (LODR) Regulations, 2015, a director shall not be a member in more than 10 committees or act as Chairman of more than 5 committees across all companies in which he is director. The Directors of the Company are in compliance with the requirements.

#### (IV) NUMBER OF BOARD MEETINGS HELD AND THE DATES OF BOARD MEETING

Five (5) Board Meetings were held during the financial year 2016-2017 on following dates:

31-05-2016, 12-08-2016, 14-11-2016, 22-11-2016 and 11-02-2017.

### **3. AUDIT COMMITTEE:**

As a measure of good corporate governance and to provide assistance to the Board of Directors in overseeing the Boards responsibilities, your company has constituted an Audit Committee pursuant to provision of section 177 of the Companies Act, 2013 and as per Regulation 18 of SEBI (LODR) Regulations, 2015

#### (I) COMPOSITION OF COMMITTEE:

Audit Committee consist of the following Members

Shri Issacthomas C. Kavunkal	- Chairman	- Non Executive Independent Director
Smt. Aarti C. Sodha	- Member	- Non Executive Independent Director
Shri Shreyas R. Virani	- Member	- Executive Director

The terms of reference of Audit Committee in accordance with the provision of Section 177 of the Companies Act 2013 are as follows :-

- The recommendation for appointment, remuneration and terms of appointment of the auditors of the company.
- Review and monitor the auditor's independence and performance and effectiveness of the audit process
- Examination of the financial statement and the auditor's report thereon
- Approval of any subsequent modification of transactions of the company with related parties.
- Scrutiny of Inter-Corporate loans and investments.
- Valuation of undertakings or assets of the Company, wherever it is necessary.
- Evaluation of internal financial controls and risk management systems.
- Monitoring the end use of funds raised through public offers and related matters

#### Vigil Mechanism :

Company has also established vigil mechanism for directors and employees to report their genuine concern or grievance and the audit committee shall oversee the vigil mechanism. The

Vigil mechanism will provide adequate safeguards against victimization of employees and directors who avail of the vigil mechanism.

#### Whistle Blower Policy :

The Audit Committee has approved framing of a Whistle Blower Policy and reviews the same from time to time which provides a formal mechanism for all employees of the Company to approach the Ethics Counselor/Chairman of the Audit Committee of the Company and make protective disclosures about the unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct. The Whistle Blower Policy is an extension of the exiting Code of Conduct of the company, which requires every employee to promptly report to the Management any actual or possible violation of the Code or an event he becomes aware of that could affect the business or reputation of the Company. The disclosures reported are addressed in the manner and within the time frames prescribed in the Policy. Under the Policy, each employee of the Company has an assured access to the Ethics Counselor/Chairman of the Audit Committee.

#### (II) MEETINGS AND ATTENDANCE DURING THE YEAR:

Four Meetings of Audit Committee were held during financial year 2016-2017, and all members were present at the meetings.

### **4. NOMINATION AND REMUNERATION COMMITTEE**

Pursuant to provision of section 178 of the Companies Act, 2013, and Regulation 19 of SEBI (LODR) Regulations, 2015 Company has constituted Nomination and Remuneration Committee. The Committee decides about remuneration policy of the Company. It also reviews from time to time the overall Compensation structure and related policies with a view to attract, motivate and retain employees.

#### (I) COMPOSITION OF COMMITTEE:

The Committee comprises the following Directors as members

1. Shri Issachthomas C. Kavunkal - Chairman
2. Smt. Aarti C. Sodha - Member
3. Rameshkumar Durlabhjibhai Virani - Member

#### (II) BRIEF DESCRIPTION OF THE TERMS OF REFERENCE

The Broad terms of reference of Remuneration Committee are as follows:-

- (a) Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommends to the Board their appointment and remove and shall carry out evaluation of every director's performance.
- (b) Formulate the criteria for determining qualifications, positive attributes and independence of director and recommended to the Board a policy relating to the remuneration for the directors, Key Managerial personnel (KMP) and other employees.
- (c) To approve, in the event of loss or inadequate profits in any year, minimum remuneration payable to the Whole-Time Directors/Managing Directors within the limits and to the parameters prescribed in Schedule V to Companies Act, 2013.

Details of remuneration paid:

1. Shri Shreyas R. Virani, Whole-Time Director was paid Rs.10,55,964 as Managerial remuneration during the year 2016-17.
2. Shri Rameshbhai D. Virani, Managing Director was paid Rs.11,61,552 as Managerial remuneration during the year 2016-17.

Two meeting of the Remuneration Committee was held during the financial year 2016-17 and all the members were present.

## **5. STAKEHOLDERS RELATIONSHIP COMMITTEE:**

Pursuant to provision of Section 178 of the Companies Act, 2013 and Regulation 20 of SEBI (LODR) Regulations, 2015. Your Company had constituted Stakeholders Relationship Committee.

### **(I) COMPOSITION OF COMMITTEE:**

The Committee comprises the following Directors as members

1. Shri Issachthomas C. Kavunkal - Chairman
2. Shri Shreyas R. Virani - Member
3. Shri Ramesh D. Virani - Member

During the year 2016-17, one (1) Committee meeting was held and all members have attended the meeting.

### **(II). BRIEF DESCRIPTION OF THE TERMS OF REFERENCE**

The terms of reference of the committee are to look into redressal of shareholders/Investors' grievances relating to various matters such as non-receipt of notices, share certificate, annual reports, dividends, transfer of shares dematerialization of shares and other grievances.

### **(III). NAME AND DESIGNATION OF THE COMPLIANCE OFFICER**

Mr. Ronak M. Khanvani

Company Secretary & Compliance Officer of the Company

## **6. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:**

In accordance with the provisions of section 135 of the Companies Act, 2013 your company have already constituted Corporate Social Responsibility (CSR) Committee to perform social duty through welfare of the society at large (Section 135 of the Companies Act, is not applicable to the Company, A Committee was framed voluntary.)

### **I. COMPOSITION OF THE COMMITTEE**

The Committee comprises the following Directors as members

1. Shri Ramesh D. Virani - Chairman of the Committee



2. Shri Shreyas R. Virani – Member of the Committee
3. Shri IssacThomas C. Kavunkal - Member of the Committee

## II. BRIEF DESCRIPTION OF THE TERMS OF REFERENCE

- (a) Formulate and recommend to the board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII.
- (b) Recommend the amount of expenditure to be incurred on the activities referred to in Clause (a) and
- (c) Monitor the Corporate Social Responsibility policy of the Company from time to time. –

During the year 2016-17 the Committee met one time and all the members have attended the meeting.

## **7. RISK MANAGEMENT COMMITTEE**

### I. COMPOSITION OF THE COMMITTEE

Company has voluntary framed the Risk Management Committee, which comprised of the following members:

1. Shri Shreyas R. Virani – Chairman
2. Shri Ramesh D. Virani – Member
3. Shri IssacThomas C. Kavunkal - Member of the Committee

### (II). BRIEF DESCRIPTION OF THE TERMS OF REFERENCE

The committee mainly aims at identification of Risk at Various activities of Business and to manage the Risk and evaluation of Risk Management System.

During the year 2016-17 the Committee met one time and all the members have attended the meeting.

## **8. GENERAL BODY MEETING:**

### (I) DETAILS OF THE LAST THREE ANNUAL GENERAL MEETINGS:

Financial Year	Location	Date	Day	Time
2013-2014	50 E, Bhaktinagar Industrial Estate, Rajkot – 360 002	30 <sup>th</sup> September, 2014	Tuesday	11.00 A.M.
2014-2015	50 E, Bhaktinagar Industrial Estate, Rajkot – 360 002	29 <sup>th</sup> September, 2015	Tuesday	11.00 A. M.
2015-2016	50 E, Bhaktinagar Industrial Estate, Rajkot – 360 002	29 <sup>th</sup> September, 2016	Thursday	11.00 A. M.

Whether Special Resolution: Yes- One Special Resolution was passed in the year 2013-14 for alteration of Articles of Association

(a) Were put through postal ballot last year : No

(b) Are proposed to be conducted through postal ballot this year : No

## **9. SEPARATE MEETING OF INDEPENDENT DIRECTORS**

As per SEBI (LODR) Regulations, 2015, one meeting of the Independent Directors was held during the year. All the Independent Directors attended the meeting.

## **10. DISCLOSURES:**

- (I) No transaction of material nature has been entered into by the Company with its promoters, directors, relatives or management of the Company that may have potential conflict with the interests of Company.
- (II) The Company has complied with the requirement of statutory/ regulatory authorities on capital market and no penalties/strictures have been imposed on the Company by SEBI or Stock Exchanges during the last three financial year.
- (III) The Company has adopted a Whistle Blower Policy and has established the necessary mechanism pursuant to Regulation 22 of SEBI (LODR) regulations, 2015 for employees to report concerns about unethical behavior. No personnel have been denied access to the Ethics Counsellor/Chairman of the Audit Committee.
- (IV) The Company also has laid down the Code of Conduct to maintain highest standard of ethics and values for the Directors, senior management and all the employees. The said code is placed on the website of the company.
- (V) The Company has also laid down Code of conduct to be dealt with Insider Trading under SEBI (Prohibition of Insider Trading) Regulations, 2015. The said code is placed on the website of the company.
- (VI) The Company has policy on Determination of Materiality of events under Regulation 30 of SEBI (LODR) Regulations, 2015.
- (VII) The Company has adopted policy on preservation of documents with Archival Policy under Regulation 9 & 30 of SEBI (LODR) Regulations, 2015; said policy is also available at the website of the company.
- (VIII) The Company has placed on the website policy on Familiarization Programme for Independent Directors.
- (IX) The Company follows Accounting Standards issued by the Institute of Chartered Accountants of India and in the preparation of Financial Statements, the Company has not adopted a treatment different from that prescribed in any Accounting Standard.

## **11. MEANS OF COMMUNICATIONS**

- (i) In compliance with the requirements of the Regulation 52 of SEBI LODR Regulations 2015, the Company is regularly intimates Un-audited/Audited financial Results to the Stock Exchange/s immediately after they are taken on record by the Board of Directors. These Financial Results are normally published in 'Economic Times' in Gujarati and in English. Which is also be posted on the website of the company.

- (ii) During the year ended on 31<sup>st</sup> March, 2017 no presentation was made to Institutional Investors or analyst or any other enterprise.
- (iii) Management Discussion and Analysis forms part of this Annual Report

## **10. GENERAL SHAREHOLDERS INFORMATION:**

### **I. ANNUAL GENERAL MEETING:**

Date : 19th September, 2017

Time : 11.00 A. M.

Day : Tuesday

Venue : 50/ E, Bhaktinagar Industrial Estate,  
Rajkot - 360 002.

### **II. FINANCIAL CALENDAR:**

Results for Quarter: (Tentative)

1st Quarter Results : by 15<sup>th</sup> August, 2017.

Half-yearly Results : by 15<sup>th</sup> November, 2017.

3rd Quarter Results : by 15<sup>th</sup> February, 2018

Audited yearly Results : by 30<sup>th</sup> May, 2018.

III. DATE OF BOOK CLOSURE : 12<sup>th</sup> September, 2017 to 19<sup>th</sup> September, 2017 (Both Days Inclusive)

### **IV. LISTING ON STOCK EXCHANGES:**

1. Bombay Stock Exchange Security Code: 538992  Phiroze Jeejibhoy Tower Dalal Street, Mumbai-400001	2. Ahmedabad Stock Exchange Ltd. Code: 51865  Kamdhenu Complex, Opp: Sahjanand College, Panjarapole Ahmedabad- 380 015
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V. DEMAT INTERNATIONAL SECURITIES IDENTIFICATION NUMBER (ISIN) IN NSDL AND CDSL FOR EQUITY SHARES: INE002E01010

### **VI. DEMATERIALISATION OF SECURITIES:**

Total 46,34,240 shares i.e. 97.26 % of the Company's Equity Share Capital are dematerialised as on 31st March, 2017 by the members of the Company through CDSL and NSDL.

### **VII. SHARE TRANSFER SYSTEM:**

Trading in equity share of the Company is permitted in physical and dematerialized form. Share transfer in physical form received by the Registrar and Transfer agent are registered and

returned within the prescribed time period from the date of receipt of the documents, provided all documents are valid and complete in all respects. As per SEBI Guidelines upon completion of the transfers, the Registrar and Transfer Agent send an offer letter to the transferee with an option to receive credit of transferred shares in electronic form under the transfer cum demat facility. In case option is not exercised or if offer is not submitted within stipulated time the share certificates are sent to the transferee.

#### REGISTRAR & TRANSFER AGENT:

Link Intime India Private Limited  
506-508, Amarnath Business Centre-1,  
(ABC-1), Besides Gala Business Centre,  
Near XT Xavier's College Corner  
Off C G Road, Ellisebridge  
Ahmedabad – 380 006  
Phone / Fax No.:079-26465179  
Email: ahmedabad@linktime.co.in

#### VIII. ADDRESS FOR COMMUNICATION:

Sar Auto Products Ltd.  
50E Bhaktinagar Industrial Estate,  
Rajkot - 360 002.

#### IX. PLANT LOCATIONS:

Sar Auto Products Ltd.  
50E Bhaktinagar Industrial Estate,  
Rajkot - 360 002

#### X. Distribution of Shareholding as on 31st March, 2017:

No. of Equity Shares held	No. of Shareholders	% of Share holders	No. of Shares held	% of share holding
Upto 500	630	93.89%	28006	0.58
501 to 1000	16	2.38%	14316	0.30
1001 to 2000	7	1.04%	11505	0.25
2001 to 3000	2	0.30%	5178	0.11
3001 to 10000	0	0	0	0
10001 to *****	16	2.39%	4705735	98.76
<b>Grand Total</b>	<b>671</b>	<b>100.00</b>	<b>4764740</b>	<b>100.00</b>

XI. SHAREHOLDING PATTERN AS ON 31<sup>ST</sup> MARCH, 2017.

SR. NO.	CATEGORY	NO. OF SHARES HELD	PERCENTAGE OF SHAREHOLDING
1	Indian Public	774669	16.25
2	NRI's/ OCBs	196989	4.13
3	Mutual Funds and UTI	-	-
4	Bank, Financial Institutions, Insurance Companies, (Central/ Institutions)	220417	4.63
5.	Private Corporate Bodies	260930	5.48
6.	Indian Promoters	3311735	69.51
	<b>TOTAL</b>	<b>4764740</b>	<b>100.00</b>

XII. STOCK PRICE DATA

<b>Bombay stock Exchange Limited</b>				
<b>Month</b>	<b>High (Rs.)</b>	<b>Low (Rs.)</b>	<b>Close (Rs.)</b>	<b>Volume (Shares)</b>
Apr- 16	188.00	150.00	160.50	39,269
May-16	168.20	123.55	123.55	65,552
June-16	167.50	129.00	166.50	43
July-16	187.50	144.40	173.00	29,160
August-16	200.50	154.85	154.85	81,069
September-16	162.00	108.40	108.40	93,897
October-16	103.00	75.90	94.00	41,551
November-16	100.50	74.00	85.75	63,706
December-16	102.65	83.05	94.85	6,900
January-17	100.00	79.30	92.00	1,260
February-17	103.00	79.05	93.00	42,948
March-17	97.95	75.90	89.40	20,399

As required by Regulation 17(8) of SEBI (LODR) Regulations, 2015, with the stock exchange/s, CEO/CFO Certification and the Auditors Certificate is given as Annexures to this report.

**DECLARATION BY CEO UNDER SCHEDULE V OF SEBI (LODR) REGULATIONS, 2015 REGARDING ADHERENCE TO THE CODE OF CONDUCT:**

In accordance with Schedule V of SEBI (LODR) Regulations, 2015 I hereby confirm that, all Board Members i.e. Directors and the Senior Management Personnel of the Company have affirmed compliance to their respective Codes of Conduct, as applicable to them for the financial year ended on 31st March, 2017.

Place: Rajkot

Date: 04<sup>th</sup> August, 2017

For and on Behalf of

Sar Auto Products Ltd

Rameshkumar D. Virani  
Chairman and Managing Director  
DIN: 00313236

**CERTIFICATION BY CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER OF THE COMPANY:**

*(Pursuant to Regulation 17(8) of SEBI (LODR) Regulation, 2015)*

We, Shri Rameshbhai Virani, Managing Director and Chief Executive Officer and Shri Shreyas Rameshbhai Virani, Chief Financial Officer of Sar Auto Products Limited (the Company), hereby certify to the Board that:

- (a) We have reviewed the financial statements and the cash Flow Statement for the year and that to the best of our knowledge and belief
- (i) These statement do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading
- (ii) These statement together present a true and fair view of the Company 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 Company during the year which are fraudulent, illegal or violate of the Company's Code of Conduct.
- (c) We are responsible for establishing and maintaining internal controls for financial reporting in the Company and we have evaluated the effectiveness of the internal control system of the Company pertaining to financial reporting. 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 steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the audit Committee:
  - (i) Significant changes in internal controls over financial reporting during the year;
  - (ii) Significant changes in accounting polices during the year and the same have been disclosed in the notes to the financial statements and;
  - (iii) Instance of Significant fraud of which we have become aware and the involvement therein, if any, of the Management or an employee having a significant role in the Company internal control system;
- (e) We affirm that we have not denied any personal access to the Audit committee of the Company (in respect of matters involving alleged misconduct, if any);
- (f) We further declare that all Board Members and Senior Management have affirmed compliance with the Code of Conduct for the current year.

Place: Rajkot

Date: 04<sup>th</sup> August, 2017

For and on Behalf of

Sar Auto Products Ltd

Rameshkumar D. Virani  
Chairman and Managing Director  
DIN: 00313236

## **AUDITORS' CERTIFICATE ON COMPLIANCE – CORPORATE GOVERNANCE**

To,  
The Members of  
SAR AUTO PRODUCTS LIMITED  
Rajkot.

We have reviewed the records concerning the Company's compliance of condition of corporate governance as stipulated in Chapter IV of the SEBI (Listing obligations and disclosure Requirements) Regulations, 2015, with the Stock Exchanges in India, for the financial year ended 31st March, 2017.

The Compliance of conditions of corporate governance is the responsibility of the management. Our Examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of condition of corporate governance. It is neither an audit nor an expression of an opinion on the financial statement of the company.

We have conducted our review on the basis of the relevant records and documents maintained by the Company and furnished to us for the review, and the information and explanation given to us by the Company.

Based on such review, and to the best of our information and explanation given to us, in our opinion, the company has complied with conditions of corporate governance as stipulated in said Chapter IV of the SEBI (Listing obligations and disclosure Requirements) Regulations, 2015

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

Place: Ahmedabad  
Date: 04<sup>th</sup> August, 2017

For, Arun M. Kothari  
Chartered Accountants

(Arun M. Kothari)  
Proprietor  
Membership No.: 108669



## BOARD'S REPORT

To  
The Members,

Your Directors have pleasure in presenting the 30<sup>th</sup> Annual Report of the company together with the Audited Financial Accounts for the year ended 31<sup>st</sup> March, 2017.

### FINANCIAL HIGHLIGHTS

	(Amt Rs. in Lacs)	
Financial Results	2016-17	2015-16
Income from operations	507.30	297.23
Add : Other Income	23.63	67.29
Total Income	530.93	364.52
Less : Total Expenditure	388.21	276.88
Profit/(Loss) before Depreciation write off and Interest	142.72	87.64
Less: Interest	4.28	2.37
Less: Depreciation & Amortization Expense	112.05	75.87
Profit /(Loss) before tax	26.38	9.39
Less: Provision for tax:		
Current Tax	5.30	1.85
Prior Period Taxes	0	0
Deferred Tax Assets	(4.66)	(8.28)
MAT Credit Entitlement	(5.10)	(1.85)
Profit/(Loss) after tax	30.84	17.67

### REVIEW OF BUSINESS OPERATION AND FUTURE PROSPECTS:

During the year the Company has made Net turnover of Rs. 507.30 Lacs in comparison to previous year of Rs. 297.23 Lacs i.e increased by 70.68% and the Company has made Profit of Rs. 30.84 Lacs in comparison to Profit after tax of previous year of Rs. 17.67 Lacs i.e. increased by 74.53%. Your directors are hopeful for better financial result in coming years and the future of the Company seems to be bright.

### DIVIDEND

Due to plough back of Profit, your Directors do not recommend any dividend.

## **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013**

Your Company has not made transaction forming part of section 186 of the Companies Act, 2013.

### **TRANSFER TO RESERVES**

Company has not transferred any amount to Reserves.

### **PARTICULARS RELATING TO HOLDING/SUBSIDIARY/ASSOCIATE CO.**

The Company has no Holding, Subsidiary and Associate Company.

### **DEPOSITS**

We have not accepted any deposit and as such no amount of deposit whether Principal or interest thereon was Outstanding as of the Balance Sheet.

### **PARTICULARS OF CONTRACT OR ARRANGEMENTS MADE WITH RELATED PARTIES**

Particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013, in the prescribed Form AOC-2, is appended as Annexure 02 to the Board's report.

### **MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENT RELATE AND THE DATE OF THE REPORT**

No material changes and commitment affecting the financial position of the Company occurred between the end of financial year to which this financial statement relate and the date of this report.

### **INTERNAL FINANCIAL CONTROLS**

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation was observed.

### **INSURANCE**

The assets of the company including buildings, plant & machinery, stocks, etc. wherever necessary and to the extent required have been adequately insured against various risk.

### **SEGMENT REPORTING**

The Company is engaged in manufacturing of Auto Components and therefore there is only one segment, hence disclosures requirement in accordance with the Accounting standards on segment reporting AS-17 are not applicable.

## **INDUSTRIAL RELATIONS & HUMAN RESOURCES**

The company treats its all manpower as a valuable assets and growth of the company is possible through entire workforce working in the company. The industrial relation with workmen and staff continued to be extremely cordial during the year under review. The Board wishes to take place on record its appreciation for the valuable services rendered by its entire workforce.

## **DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

Your Company has always believed in providing a safe and harassment free workplace for every individual working in Sar Auto's premises through various interventions and practices. The Company has formed an Internal Complaints Committee (ICC) and during the year Internal Complaints Committee (ICC) has not received any complaints.

## **PARTICULARS OF EMPLOYEES**

Disclosures pertaining to remuneration and other details as required under Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in the Annual Report. In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules is not applicable to the Company as the Company have no such Employees who were drawing remuneration in excess of the limits prescribed. Particulars of Employees are attached with this report as Annexure 03.

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Management discussion and analysis report for the year under review, as stipulated under Regulation 34(2) of SEBI (LODR) Regulations, 2015 is presented in separate section and forms part of the Annual Report.

## **CORPORATE GOVERNANCE**

CORPORATE GOVERNANCE is a system of rules, practices and processes by which a company is directed and controlled. Corporate governance essentially involves balancing the interests of the many stakeholders in a company - these include its shareholders, management, customers, suppliers, financiers, government and the community and considering the importance of Corporate Governance, your Company is committed to maintaining the highest standards of corporate governance and adheres to the corporate governance requirement set out by SEBI. All conditions of corporate governance as required under SEBI (LODR) Regulations, 2015 have been Voluntary complies with and duly audited. A certificate from the statutory auditors of the company regarding compliance of conditions of corporate governance has been obtained and is enclosed to the report of corporate governance.

## **CEO/ CFO CERTIFICATION**

Pursuant to the Regulation 17(8) of SEBI (LODR) Regulations, 2015, the CEO/ CFO Certification for preparation of financial statements etc. is annexed in this report.

## **NUMBER OF MEETINGS OF THE BOARD**

The Board has met 5 (Five) times during the financial year, the details of which are given in the Corporate Governance Report and forms part of Annual Report.

## **DIRECTORS**

Shri Rameshkumar Durlabhjibhai Virani (DIN 00313236) retires at the ensuing Annual General Meeting of the Company pursuant to provision of section 152(6) of the Companies Act, 2013 and being eligible offer himself for re-appointment.

## **DECLARATION BY INDEPENDENT DIRECTORS**

The Company has received necessary Declaration from each Independent Director under section 149(7) of the Companies Act, 2013 that he/she meets with the criteria of Independence laid down in Section 149(6) of the Companies Act, 2013.

## **POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION**

The Company's Policy relating to appointment of Directors, payment of Managerial remuneration, Directors, qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013 is furnished in Corporate Governance Report.

## **BOARD EVALUATION**

As per Companies Act, 2013 Board has made annual evaluation of its own performance and also of its committees and Individual Directors. The evaluation of all the directors and the Board as a whole was conducted based on the criteria and framework adopted by the Board.

## **COMMITTEES OF THE BOARD**

At present the Company is having 5 (Five) Committees as mentioned below:

### **- AUDIT COMMITTEE:**

The Company has an adequately qualified Audit Committee constituted in accordance with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (LODR) Regulations, 2015, The details of composition of Committee and other relevant details is given in the Corporate Governance Report which forms part of this Annual Report.

### **- NOMINATION AND REMUNERATION COMMITTEE:**

The Company has also constituted Nomination and Remuneration Committee Pursuant to provision of section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (LODR) Regulations, 2015, and the details of composition of Committee and other relevant details is given in the Corporate Governance Report which forms part of this Annual Report.

### **- STAKEHOLDERS RELATONSHIP COMMITTEE:**

To consider and resolve the Grievances of Stakeholders, the Company has framed Stakeholders Relationship Committee in accordance with the provision of section 178 of the Companies Act, 2013 and Regulation 20 of SEBI (LODR) Regulations, 2015, and the details of composition of

Committee and other relevant details is given in the Corporate Governance Report which forms part of this Annual Report.

- CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

The Company is committed to conduct its business in a socially responsible, ethical and environmental friendly manner and to continuously work towards improving quality of life of the communities in its operational areas. The Company has a duly constituted CSR Committee, which is responsible for fulfilling the CSR objectives of the Company and the details of composition of Committee and other relevant details is given in the Corporate Governance Report which forms part of this Annual Report.

- RISK MANAGEMENT COMMITTEE

The Company has framed Risk Management Committee which mainly aims at Identification of Risk level at various stages of Business operation/ activities and to manage the Risk and evaluation of RMS i.e Risk Management System. The details of composition of Committee and other relevant details is given in the Corporate Governance Report which forms part of this Annual Report.

### **DIRECTORS RESPONSIBILITY STATEMENT**

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submits its responsibility Statement as enumerated under:-

- (a) In the preparation of the annual accounts, the applicable accounting standards had been followed;
- (b) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) The directors had prepared the annual accounts on a going concern basis; and
- (e) The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **AUDITORS AND AUDITORS' REPORT**

#### **STATUTORY AUDITORS**

Pursuant to provision of section 139 of the Companies Act, 2013, the term of Mr. Arun M Kothari based at Ahmedabad as Statutory Auditor expires at ensuing Annual General Meeting and in place of Mr. Arun M. Kothari the Board Recommends to appoint M/s J. A. Sheth & Associates Chartered Accountants (FRN: 119980W), as Statutory Auditor of the Company for a period of 5 years from the conclusion of this Annual General meeting till the conclusion of Annual General Meeting of the Financial year 2021-22. subject to ratification by the Members at the ensuing Annual General Meeting.

## **STATUTORY AUDITORS' REPORT**

The observations of Auditor in his report read with the relevant note to accounts in schedule are self-explanatory and do not require further explanation. The Audit Report does not contain any qualification, reservation or adverse remark

## **SECRETARIAL AUDITOR**

Pursuant to Provision of section 204(1) of the Companies Act, 2013, the Board has appointed M/s. K. P. Rachchh & Co., Practicing Company Secretary, to conduct Secretarial Audit for the financial year 2016-17.

## **SECRETARIAL AUDITORS' REPORT**

The Secretarial Audit Report for the financial year ended March 31, 2017 is annexed herewith to this Report. The qualifications put up in the Secretarial Audit Report are self-explanatory. Secretarial Auditors Report in the prescribed format i.e. MR-3 is attached in this report as Annexure 04.

## **CORPORATE SOCIAL RESPONSIBILITY**

The Company is committed to conduct its business in a socially responsible, ethical and environmental friendly manner and to continuously work towards improving quality of life of the communities in its operational areas. The Company has a duly constituted CSR Committee, which is responsible for fulfilling the CSR objectives of the Company.

In this year company has made profit and CSR is not applicable to company under section 135 of the Companies Act, 2013 and fluctuations in the profitability of the Company no CSR activities was carried out during last year.

## **CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

The information pertaining to conservation of energy, technology absorption, Foreign exchange Earnings and outgo as required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished in Annexure 05 attached to this report.

## **EXTRACT OF ANNUAL RETURN**

The extracts of Annual Return as provided under Section 134(3)(a) and sub-section (3) of section 92 read with Rule 12(1) of the Companies (Management and administration) Rules, 2014 is furnished in Annexure 06 and is attached to this Report

## **WHISTLE BLOWER POLICY (VIGIL MECHANISM)**

The Company has in place a whistleblower policy, to support the Code of Business Ethics. This policy documents includes the Company's commitment to maintain an open work environment in which employees, consultants and contractors are able to report instances of unethical or undesirable conduct, actual or suspected fraud or any violation of Company's Code of Business Ethics at a significantly senior level without fear of intimidation or retaliation. The said policy is placed on the website of the company.

**ACKNOWLEDGMENT:**

Your Directors wish to place on record their sincere appreciation for the continued cooperation, guidance, support and assistance received during the year under report by our Bankers, all the customers, suppliers of the Company including Government agencies. The Board of Directors also wishes to express its appreciation for the efforts and contribution made by the employees at all levels during the year under report.

Place: Rajkot

Date: 04<sup>th</sup> August, 2017

For and on Behalf of

Sar Auto Products Ltd

Rameshkumar D. Virani  
Chairman and Managing Director  
DIN: 00313236

**ANNEXURE -01**

BRIEF PROFILE OF THE DIRECTOR SEEKING APPOINTMENT/RE APPOINTMENT IN FORTHCOMING ANNUAL GENERAL MEETING:

Name of Director	Shri Rameshkumar Durlabhjibhai Virani
Date of Birth	13-03-1944
Date of Appointment	14-01-2005
Expertise in Specific functional area	Administration
List of public companies in which Directorship held	NIL
Chairman/Member of the committees	Chairman- 1 Member- in 4 Committees
Chairman/Member of the committees of Directors of other Companies	--



**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 arms length transactions under third proviso thereto

**1. Details of contracts or arrangements or transactions not at arm's length basis: NIL****2. Details of material contracts or arrangement or transactions at arm's length basis:**

Sr. No.	Name(s) of the related party	Nature of Relationship	Nature of Contracts/arrangements/transactions	Amount
1	Rameshbhai D. Virani	KMP	Directors Salary & Perks	11,61,552
			Loan Accepted	2,20,000
			Loan Repaid	4,00,000
2	Shreyasbhai R. Virani	KMP	Directors Salary & Perks	10,55,964
			Loan Accepted	68,10,000
			Loan Repaid	83,00,000

*Note: Date of approval by the Board for aforesaid transactions is 31-05-2016*

Place: Rajkot

Date: 04<sup>th</sup> August, 2017

For and on Behalf of

Sar Auto Products Ltd

Rameshkumar D. Virani  
Chairman and Managing Director  
DIN: 00313236

**PARTICULARS OF EMPLOYEES/REMUNERATION**

The information required under section 197 of the act and rules made there-under, in respect of employees of the company, is follows:-

- (a) The ratio of remuneration of each director to the median remuneration of employees for the financial year; (total directors remuneration is of Rs. 22,17,516.00 and total other employees remuneration 4,17,656.00)

- (b) The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary, Manager if any, in the financial year;

There is No increase in remuneration of Director, Chief Executive Officer, Chief Financial Officer, and Company Secretary, Manager

- (c) The percentage increase in the median remuneration of employees in the financial year:

There is no increment during the year 2016-17

- (d) The number of permanent employees on the rolls of the Company:

04

- (e) 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 any exceptional circumstances for increase in the managerial remuneration:

There is no increase in the salaries of employees.

- (f) The key parameters for any variable component of remuneration availed by directors:

NIL

- (j) Affirmation that the remuneration is as per the policy of the company:

The Company's remuneration policy is driven by the success and performance of the individual employees and the company. The Company affirms remuneration is as per the remuneration policy of the company.

**Information as per Rule 5(2) of Chapter XIII, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 r.w Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016**

Sr. No.	Employee Name	Designation	Educational Qualification	Age	Experience (In Years)	Date of joining	Gross Remuneration Paid (For the year 16-17)	Previous employment	Relative of any director/ Manager (yes/no) if yes then name of such director and Manager
1	RAMESH VIRANI	Chairman & Managing Director	Diploma Holder In Business Studies	73	35	14/01/2005	1161552.00	Mahindra SAR Transmissi on Pvt. Ltd.	Father Of Shreyas Virani
2	Shreyas Virani	Whole Time Director	B.Com	47	25	14/04/2007	1055964.00	Mahindra SAR Transmissi on Pvt. Ltd.	Son Of Ramesh Virani
3	Skaria Chacko	DGM – Sales	B.Com	42	15	01/06/2016	281790.00	Mahindra SAR Transmissi on Pvt. Ltd.	
4	Rameshbhai Virsodiya	DGM – Administrati on	B.Com	53	20	01/09/2013	135866.00	Mahindra SAR Transmissi on Pvt. Ltd.	

Place: Rajkot

Date: 04<sup>th</sup> August, 2017

For and on Behalf of

Sar Auto Products Ltd

Rameshkumar D. Virani  
Chairman and Managing Director  
DIN: 00313236

**Form No. MR-3**

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2017**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule  
No. 9 of the Companies (Appointment and Remuneration Personnel)  
Rules, 2014]

To,  
The Members,  
SAR AUTO PRODUCTS LIMITED  
(CIN: L34100GJ1987PLC010088)  
50-E, Bhaktinagar Inds Estate,  
Rajkot.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by SAR AUTO PRODUCTS LIMITED (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on our verification of the Sar Auto Products Limited'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, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2017, 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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Sar Auto Products Limited for the financial year ended on 31st March, 2017 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, transfer and transmission of shares.
- (v) The following Regulations and Guidelines 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, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **Not Applicable** as the Company has not issued any Capital during the year under review.

(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **Not Applicable** as the company has not made any ESOP.

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **Not Applicable** as the company has not issues such debt securities.

(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.

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; Not Applicable and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **Not Applicable** as the company has not processed any buy back of its securities.

(vi) The Company has identified the following laws as specifically applicable to the Company:

The Environment (Protection) Act, 1986

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Listing Agreement as per SEBI (Listing Obligations and Disclosure Requirement) Regulation, 2015 entered into by the Company with Stock Exchange

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors except the Nomination and Remuneration Committee. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and 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.

All decisions at Board Meetings and Committee Meetings have been carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be. There were no dissenting views on any matter.

We further report that based on review of compliance mechanism established by the Company and on the basis of the Compliance Certificate(s) issued by the respective Head of Departments of the company. We are of the opinion that the management has adequate systems and processes commensurate with its size and operations, to monitor and ensure compliance with all applicable laws, rules, regulations and guidelines.

For: K. P. Rachchh & Co.  
Company Secretaries

Place : Rajkot  
Date : 04<sup>th</sup> August, 2017

Signature: \_\_\_\_\_  
Kalpesh P. Rachchh  
Proprietor  
FCS No.5156  
C P No.: 3974

**CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION AND FOREIGN EARNING & OUTGO.**

**A. CONSERVATION OF ENERGY:**

- (i) The steps taken or impact on conservation of energy: None.
- (ii) The steps taken by the company for utilising alternate sources of energy: None.
- (iii) The capital investment on energy conservation equipments: None.

**Total Energy Consumption and Energy Consumption**

<b>A. Power &amp; Fuel Consumption</b>		
<b>Particulars</b>	<b>2016-17</b>	<b>2015-16</b>
<b>a) Electricity</b>		
Purchased (KWH)	236486	139302 Units
Total Amount (Rs. In Lacs)	1700989.88	1257880.00
Average Rate Rs.	7.19 / Units	9.03 / Units
<b>b) Coal</b>		
Quantity (MT)	0.00	0.00
Total Amount (Rs. In Lacs)	0.00	0.00
Average Rate Rs.	0.00	0.00
<b>c) Furnance Oil</b>	0.00	0.00
Quantity (MT)	0.00	0.00
Total Amount (Rs. In Lacs)	0.00	0.00
Average Rate Rs.	0.00	0.00

**B. TECHNOLOGY ABSORPTION:**

- (i) The efforts made towards technology absorption: None.
- (ii) The benefits derived like product improvement, cost reduction, product development or import substitutions: None.
- (iii) The company has not any imported technology.
- (iv) The expenditure incurred on Research and Development: None.

**C. FOREIGN EXCHANGE EARNING AND OUTGO:**

- (i) Total foreign Exchange Earnings during the year: Rs. 3030640.00
- (ii) Total foreign Exchange outgo during the year: Rs. Nil

**Form No. MGT-9**

EXTRACT OF ANNUAL RETURN as on the financial year ended on 31/03/2017  
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies  
(Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

Sr. No.	Particulars	Particulars
i)	CIN	L34100GJ1987PLC010088
ii)	Registration Date	27-10-1987
iii)	Name of the Company	SAR AUTO PRODUCTS LIMITED
iv)	Category/Sub Category of the Company	PUBLIC COMPANY LIMITED BY SHARES & INDIAN NON- GOVERNMENT COMPANY
v)	Address of the Registered office and Contact Details	50-E, BHAKTINAGAR INDS ESTATE, RAJKOT- 360002 Ph: 0281- 2374726 Fax: +912812376806 Email: sapl@sarautoproductsltd.com
vi)	Whether Listed Company: Yes/No	YES
vii)	Name, Address and Contact Details of Registrar and Transfer Agent ,if any	LINK INTIME INDIA PRIVATE LIMITED 506-508,Amarnath Business Centre-1, Beside Gala Business Centre, Near St. Xavier's College Corner, Off C.G. Road, Navrangpura, Ahemdabad-380009

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the Business activities Contributing 10% or more of the total turnover of the Company  
shall be stated:-

Sr. No.	Name and Description of Main Product/Services	NIC Code of the Product/Services	% of total turnover of the Company
1	Manufacturing Of Automobiles Parts	5708 50 00	100%



### III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
NIL					

### IV. SHAREHOLDING PATTERN

(Equity share Capital Breakup as Percentage of Total Equity)

#### i) Category Wise Holding

Category of	No. of Shares at the Beginning of the Year				No. of Shares at the end of the year				% change during the year
Shareholders	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual /HUF	3467690	100	3467790	72.78	3311735	100	3311835	69.51	-3.27
b) Central Govt.	0	0	0	0.00	0	0	0	0.00	0
c) State Govt(s).	0	0	0	0.00	0	0	0	0.00	0
d) Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0
e) Banks/FI	0	0	0	0.00	0	0	0	0.00	0
f) Any Other	0	0	0	0.00	0	0	0	0.00	0
Sub-Total (A)(1)	3467690	100	3467790	72.78	3311735	100	3311835	69.51	-3.27
<b>(2) Foreign</b>									
a) NRIs- Individuals	0	0	0	0.00	0	0	0	0.00	0
b) other Individuals	0	0	0	0.00	0	0	0	0.00	0
c) Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0
d) Banks/FI	0	0	0	0.00	0	0	0	0.00	0
e) Any Other	0	0	0	0.00	0	0	0	0.00	0
Sub-Total									
(A)(2):-	0	0	0	0.00	0	0	0	0.00	0

Total Shareholding of Promoter									
(A)= (A)(1) + (A)(2)	3467690	100	3467790	72.78	3311735	100	3311835	69.51	-3.27
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0
b) Banks/FI	220417	0	220417	4.63	220417	0	220417	4.63	0
c) Central Govt.	0	0	0	0.00	0	0	0	0.00	0
d) State Govt(s).	0	0	0	0.00	0	0	0	0.00	0
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0
g) FIIs	0	0	0	0.00	0	0	0	0.00	0
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0
i) Others	0	0	0	0.00	0	0	0	0.00	0
(Specify)									
Sub Total(B)(1):-	220417	0	220417	4.63	220417	0	220417	4.63	0
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	237193	1000	238193	4.98	259930	1000	260930	5.48	0.5
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0
b) Individuals									
i) Individual Shareholders holding nominal share Capital upto Rs. 1.00 Lacs	42826	21199	64025	1.34	51306	21400	72706	1.53	0.19
ii) Individual Shareholders holding nominal share Capital in excess of Rs. 1.00 Lacs	659843	108201	768044	16.12	592782	108000	700782	14.71	-1.41
c) Others	6271	0	6271	0.13	198070	0	198070	4.16	4.03
(Specify)									
Sub Total (B)(2):-	946133	130400	1076533	22.57	1102088	130400	1232488	25.88	3.31

Total Public Shareholding									
(B)=(B)(1)+	1166550	130400	1296950	27.20	1322505	130400	1452905	30.51	3.31
(B)(2)									
C. Shares Held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0
Grand Total	4634240	130500	4764740	100	4634240	130500	4764740	100	-
(A+B+C)									

## ii) Shareholding of Promoters

Sr. No.	Shareholders Name	Shareholding at the beginning of the year			No. of shares at the end of the year			% Change in Share holding during the year
		No. of Shares	% of Total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of Total Shares of the Company	% of Shares Pledged/ encumbered to total shares	
1	RAJSHREE R. VIRANI	872510	18.31	0	872510	18.31	0	0.00
2	RAMESHBHAI D. VIRANI	986480	20.70	0	986480	20.70	0	0.00
3	URVI S. VIRANI	824100	17.30	0	824100	17.30	0	0.00
4	SHREYAS VIRANI	784600	16.47	0	628645	13.19	0	-3.28
5	V.R. RUPANI	100	0.00	0	100	0.00	0	0.00

## iii) Change in Promoters' Shareholding

Sr. No.	Name of Promoter Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	SHREYAS VIRANI				
	At the Beginning of the year	784600	16.46	784600	16.46
	Less: Sale of shares on 15-04-2016	(22665)	(0.47)	761935	15.99
	Less: Sale of shares on 04-09-2015	(14290)	(0.30)	747645	15.69
	Less: Sale of shares on 11-09-2015	(29000)	(0.61)	718645	15.08
	Less: Sale of shares on 18-09-2015	(25500)	(0.54)	693145	14.54
	Less: Sale of shares on 25-09-2015	(24500)	(0.51)	668645	14.03
	Less: Sale of shares on 30-10-2015	(40000)	(0.84)	628645	13.19
	At the End of the Year			628645	13.19

iv) **Shareholding Pattern of Top Ten Shareholders**  
(Other than Directors, Promoters & Holders of GDRs & ADRs)

Sr. No.	Name of Promoter Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Tejas Hapani				
	At the Beginning of the year	202131	4.24	202131	4.24
	Changes During the year	0	0	0	0
	At the end of the year			202131	4.24
2	Gujarat State Financial Institution				
	At the Beginning of the year	220417	4.62	220417	4.62
	Changes During the year	0	0	220417	4.62
	At the end of the year			220417	4.62
3	Pramod Hapani				
	At the Beginning of the year	226480	4.75	226480	4.75
	Change during the year	0	0.00	226480	4.75
	At the end of the year			226480	4.75
4	Matalia Stock Broking Pvt Ltd.				
	At the Beginning of the year	236437	0	236437	4.96
	Purchase of Shares on 15-04-2016	23702		260139	5.45
	Purchase of share on 22-04-2016	14290		274429	5.75
	Sale of shares as on 29-04-2016	(62)		274367	5.75
	Sale of shares as on 06-05-2016	(7)		274360	5.75
	Purchase of shares as on 13-05-2016	2		274362	5.75
	Sale of shares as on 22-07-2016	(35995)		238367	5.00
	Purchase of shares on 29-07-2016	35		238402	5.00
	Purchase of shares on 05-08-2016	25570		263972	5.54
	Purchase of shares on 12-08-2016	(28985)		234987	4.93
	Purchase of shares on 19-08-2016	22		235009	4.93
	Purchase of shares on 26-08-2016	24535		259544	5.44
	Sale of shares on 02-09-2016	(49898)		209646	4.39
	Purchase of shares on 09-09-2016	40040		249686	5.24
	Purchase of shares on 16-09-2016	533		250219	5.25
	Sale of shares on 28-10-2016	(1000)		249219	5.23
	Sale of shares on 04-11-2016	(2000)		247219	5.18
	Purchase of shares 18-11-2016	4		247223	5.18

	Purchase of shares 25-11-2016	369		247592	5.19
	Purchase of shares 16-12-2016	2203		249795	5.24
	Sale of shares 23-12-2016	(52916)		196879	4.13
	Purchase of shares 30-12-2016	90		196969	4.13
	Purchase of Shares 06-01-2017	30		196999	4.13
	Purchase of Shares 13-01-2017	30		197029	4.13
	Purchase of shares 20-01-2017	10		197039	4.13
	Purchase of shares 27-01-2017	30		197069	4.13
	Purchase of shares 03-02-2017	110		197179	4.13
	Purchase of shares 10-02-2017	23		197202	4.13
	Purchase of Shares 17-02-2017	32030		229232	4.81
	Purchase of shares 24-02-2017	(133)		229099	4.80
	Purchase of shares 10-03-2017	30		229129	4.80
	Purchase of shares 24-03-2017	10060		239189	5.02
	Purchase of Shares 31-03-2017	8579		247768	5.20
	At the end of the year			247768	5.20
5	Harsha Hapani				
	At the Beginning of the year	113920	2.39	113920	2.39
	Change during the year	0	0.00	113920	2.39
	At the end of the year			113920	2.39
6	Skaria Chacko Kolaserril				
	At the Beginning of the year	58751	1.23	58751	1.05
	Sale of Shares 31-03-2017	8500	0	50251	1.05
	At the end of the year			50251	1.05
7	Chintan Hareshbhai Sodha				
	At the Beginning of the year	58562	1.23	58562	1.23
	Sale of Shares 17-02-2017	32000	0	26562	0.55
	Sale of Shares 24-03-2017	10000	0	16562	0.34
	At the end of the year			16562	0.34
8	Charmi Sanghavi				
	At the Beginning of the year	42000	0.88	42000	0.88
	Change during the year	0	0.00	42000	0.88
	At the end of the year			42000	0.88
9	Rameshbhai B. Sanghavi				
	At the Beginning of the year	42000	0.88	42000	0.88
	Change during the year	0	0.00	42000	0.88
	At the end of the year			42000	0.88

10	Rameshbhai Sanghavi				
	At the Beginning of the year	24000	0.50	24000	0.50
	Change during the year	0	0.00	24000	0.50
	At the end of the year			24000	0.50
11	Chirag Rajendrabhai Kothari				
	At the Beginning of the year	0	0	0	0
	Purchase of shares 22-07-2016	65000	0	65000	1.36
	Purchase of Shares 12-08-2016	29000	0	94000	1.97
	Purchase of shares 02-09-2016	50000	0	144000	3.02
	Purchase of shares 23-12-2016	52984	0	196984	4.13
	At the end of the year			196984	4.13
12	Manju Agarwal				
	At the Beginning of the year	8535	0.17	8535	0.17
	Sale of Shares 01-04-2016	(17)	0	8518	0.17
	Sale of Shares 08-04-2016	(61)	0	8457	0.17
	Purchase of Shares 15-04-2016	62	0	8519	0.17
	Sale of Shares 22-04-2016	(2)	0	8517	0.17
	Purchase of Shares 06-05-2016	120	0	8637	0.18
	Purchase of Shares 10-06-2016	20	0	8657	0.18
	Purchase of Shares 24-06-2016	1	0	8656	0.18
	Purchase of Shares 30-06-2016	5	0	8651	0.18
	Sale of Shares 08-07-2016	(20)	0	8631	0.18
	Purchase of Shares 15-07-2016	1	0	8632	0.18
	Sale of Shares 05-08-2016	(32)	0	8600	0.18
	Sale of Shares 19-08-2016	(15)	0	8585	0.18
	Sale of Shares 26-08-2016	(351)	0	8234	0.17
	Sale of Shares 02-09-2016	(130)	0	8104	0.17
	Sale of Shares 09-09-2016	(1030)	0	7074	0.14
	Sale of Shares 16-09-2016	(103)	0	6971	0.14
	Sale of Shares 23-09-2016	(50)	0	6921	0.14
	Sale of Shares 07-10-2016	(104)	0	6817	0.14
	Sale of Shares 14-10-2016	(668)	0	6149	0.12
	Sale of Shares 21-10-2016	(5057)	0	1092	0.02
	Sale of Shares 28-10-2016	(1083)	0	9	0.00
	Purchase of shares 04-11-2016	17	0	26	0.00
	Sale of Shares 11-11-2016	(15)	0	11	0.00
	Sale of Shares 18-11-2016	(3)	0	8	0.00
	Sale of Shares 25-11-2016	(6)	0	2	0.00

	Purchase of Shares 02-12-2016	2	0	4	0.00
	Purchase of Shares 09-12-2016	2	0	6	0.00
	Sale of Shares 16-12-2016	(6)	0	0	0.00
	At the End of the year			0	0.00
13	GEPL CAPITAL PVT. LTD.				
	At the Beginning of the year	5000	0	5000	0.10
	Sale of Shares 16-12-2016	(1754)	0	3246	0.06
	Sale of Shares 16-12-2016	(670)	0	2576	0.05
	Sale of Shares 16-12-2016	(2227)	0	349	0.00
	Sale of Shares 16-12-2016	(349)	0	0	0.00
	At the End of the year	0	0	0	0

**v) Shareholding of Directors and Key Managerial Personnel**

Sr. No.	Name of Promoter Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	RAMESHBHAI D. VIRANI				
	At the Beginning of the year	986480	20.70	986480	20.70
	Change during the year	0	0	0	0
	At the end of the year			986480	20.70
2	SHREYAS VIRANI				
	At the Beginning of the year	784600	16.46	784600	16.46
	Less: Sale of shares on 15-04-2016	(22665)	(0.47)	761935	15.99
	Less: Sale of shares on 04-09-2015	(14290)	(0.30)	747645	15.69
	Less: Sale of shares on 11-09-2015	(29000)	(0.61)	718645	15.08
	Less: Sale of shares on 18-09-2015	(25500)	(0.54)	693145	14.54
	Less: Sale of shares on 25-09-2015	(24500)	(0.51)	668645	14.03
	Less: Sale of shares on 30-10-2015	(40000)	(0.84)	628645	13.19
	At the End of the Year			628645	13.19

V. **INDEBTEDNESS**

Indebtedness of the Company including Interest outstanding/accrued but not due for

	Secured Loan excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the Financial year</b>				
i) Principal Amount		5900750.00		
ii) Interest due but not paid				
iii) Interest accrued but not due		96788.00		
Total (i+ii+iii)		5997538.00		
<b>Change in Indebtedness during the financial year</b>				
Addition		7280000.00		
Reduction		8950000.00		
<b>Net Change</b>		<b>1670000.00</b>		
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount		4230750.00		
ii) Interest due but not paid				
iii) Interest accrued but not due		96788.00		
<b>Total (i+ii+iii)</b>		<b>4327538.00</b>		



## VI. REMUNERATION OF DIRECTORS AND KEY MANGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-Time Director and/ or Manager

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total
		RameshKumar D. Virani Managing Director (1)	Shreyas R. Virani Whole - Time Director (2)	
1	Gross Salary	1161552.00	1055964.00	2217516.00
	(a) Salary as per Provisions contained in Section 17(1) of the of the Income Tax Act, 1961			
	(b) Value of Perquisites u/s 17(2) of the Income Tax Act, 1961	0.00	0.00	0.00
	(c) Profits in lieu of Salary under section 17(3) of the Income Tax Act, 1961	0.00	0.00	0.00
2	Stock option	0.00	0.00	0.00
3	Sweat Equity	0.00	0.00	0.00
4	Commission	0.00	0.00	0.00
	- As % of Profit - Others, Specify			
5	Others,	0.00	0.00	0.00
	Please Specify			
	Total (A)	1161552.00	1055964.00	2217516.00
	Ceiling as per ACT			

**B. Remuneration to Other Directors**

Sr. No.	Particulars of Remuneration	Name of Director		Total Amount
		Issacthomas C. Kavunkal (1)	Aarti C. Sodha (2)	
1	Independent Directors	0.00	0.00	0.00
	Fees for attending Board Committee Meetings	0.00	0.00	0.00
	Commission	0.00	0.00	0.00
	Others, Please Specify	0.00	0.00	0.00
	Total (1)	0.00	0.00	0.00
2	Others for Non-Executive Directors	0.00	0.00	0.00
	Fees for attending Board Committee Meetings	0.00	0.00	0.00
	Commission	0.00	0.00	0.00
	Others, Please Specify	0.00	0.00	0.00
	Total (2)	0.00	0.00	0.00
	Total (B)=(1) +(2)	0.00	0.00	0.00
	Total Managerial Remuneration	0.00	0.00	0.00
	Overall Ceiling as per the Act			

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD**

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		Rameshkumar D. Virani CEO	Shreyas R. Virani CFO	
1	Gross Salary	0.00	0.00	0.00
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0.00	0.00	0.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.00	0.00	0.00
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0.00	0.00	0.00
2	Stock Option	0.00	0.00	0.00
3	Sweat Equity	0.00	0.00	0.00
4	Commission	0.00	0.00	0.00
	- As % of Profit - Others, Specify			
5	Others, Please Specify	0.00	0.00	0.00
	Total	0.00	0.00	0.00

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

There were no penalties/punishment/compounding of offences for the year ending March 31, 2017

Place: Rajkot

Date: 04<sup>th</sup> August, 2017

For and on Behalf of

Sar Auto Products Ltd

Rameshkumar D. Virani  
Chairman and Managing Director  
DIN: 00313236

## INDEPENDENT AUDITOR'S REPORT

To,  
The Members,  
**SAR AUTO PRODUCTS LIMITED**

### Report on the Financial Statements

I have audited the accompanying financial statements of **SAR AUTO PRODUCTS LIMITED** ("the Company"), which comprises the Balance Sheet as at 31<sup>st</sup> March, 2017, the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility 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; 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.

### Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit.

I have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

I conducted my audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has in place an internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion on the financial statements.

## INDEPENDENT AUDITORS' REPORT

### Opinion

In my opinion and to the best of my information and according to the explanations given to me, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2017;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, I give in the "Annexure A" the statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, I further report that:
  - A. I have sought and obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purposes of my audit.
  - B. In my opinion, proper books of account as required by law have been kept by the Company so far as it appears from my examination of those books.
  - C. The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of accounts;
  - D. In my opinion, the aforesaid financial statements comply with the Accounting Standards referred to in Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2016.
  - E. On the basis of written representations received from the directors as on 31<sup>st</sup> March, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2017, from being appointed as a director under sub-section (2) of Section 164 of the Act.
  - F. With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"

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4, Jay Gujarat Society, Opp. Police Commissioner's Office, Shahibaug, Ahmedabad – 380 004. (Gujarat)  
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- G. 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, 2017, in my opinion and to the best of my information and according to the explanations given to me:
- I. The Company does not have any pending litigations which would impact its financial position.
  - II. The Company did not have any long-term contracts including derivative contracts for which there requires commenting on any material foreseeable losses.
  - III. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - IV. The Company had provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016 and these are in accordance with the books of accounts maintained by the company.

For Arun M. Kothari,  
Chartered Accountant

Ahmedabad, 28th April, 2017

Arun M. Kothari  
Proprietor  
(Membership No.108669)

**Annexure A To The Independent Auditors' Report**

(Referred to in paragraph 1 under the heading of "Report on other Legal and Regulatory Requirements" of our report of even date)

On the basis of the records produced to me for verification/perusal, such checks as I considered appropriate, and in terms of information and explanations given to me on my enquiries, I state that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of two years which, in my opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- (c) According to the information & explanation given to us and the records examined by us and based on the examination of the registered sale deed/ transfer deed / conveyance deed and other relevant records evidencing title provided to us, we report that, the title deeds, comprising the immovable properties of land and building which are free hold are held in the name of the company as at the Balance Sheet date.
- (ii) (a) According to the information and explanations given to me, the inventory has been physically verified during the year by the management. In my opinion, the frequency of verification is reasonable.
- (b) In my opinion and according to the information & explanations given to me, there are no discrepancies noticed on physical verification of the inventory as compared to book records which are material.
- (iii) According to the information and explanations given to me, during the period covered under report, the Company has not granted any secured or unsecured loan to parties covered in the register maintained under Section 189 of the Companies Act, 2013.
- (iv) In my opinion and according to the information and explanations given to me, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security.
- (v) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Companies Act, 2013 in respect of goods manufactured by the Company. According to the information and explanations given to me, The Companies (Cost Records & Audit) amendment Rules, 2014 is not applicable to the company.

(vii) In respect of statutory dues;

- (a) According to the information and explanations given to me, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Employee Provident Fund, ESIC, Income Tax, Sales Tax, Value Added Tax, Service Tax, Excise Duty, Cess and other material statutory dues apart from few cases of delay in payment of tax deducted at source, Sales Tax, Value Added Tax, Service Tax, Excise Duty, Cess and other material statutory dues.
- (b) According to the information and explanations given to me, there are no dues in respect of Provident Fund, ESIC, Income Tax, Wealth Tax, Sales Tax, Value Added Tax, Service Tax, Customs Duty, Excise Duty and cess that have not been deposited with the appropriate authorities on account of any dispute except the following:

Name of the Statute	Nature of the dues	Amount (₹)	Amount paid under protest (₹)	Period to which amount relates	Forum where dispute pending
Income Tax Act, 1961	Income Tax	6,74,760/-	1,02,000/-	FY 2008-09	Commissioner of Income Tax (Appeals)-I, Rajkot

- (viii) In my opinion and according to the information and explanations given to me, the Company has not taken any loan either from banks, financial institutions or from the government and has not issued any debentures. Accordingly, the provisions of clause 3 (viii) of the Order are not applicable to the Company and hence not commented upon. The Company is enjoying Bill Discounting facilities from the Bank which is being timely honored by the company.
- (ix) In my opinion and according to the information and explanations given to me, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
- (x) In my opinion and according to the information and explanations given to me, I report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- (xi) In my opinion and according to the information and explanations given to me, managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In my opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order is not applicable to the Company.
- (xiii) In my opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.



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- (xiv) In my opinion and according to the information and explanations given to me, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provision of clause 3 (xiv) of the Order is not applicable to the Company and hence not commented upon.
- (xv) In my opinion and according to the information and explanations given to me, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provision of clause 3 (xv) of the Order is not applicable to the Company and hence not commented upon.
- (xvi) In my opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provision of clause 3 (xvi) of the Order is not applicable to the Company and hence not commented upon.

For Arun M. Kothari,  
Chartered Accountant

Arun M. Kothari  
Proprietor  
(Membership No.108669)

Ahmedabad, 28th April, 2017

## **"Annexure B" to the Independent Auditor's Report**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

I have audited the internal financial controls over financial reporting of **SAR AUTO PRODUCTS LIMITED** ("the Company") as of March 31, 2017 in conjunction with my audit of the standalone 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 Control over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 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.

#### **Auditors' Responsibility**

My responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on my audit. I have conducted my audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

My audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. My audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting 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 control over financial reporting 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In my opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Control over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Arun M. Kothari,  
Chartered Accountant

Arun M. Kothari  
Proprietor  
Membership No.: 108669

Ahmedabad, dated 28<sup>th</sup> April, 2017

**SAR AUTO PRODUCTS LIMITED**

**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2017**

Particulars	Note No.	As at 31st March, 2017	As at 31st March, 2016
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds:</b>			
Share capital	2	47,647,400	47,647,400
Reserves and Surplus	3	79,113,127	76,028,893
		<b>126,760,527</b>	<b>123,676,293</b>
<b>Non-current Liabilities</b>			
Long-term Borrowings	4	1,429,750	1,429,750
Long-term Provision	5	356,974	298,628
		<b>1,786,724</b>	<b>1,728,378</b>
<b>Current Liabilities</b>			
Short-term Borrowings	6	4,800,000	8,003,660
Trade Payables	7		
- Micro & Small enterprises		-	-
- Other than Micro & Small enterprises		3,385,668	5,352,022
Other Current Liabilities	8	2,002,092	1,930,109
Short-Term Provisions	9	771,238	425,939
		<b>10,958,998</b>	<b>15,711,730</b>
		<b>139,506,249</b>	<b>141,116,400</b>
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Fixed Assets			
Tangible Assets	10	52,055,745	31,958,786
Non-current Investments	11	8,405	8,405
Long-term Loans and Advances	12	1,569,367	1,059,367
Deferred Tax Asset (Net)	13	1,186,656	720,474
		<b>54,820,174</b>	<b>33,747,032</b>
<b>Current Assets</b>			
Current Investments	14	1,954,906	404,535
Inventories	15	26,156,330	19,487,518
Trade Receivables	16	17,396,970	13,306,130
Cash & Cash Equivalents	17	19,152,404	14,959,474
Short-term Loans and Advances	18	19,952,242	59,129,645
Other Current Assets	19	73,223	82,067
		<b>84,686,075</b>	<b>107,369,368</b>
		<b>139,506,249</b>	<b>141,116,400</b>

**See accompanying Statement on Significant accounting policies & Notes to accounts**

As per our Report of even date

For, ARUN M. KOTHARI  
Chartered Accountant

For & on behalf of Board of Directors,

Arun M. Kothari  
Proprietor  
Membership No. 108669

Ramesh D. Virani  
Managing Director  
DIN: 00313236

Issachthomas C. Kavunkal  
Director  
DIN:02995332

Shreyas R. Virani  
Whole-time Director  
DIN: 00465240

Ronak M. Khanvani  
Secretary

Ahmedabad, dated 28<sup>th</sup> April, 2017

Rajkot, dated 28th April, 2017

**SAR AUTO PRODUCTS LIMITED**

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2017**

Particulars	Note No.	Year ended 31st March, 2017	Year ended 31st March, 2016
<b>INCOME</b>			
Revenue from Operations (Gross)	20	56,685,181	32,801,278
Less: Excise Duty collected on sales		(5,954,751)	(3,078,208)
Revenue from Operations (Net)		<b>50,730,430</b>	<b>29,723,070</b>
Other Income	21	2,362,731	6,729,854
		<b>53,093,161</b>	<b>36,452,924</b>
<b>Expenses</b>			
Cost of Materials consumed	22	11,244,816	10,576,507
Cost of Development and Construction		9,164,949	7,476,463
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	23	2,831,999	(2,704,467)
Changes in inventories of Constructed Properties		(9,164,949)	(7,476,463)
Employee benefits expenses	24	3,076,334	3,159,857
Finance costs	25	428,378	237,942
Depreciation and amortization expense	10	11,205,931	7,587,212
Other expenses	26	21,667,651	16,656,518
		<b>50,455,109</b>	<b>35,513,569</b>
<b>PROFIT / (LOSS) BEFORE TAX</b>		<b>2,638,052</b>	<b>939,355</b>
Current tax		530,000	185,000
Deferred tax		(466,182)	(828,235)
MAT Credit Entitlement		(510,000)	(185,000)
<b>TOTAL TAX EXPENSE</b>		<b>(446,182)</b>	<b>(828,235)</b>
<b>PROFIT / (LOSS) AFTER TAX</b>		<b>3,084,234</b>	<b>1,767,590</b>
<b>EARNINGS / (LOSS) PER SHARE</b>	27		
Basic & Diluted		0.65	0.37
Face Value Per Share		10.00	10.00

**See accompanying Statement on Significant accounting policies & Notes to accounts**

As per our Report of even date

For, ARUN M. KOTHARI  
Chartered Accountant

For & on behalf of Board of Directors,

Arun M. Kothari  
Proprietor  
Membership No. 108669

Ramesh D. Virani  
Managing Director  
DIN: 00313236

Issacthomas C. Kavunkal  
Director  
DIN:02995332

Shreyas R. Virani  
Whole-time Director  
DIN: 00465240

Ronak M. Khanvani  
Secretary

Ahmedabad, dated 28th April, 2017

Rajkot, dated 28th April, 2017

**SAR AUTO PRODUCTS LIMITED**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017**

[ Figures in ` ]

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
<b>A. Cash Flow From Operating Activities</b>		
<b>Profit / (Loss) Before Tax</b>	2,638,052	939,355
Depreciation and Amortization	11,205,931	7,587,212
Finance Costs	428,378	237,942
Interest Income	(2,327,730)	(6,039,357)
Provision for Diminution in Current Investment	44,100	32,644
Profit on Sale of Investment	-	(195,630)
Profit or Loss on Sale of Assets	(35,000)	-
<b>Operating Profit/ (Loss) before Working Capital Changes</b>	<b>11,953,731</b>	<b>2,562,166</b>
<b>Changes In:</b>		
Movement in Trade & Other Receivables	(4,090,840)	713,018
Movement in Loans and Advances	38,667,403	3,013,956
Movement in Inventory	(6,668,812)	(10,331,378)
Movement in Trade & Other Payable	71,983	(2,748,332)
Movement in Provision	403,645	131,670
<b>Cash Generated From Operations</b>	<b>40,337,109</b>	<b>(6,658,899)</b>
Direct Taxes Paid (Net of Refunds)	(29,100)	(571,973)
<b>Net Cash flow from Operating Activities [A]</b>	<b>40,308,009</b>	<b>(7,230,872)</b>
<b>B. Cash Flow from Investing Activities</b>		
Movement in Current Investments	(1,550,371)	-
Realization from Sale of Current Investment	-	202,873
Purchase of Fixed Assets	(31,302,890)	(13,517,809)
Sale of Fixed Assets	-	5,312,635
Movement in Other Current Asset	8,844	(56,711)
Movement in Payable for Assets	-	(127,793)
Movement in Fixed Deposits	(122,534)	(5,623,222)
<b>Net Cash flow from Investing Activities [B]</b>	<b>(32,966,951)</b>	<b>(13,810,027)</b>
<b>C. Cash Flow from Financing Activities</b>		
Movement in Short Term Borrowings	(3,203,660)	7,982,663
Finance Costs Paid	(428,378)	(334,730)
Interest Received	2,327,730	6,039,357
<b>Net Cash flow from Financing Activities [C]</b>	<b>(1,304,308)</b>	<b>13,687,290</b>
<b>Net Increase/ (Decrease) in Cash and Cash Equivalents [A+B+C]</b>	<b>6,036,750</b>	<b>(7,353,610)</b>
<b>Opening Balance of Cash and Cash Equivalents</b>	<b>2,325,710</b>	<b>9,679,320</b>
<b>Closing Balance of Cash and Cash Equivalents</b>	<b>8,362,460</b>	<b>2,325,710</b>
<b>Note:</b> The above Cash Flow Statement has been prepared under the 'Indirect Method' as mentioned in Accounting Standard 3 - Cash Flow Statement issued by the ICAI.		

As per our Report of even date

For, ARUN M. KOTHARI  
Chartered Accountant

For & on behalf of Board of Directors,

Arun M. Kothari  
Proprietor  
Membership No. 108669

Ramesh D. Virani  
Managing Director  
DIN: 00313236

Issacthomas C. Kavunkal  
Director  
DIN: 02995332

Shreyas R. Virani  
Whole-time Director  
DIN: 00465240

Ronak M. Khanvani  
Secretary

## SAR AUTO PRODUCTS LIMITED

### CORPORATE INFORMATION

Sar Auto Products Limited is a company limited by shares with domicile in India. It is incorporated under the provisions of the Companies Act, 1956. The Company's main object is to manufacture gears, gear boxes and other transmission components.

In FY 2016, the company started the business of real estate development. However, the company has not recognised any revenue from the same due to non-fulfillment of the criteria given by the Guidance Note on "Accounting for Real Estate Transactions (Revised 2012)".

### Director's Information

Sr. No.	Name	Director Identification Number
1	Rameshkumar Durlabhjibhai Virani	00313236
2	Shreyas Rameshbhai Virani	00465240
3	Issacthomas Charianthomas Kavunkal	02995332
4	Aarti Chintan Sodha	06978954

### 1. SIGNIFICANT ACCOUNTING POLICIES

#### A. Basis for Preparation of financial statement:

The financial statements have been prepared under the historical cost convention in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standard specified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 as applicable.

#### B. Use of Estimates:

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known / materialize.

#### C. Tangible Fixed Assets:

Fixed Assets are stated at cost net of CENVAT/ Value Added Tax, Rebates, discounts, less accumulated depreciation and impairment loss, if any.

The cost of fixed assets comprises its purchase price, including import duties and other non-refundable taxes or levies, where ever applicable, and any directly attributable cost of bringing the assets to its working condition for its intended use. Borrowing cost incurred for qualifying assets is capitalized up to the date the asset is ready for intended use, based on borrowings incurred specifically for financing the asset or the weighted average rate of all other borrowings, if no specific borrowings have been incurred for the asset.

#### D. Depreciation/Amortization:

Depreciation has been provided on Written down Value Method as per the Schedule II to the Companies Act, 2013. As regards addition, depreciation has been provided on pro-rata basis from the date the assets are put to use during the financial year. In respect of asset sold or disposed off during the year, depreciation is provided till the date of sale/disposal of the assets.

## SAR AUTO PRODUCTS LIMITED

### SIGNIFICANT ACCOUNTING POLICIES- contd..

#### **E. Impairment of Assets:**

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the Statement of Profit & Loss in the year in which an asset is identified as impaired.

#### **F. Investments:**

Current investments are carried at lower of cost and quoted/fair value, computed category wise. Long Term Investments are stated at cost. Provision for diminution in the value of long-term investments is made only if such a decline is other than temporary.

#### **G. Inventories:**

##### **Manufacturing Activity**

Inventories are valued at cost or net realizable value whichever is lower. Inventories comprise of all cost of purchase, conversion and other cost incurred for bringing the inventory to its present location and condition.

##### **Construction Activity**

Constructed property includes cost of land (including development rights), external development charges, construction costs, allocated overheads, development / construction materials and other expenditure is valued at cost.

#### **H. Revenue Recognition:**

Sales of Goods are recognized on dispatch to customers, when materially all significant risk and reward of ownership are transferred to the customers and no effective ownership is retained. Sales are recorded net of Central sales tax/Value added tax.

Revenue from Constructed Properties is recognized in accordance with the Revised Guidance Note issued by ICAI on "Accounting for Real Estate Transactions (Revised 2012)".

As per the Guidance Note, the revenue is recognized on percentage of completion method and on the percentage of actual project costs incurred thereon to total estimated project cost. Provided, all of the following conditions are met at the reporting date:

1. Required critical approvals for commencement of the project have been obtained;
2. At least 25% of estimated construction and development costs (excluding land cost) has been incurred;
3. At least 25% of saleable project are is secured by the agreements to sell/ application forms (containing salient terms of the agreement to sell); and
4. At least 10% of the total revenue as per agreement to sell are realised in respect of these agreements.

Gain on the transaction of Shares & Securities is recognized at the point of sale of the Shares and Securities.

Dividend is recognized when right to receive is established.

Profit or loss on sale of assets is recognized on sale of assets.

Interest on deployment of surplus funds is recognized using the time proportion method based on the interest rates implicit in the transaction.

Claims are recognized on receipt basis.



## SAR AUTO PRODUCTS LIMITED

### SIGNIFICANT ACCOUNTING POLICIES- contd..

#### I. **Borrowing Cost:**

Borrowing costs are recognized in the Statement of Profit & Loss except borrowing costs that are attributable to the construction of qualifying assets which are capitalized to the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

#### J. **Foreign Currency Transactions:**

All Transactions in foreign currency are recorded at the exchange rates prevailing on the dates when relevant transactions take place.

Monetary Items in the forms of Assets or Liabilities, outstanding at the close of the year, are restated in Indian Currency at the appropriate rates of exchange prevailing on the date of Balance Sheet.

Exchange differences arising on settlement of transactions and translation of monetary items are recognized in The Statement of Profit & Loss as Gain or Loss in the year in which they arise.

#### K. **Income Tax:**

**Current Tax:** Provision is made for income tax on yearly basis, under the tax-payable method, based on tax liability, as computed after taking credit for allowances and exemptions as per Income Tax Act, 1961.

**Deferred Tax:** Deferred tax liability or asset is recognized on timing differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognized only to the extent that there is virtual certainty that sufficient taxable income will be available to realize these assets. All other deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available to realize these assets.

#### L. **Employee Benefits:**

##### **Short Term Employee Benefits**

Short-term employee benefits are recognized as an expense at the undiscounted amount in the statement of profit and loss of the year in which the related service is rendered.

##### **Defined Contribution Plan**

Company's contributions to employee's benefits fund are charged to statement of Profit & Loss for the year in which contribution for the same becomes due.

##### **Gratuity**

Incremental expenditure on Gratuity for each year is arrived at as per actuarial valuation and is recognized and charged to The Statement of Profit and Loss in the year in which employee has rendered service.

#### M. **Provisions**

Provisions involve substantial degree of estimation in measurement and are recognized where there is a present obligation as a result of past events and it is probable that there will be an outflow of resources embodying economic benefits. These are reviewed at each balance sheet date to reflect the current best estimate.

## **SAR AUTO PRODUCTS LIMITED**

### **SIGNIFICANT ACCOUNTING POLICIES- contd..**

#### **N. Contingent Liability and Contingent Assets**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future event beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources embodying future economic benefits will be required to settle the obligation. The company does not recognize a contingent liability but discloses its existence in the financial statement.

Contingent assets are neither recognized nor disclosed in the financial statements following the principle of conservatism.

#### **O. Cash Flow Statements**

Cash flow statement is reported using indirect method, whereby Profit / (Loss) before tax is adjusted for the effects of transaction of non-cash in nature and any deferrals or accruals of past or future cash receipts or payments. The cash flow from operating, Investing and financing activities of the company are segregated based on available information. Cash and cash equivalents for the purpose of cash flow statement comprise cash at bank and in hand and short-term investment with original maturity of three months or less.

## SAR AUTO PRODUCTS LIMITED

### NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Previous year's figure have been regrouped/reclassified wherever necessary to confirm with the current year's presentation.

[ Figures in ` ]

#### 2. Share Capital

##### 2.1 Details relating to Authorised, Subscribed, Issued & Paid up Share Capital

Particulars	As at 31.03.2017	As at 31.03.2016
<b>Authorised Share Capital:</b>		
1,00,00,000 Equity Shares of ` 10/- each	100,000,000	100,000,000
<b>Issued, Subscribed &amp; Paid-up Capital:</b>		
47,64,740 Equity Shares of ` 10/- each fully paid up	47,647,400	47,647,400

##### 2.2 Reconciliation of the Share Capital

Particulars	As at 31.03.2017 & 31.03.2016	
	Number of Shares	Number of Shares
Shares outstanding as at the beginning of the year	4,764,740	4,764,740
Shares issued during the year	-	-
Shares bought-back during the year	-	-
Shares outstanding as at the end of the year	<b>4,764,740</b>	<b>4,764,740</b>

##### 2.3 The Company has only one class of equity shares of face value of `10 each carrying one voting right for each equity share held.

In the event of the Liquidation of the company, the equity shareholders are eligible to receive the remaining assets of the company, after distribution of all preferential amounts. The distribution will be in the proportion to the number of the equity shares held by the shareholders.

##### 2.4 Details of shareholders holding more than 5% ordinary equity shares as on Balance Sheet Date

Name of Shareholder	As at 31.03.2017	
	Number	Shareholdings(%)
Rameshbhai D. Virani	986,480	20.70%
Rajshreeben R. Virani	872,510	18.31%
Shreyasbhai Virani	628,645	13.19%
Urviben S. Virani	824,100	17.30%
<b>Total no. of shares held by such shareholders</b>	<b>3,311,735</b>	<b>69.51%</b>
<b>Total no. of shares of the company</b>	<b>4,764,740</b>	<b>100.00%</b>

Name of Shareholder	As at 31.03.2016	
	Number	Shareholding(%)
Rameshbhai D. Virani	986,480	20.70%
Rajshreeben R. Virani	872,510	18.31%
Shreyasbhai Virani	784,600	16.47%
Urviben S. Virani	824,100	17.30%
<b>Total no. of shares held by such shareholders</b>	<b>3,467,690</b>	<b>72.78%</b>
<b>Total no. of shares of the company</b>	<b>4,764,740</b>	<b>100.00%</b>

# SAR AUTO PRODUCTS LIMITED

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Previous year's figure have been regrouped/reclassified wherever necessary to confirm with the current year's presentation.

[ Figures in ` ]

### 3. Reserves and Surplus

Particulars	As at 31.03.2017	As at 31.03.2016
<b>Securities Premium Account</b>		
As per Last Balance Sheet	14,996,000	14,996,000
<b>General Reserve</b>		
As per Last Balance Sheet	732,787	732,787
<b>Surplus in Statement of Profit &amp; Loss</b>		
Opening Balance	60,300,106	58,532,516
Net Profit for the Current Year	3,084,234	1,767,590
Closing Balance	<b>63,384,340</b>	<b>60,300,106</b>
	<b>79,113,127</b>	<b>76,028,893</b>

### 4. Long-term Borrowings

Particulars	As at 31.03.2017	As at 31.03.2016
<b>Secured</b>		
From Others		
Loan From LIC of India	1,429,750	1,429,750
(Secured against Keyman Insurance Policy of Key Management Personnel)		
Terms of Repayment: Total amount repayable in the year 2026		
Rate of Interest is 9% Per Annum		
	<b>1,429,750</b>	<b>1,429,750</b>

### 5 Long Term Provision

Particulars	As at 31.03.2017	As at 31.03.2016
<b>Provision For Employees Benefits</b>		
Provision for Defined Benefit Obligation - Gratuity	356,974	298,628
	<b>356,974</b>	<b>298,628</b>

# SAR AUTO PRODUCTS LIMITED

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Previous year's figure have been regrouped/reclassified wherever necessary to confirm with the current year's presentation.

[ Figures in ` ]

### 6. Short-term Borrowings

Particulars	As at 31.03.2017	As at 31.03.2016
<b>Unsecured</b> From Bank	1,999,000	3,532,660
<b>Unsecured</b> Loans & Advances from Related Parties From Directors	2,801,000	4,471,000
	<b>4,800,000</b>	<b>8,003,660</b>

### 7. Trade Payables

Particulars	As at 31.03.2017	As at 31.03.2016
<b>Other than Acceptances</b> Trade Payables - Micro & Small enterprises *	-	-
Trade Payables - Other than Micro & Small enterprises	3,385,668	5,352,022
	<b>3,385,668</b>	<b>5,352,022</b>

\* The company has requested the suppliers to give information about their status as Micro, Small and Medium Enterprises as defined under the MSMED Act, 2006. In the absence of this information, company is unable to provide the details regarding the over dues to such Enterprises.

### 8. Other Current Liabilities

Particulars	As at 31.03.2017	As at 31.03.2016
Interest Accrued but not Due on borrowing	96,788	96,788
<b>Other payables</b> Advance from Customers	780,000	855,296
Statutory Liabilities	1,125,304	978,025
	<b>2,002,092</b>	<b>1,930,109</b>

### 9. Short-Term Provisions

Particulars	As at 31.03.2017	As at 31.03.2016
<b>Provision for employee benefits</b> Provision for Defined Benefit Obligation - Gratuity	465,431	418,439
<b>Others</b> Provision for Audit Fees	7,500	7,500
Provision for Income Tax ( Net of TDS receivables Rs. 2,31,693)	298,307	-
	<b>771,238</b>	<b>425,939</b>

**SAR AUTO PRODUCTS LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**10. Fixed Assets**

[ Figures in ₹ ]

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	Opening Balance as at 01.04.2016	Additions	Disposals	Closing Balance as at 31.03.2017	Opening Balance as at 01.04.2016	Depreciation charge for the year	On disposals	Closing Balance as at 31.03.2017	Closing Balance as at 31.03.2017	Closing Balance as at 31.03.2016
<b>Tangible Assets:</b>										
Land	-	-	-	-	-	-	-	-	-	-
Factory Building	4,135,496	-	-	4,135,496	3,242,291	107,116	-	3,349,407	786,089	893,205
Plant & Machinery	77,742,840	30,394,185	-	108,137,025	51,476,857	9,435,000	-	60,911,857	47,225,168	26,265,983
Machinery R&D	10,377,000	-	-	10,377,000	7,957,289	4,984	-	7,962,273	2,414,727	2,419,711
Jigs & Fixtures R&D	79,500	114,055	-	193,555	61,469	652,768	-	714,236	(520,681)	18,031
Furniture & Fixtures	740,340	-	-	740,340	725,811	9,924	-	735,735	4,605	14,529
Office Equipments	766,756	-	-	766,756	762,912	9,484	-	772,396	(5,640)	3,844
Computer & Software	715,875	61,850	-	777,725	706,331	24,641	-	730,972	46,753	9,544
Electrical Installation	678,884	4,800	-	683,684	610,745	30,093	-	640,838	42,846	68,139
Vehicles	7,725,572	728,000	6,624	8,446,948	5,459,772	931,921	6,624	6,385,069	2,061,879	2,265,800
<b>TOTAL</b>	<b>102,962,263</b>	<b>31,302,890</b>	<b>6,624</b>	<b>134,258,529</b>	<b>71,003,477</b>	<b>11,205,931</b>	<b>6,624</b>	<b>82,202,784</b>	<b>52,055,745</b>	<b>31,958,786</b>

**SAR AUTO PRODUCTS LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	Opening Balance as at 01.04.2015	Additions	Disposals	Closing Balance as at 31.03.2016	Opening Balance as at 01.04.2015	Depreciation charge for the year	On disposals	Closing Balance as at 31.03.2016	Closing Balance as at 31.03.2016	Closing Balance as at 31.03.2015
<b>Tangible Assets:</b>										
Land	4,660,180	652,455	5,312,635	-	-	-	-	-	-	4,660,180
Factory Building	4,135,496	-	-	4,135,496	3,120,538	121,754	-	3,242,291	893,205	1,014,958
Plant & Machinery	64,884,443	12,858,397	-	77,742,840	46,189,452	5,275,457	-	51,476,857	26,265,983	18,694,991
Machinery R&D	10,377,000	-	-	10,377,000	7,062,459	894,830	-	7,957,289	2,419,711	3,314,541
Jigs & Fixtures R&D	79,500	-	-	79,500	54,576	6,893	-	61,469	18,031	24,924
Furniture & Fixtures	740,340	-	-	740,340	708,397	17,413	-	725,811	14,529	31,943
Office Equipments	759,799	6,957	-	766,756	745,715	29,146	-	762,912	3,844	14,084
Computer & Software	715,875	-	-	715,875	699,431	6,900	-	706,331	9,544	16,444
Electrical Installation	678,884	-	-	678,884	560,611	50,134	-	610,745	68,139	118,273
Vehicles	7,725,572	-	-	7,725,572	4,275,088	1,184,684	-	5,459,772	2,265,800	3,450,484
<b>Total</b>	<b>94,757,089</b>	<b>13,517,809</b>	<b>5,312,635</b>	<b>102,962,263</b>	<b>63,416,265</b>	<b>7,587,212</b>	<b>-</b>	<b>71,003,477</b>	<b>31,958,786</b>	<b>31,340,824</b>

# SAR AUTO PRODUCTS LIMITED

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Previous year's figure have been regrouped/reclassified wherever necessary to confirm with the current year's presentation.

[ Figures in ` ]

### 11. Non-current Investments

Particulars	As at 31.03.2017	As at 31.03.2016
<b>(At Cost)</b>		
<b>Other Investments</b>		
Investment in Equity Instrument of other entities		
Unquoted		
Rajkot Nagrik Sahkari Bank	3,050	3,050
Consortex Karl Deolic Ltd.	5,355	5,355
	<b>8,405</b>	<b>8,405</b>
Aggregate Amount of Unquoted Investments	<b>8,405</b>	<b>8,405</b>

### 12. Long-term Loans and Advances

Particulars	As at 31.03.2017	As at 31.03.2016
<b>Unsecured, considered good</b>		
<b>Security Deposits</b>		
MAT Credit Entitlement	634,351	634,351
	910,016	400,016
<b>Unsecured, considered good</b>		
<b>Other Loans &amp; Advances</b>		
Loans to others	25,000	25,000
	<b>1,569,367</b>	<b>1,059,367</b>

### 13. Deferred Tax Asset (Net)

Particulars	As at 31.03.2017	As at 31.03.2016
<b>Opening Balance</b>	<b>720,474</b>	<b>(107,760)</b>
Tax effect of items constituting deferred tax asset		
Related to fixed asset	466,182	828,235
	466,182	828,235
Net Deferred Tax	466,182	828,235
<b>Net Deferred Tax Asset</b>	<b>1,186,656</b>	<b>720,474</b>

**SAR AUTO PRODUCTS LIMITED**

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**14. Current Investments**

Other current investments (At lower of cost and fair value)

Investment in Fully Paid-up Equity Shares

Quoted

Description	Face value Per share (In Rs.)	As at 31.03.2017		As at 31.03.2016	
		In Nos	₹	In Nos	₹
JMD Telefilms Ind. Ltd.	1	22	43	11	43
Aadhaar Ventures India Ltd.	1	17,064	10,306	170,640	20,477
Aadi Ind. Ltd.	10	1,062	-	1,062	2,878
ACIL Cotton Industries Ltd.	1	40,000	7,200	40,000	5,600
Cistro Telelink Ltd.	1	37,097	7,419	37,097	-
Clarus Finance & Securities Ltd.	10	2	24	2	30
Cura Technologies Ltd.	10	6	78	6	26
Emporis Projects Ltd.	10	82,908	-	82,908	-
KGN Ind. Ltd.	1	40	68	40	62
Mercator Lines - (WXBSARPR)	1	8	374	8	176
Nivayah Infrastrucure & Telecom Services Ltd.	10	9,229	-	9,229	-
Prabhav Industries Ltd.	10	131,073	204,474	131,073	212,338
RCL Foods Ltd.	10	1	-	1	16
Sancia Global Infraprojects Ltd. (532836)	10	100	49	100	72
Scope Industries (India) Ltd.	10	5	-	5	-
Sky Industries Ltd.	10	7	115	7	115
Sterling International Enterprises Ltd.	1	81,040	128,854	81,040	161,270
Sanraa Media Ltd.	-	100,000	-	100,000	-
JMDE Packaging and Realities Ltd.	1	-	-	2,000	1,432
<b>Investment in Mutual Funds</b>					
Goldman Sachs Gold Exchange Tr		600	1,595,902		
<b>Total</b>			<b>1,954,906</b>		<b>404,535</b>
<b>Aggregate amount of quoted investments</b>			<b>1,954,906</b>		<b>404,535</b>
<b>Aggregate market value of listed and quoted investments</b>			<b>2,068,334</b>		<b>403,127</b>



**SAR AUTO PRODUCTS LIMITED**

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

Previous year's figure have been regrouped/reclassified wherever necessary to confirm with the current year's presentation.

[ Figures in ` ]

**15. Inventories**

Particulars	As at 31.03.2017	As at 31.03.2016
Raw Materials	5,355	5,355
Work-in-progress - Machining Component	7,136,400	9,968,399
Work-in-progress - Business Park	16,641,412	7,476,463
<b>Others</b>		
Machinery Oil	49,260	44,726
Consumables & tools	1,134,029	925,217
Packing Material	190,778	163,774
Cutters	999,096	903,584
	<b>26,156,330</b>	<b>19,487,518</b>

**16. Trade Receivables**

Particulars	As at 31.03.2017	As at 31.03.2016
<b>Outstanding for a period exceeding six months from the date they are due for payment</b>		
Unsecured, considered good	5,553,904	2,797,737
Unsecured, considered doubtful	863,922	4,150,219
	<b>6,417,826</b>	<b>6,947,956</b>
Provision for doubtful receivables	(863,922)	(4,150,219)
	<b>5,553,904</b>	<b>2,797,737</b>
<b>Unsecured, considered good</b>		
Other trade receivables	11,843,066	10,508,393
	<b>17,396,970</b>	<b>13,306,130</b>

**17. Cash & Cash Equivalents**

Particulars	As at 31.03.2017	As at 31.03.2016
<b>Cash &amp; Cash Equivalents</b>		
Balances with Banks		
In Current Accounts	11,434,310	7,591,006
Cash on hand	313,818	86,726
	11,748,128	7,677,732
<b>Other Bank Balances</b>		
Fixed Deposits	7,404,276	7,281,742
(Deposit with original maturity more than 3 months but less than 12 months)		
	<b>19,152,404</b>	<b>14,959,474</b>

**18. Short-term Loans and Advances**

Particulars	As at 31.03.2017	As at 31.03.2016
<b>Unsecured, considered good</b>		
<b>Balance with Government Authorities</b>		
Excise Duty	265,013	1,182,435
Service Tax and Cess	782,731	142,592
VAT Receivable	1,313,537	494,496
Income Tax Refund Due	1,013,359	626,386
<b>Others</b>		
Bills Receivable	2,068,442	3,646,292
Prepaid Expenses	583,575	677,172
Advance to Supplier	2,138,451	100,000
Other short term advances	11,787,135	51,873,299
	<b>19,952,242</b>	<b>59,129,645</b>

# SAR AUTO PRODUCTS LIMITED

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Previous year's figure have been regrouped/reclassified wherever necessary to confirm with the current year's presentation.

[ Figures in ` ]

### 19. Other Current Assets

Particulars	As at 31.03.2017	As at 31.03.2016
<b>Accruals</b>		
Interest on Deposits	73,223	82,067
	<b>73,223</b>	<b>82,067</b>

### 20. Revenue from Operations

Particulars	For the year ended 31.03.2017	For the year ended 31.03.2016
Revenue from sale of products	56,324,088	32,172,845
Other Operating revenues	361,093	628,433
	<b>56,685,181</b>	<b>32,801,278</b>
Less: Excise duty collected on sales	(5,954,751)	(3,078,208)
	<b>50,730,430</b>	<b>29,723,070</b>

#### 20.1 Sale of Product Comprises:

Particulars	For the year ended 31.03.2017	For the year ended 31.03.2016
Auto parts sales	50,369,337	29,094,637
Forging sales	-	-
Round Bar Sales	-	-
<b>Sale of Products :</b>	<b>50,369,337</b>	<b>29,094,637</b>

#### 20.2 Other Operating Revenues comprise:

Particulars	For the year ended 31.03.2017	For the year ended 31.03.2016
Scrap Sales	300,480	525,360
Duty drawback	60,613	103,073
	<b>361,093</b>	<b>628,433</b>

### 21. Other Income

Particulars	For the year ended 31.03.2017	For the year ended 31.03.2016
Interest income on		
Bank Deposits	534,070	564,860
Loans & Advances	1,793,660	5,457,015
I.T.Refund	-	17,482
<b>Dividend income on</b>		
Non Current Investments	1	2
Net Foreign Exchange Gain	-	151,293
<b>Other Non Operating Income</b>		
Other Misc Income	-	343,572
Profit on Sale of Asset	35,000	-
Profit on sale of Current Investments	-	195,630
	<b>2,362,731</b>	<b>6,729,854</b>

# SAR AUTO PRODUCTS LIMITED

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Previous year's figure have been regrouped/reclassified wherever necessary to confirm with the current year's presentation.

[ Figures in ` ]

### 22. Cost of Materials Consumed

Particulars	For the year ended 31.03.2017	For the year ended 31.03.2016
<b>Raw Material Consumed</b>		
Opening Stock	1,878,882	1,742,096
Purchases	11,553,674	10,713,293
Closing Stock	(2,187,740)	(1,878,882)
	<b>11,244,816</b>	<b>10,576,507</b>

### 22.1 Material Consumed Comprises

Particulars	For the year ended 31.03.2017	For the year ended 31.03.2016
Indigenous	11,553,674	9,319,265
Imported	-	1,286,438

### 22.2 Cost of Material Consumed Comprises

Particulars	For the year ended 31.03.2017	For the year ended 31.03.2016
Forging	11,244,816	10,576,507
Other Material	-	-

### 23. Changes in the inventories of Finished goods, Work-in-progress and Stock-in-trade

Particulars	For the year ended 31.03.2016	For the year ended 31.03.2016
<b>Inventories at the end of the year</b>		
Finished goods	-	-
Work-in-progress	7,136,400	9,968,399
Scrap	-	-
	<b>7,136,400</b>	<b>9,968,399</b>
<b>Inventories at the beginning of the year</b>		
Finished goods	-	-
Work-in-progress	9,968,399	6,794,729
Scrap	-	469,203
	<b>9,968,399</b>	<b>7,263,932</b>
<b>Net (increase) / decrease</b>	<b>2,831,999</b>	<b>(2,704,467)</b>

### 24. Employee benefit expenses

Particulars	For the year ended 31.03.2017	For the year ended 31.03.2016
Salaries & wages	2,635,172	2,695,768
Contribution to provident and other funds	398,493	431,511
Staff welfare expenses	42,669	32,578
	<b>3,076,334</b>	<b>3,159,857</b>

# SAR AUTO PRODUCTS LIMITED

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Previous year's figure have been regrouped/reclassified wherever necessary to confirm with the current year's presentation.

[ Figures in ` ]

### 25. Finance Costs

Particulars	For the year ended 31.03.2017	For the year ended 31.03.2016
<b>Interest Expenses</b>		
Interest paid on Borrowings	367,662	192,127
Interest on TDS	1,248	435
Interest on Service Tax	-	775
Interest on VAT & CST	664	2,480
Interest on Excise	6,984	-
<b>Other Borrowing Cost</b>		
Bank Charges	51,820	42,125
	<b>428,378</b>	<b>237,942</b>

### 26. Other Expenses

Particulars	For the year ended 31.03.2017	For the year ended 31.03.2016
<b>Manufacturing Expenses:</b>		
Labour Charges, Loading & Unloading Charges	17,800	3,000
Freight & Octroi-Inward & Goods Import Expenses	330,559	355,383
Job Work Charges	12,698,804	6,142,747
Power & Fuel Charges	1,700,990	1,257,880
Debit Note Charges	22,111	-
Repairs & Maintenance - Machinery	1,105,236	525,514
Repairs & Maintenance - Other	6,750	-
Packing Material Consumed	457,786	394,855
Factory Expenses	74,937	77,352
	<b>16,414,972</b>	<b>8,756,731</b>
<b>Administrative &amp; Selling Expenses:</b>		
Advertisement Expense	18,553	16,373
Audit Fees	7,500	7,500
Bad Debts written off	863,922	4,150,219
Security Expenses	225,412	167,823
Computer Maintenance & Updation Charges	3,800	3,200
Demat Expense	4,100	4,070
Discount Expense	140,086	28,894
Freight, Octroi-Outward & Cartages Expenses	290,958	213,008
Insurance	221,865	204,651
Legal & Professional Charges	1,119,055	945,325
Listing and Cetification fees	200,800	194,200
NSDL/CDSL Connection Fees	47,100	31,500
Office Expenses	27,500	42,000
Net Loss on Foreign Exchange transaction	163,663	-
Postage, Telegram, Telephone & Interenet Expenses	215,421	272,132
Printing & Stationery Expenses	71,792	62,041
Rates & Taxes	96,443	24,651
Rent Expenses	830,500	816,000
Sales Promotion Expense	31,042	45,690
Travelling Expenses	122,132	55,964
VAT Expenses	108,850	207,570
Vehicle Running & Maintenance	398,086	374,332
Provision for Diminution in value of current Investment	44,100	32,644
	<b>5,252,679</b>	<b>7,899,787</b>
	<b>21,667,651</b>	<b>16,656,518</b>

# SAR AUTO PRODUCTS LIMITED

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Previous year's figure have been regrouped/reclassified wherever necessary to confirm with the current year's presentation.

[ Figures in ` ]

### 27. Earning per Share (EPS)

Particulars	For the year ended 31.03.2017	For the year ended 31.03.2016
<b>Basic and Diluted Earning per Share (EPS)</b>		
Profit available for Equity Shareholder	3,084,234	1,767,590
Weighted Average Number of Equity Shares outstanding at the end of respective year	4,764,740	4,764,740
<b>Basic and Diluted Earning per Share (EPS)</b>	<b>0.65</b>	<b>0.37</b>
<b>Face value of Share</b>	<b>10.00</b>	<b>10.00</b>

### 28. Related Party Disclosures

As per Accounting Standard 18, the disclosures of transactions with the related parties are given below:

#### 28.1 List of related parties and relationships:

Related Party	Nature of Relationship
Mr. Ramesh D. Virani Mr. Shreyas R. Virani	Key Management Personnel
Mrs. Rajashree R. Virani Mrs. Urviben S. Virani	Relatives of Key Management Personnel

#### 28.2 Transactions during the year with related parties and year-end balances

Particulars	As at 31.03.2017	As at 31.03.2016
<b><u>Nature of Transaction</u></b>		
Directors' Salary & Perks	2,217,516	2,217,516
Loans Accepted	7,030,000	17,450,000
Loans Repaid	8,700,000	13,000,000
Loans Granted		-
<b><u>Year-end balances</u></b>		
Loans Accepted (Payable)	2,801,000	4,471,000

## SAR AUTO PRODUCTS LIMITED

### NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Previous year's figure have been regrouped/reclassified wherever necessary to confirm with the current year's presentation.

#### 29 Disclosure Pursuant To Accounting Standard - 15 - Employee Benefits

##### 29.1 Defined Contribution Plan

The Company has recognized `1,05,338/- & ` 1,31,770/- in the Statement of Profit & Loss for the year ended 31st March, 2017 & 31st March, 2016 respectively under Defined Contribution Plan.

##### 29.2 Defined Benefit Plan

The following table summaries the component of Net Benefit Expenses recognized in the Statement of Profit & Loss and amounts recognized in the Balance Sheet as per Actuarial Valuation Report.

Particulars	As At 31st March, 2017	As At 31st March, 2016
<b>Net Asset / ( Liability ) Recognized in Balance Sheet</b>		
Present Value of Funded Defined Benefit Obligations	-	-
Fair Value of Plan Assets	-	-
Present Value of Unfunded Obligation	822,405	717,067
Unrecognized Past Service Cost	-	-
Unrecognized Actuarial Loss	-	-
<b>Net Asset / ( Liability ) Recognized in the Balance Sheet</b>	<b>(822,405)</b>	<b>(717,067)</b>
<b>Components of Employer Expenses</b>		
Current Service Cost	106,039	101,121
Adjustment to the Opening Fund	-	-
Interest Cost on Defined Benefit Obligation	49,119	45,068
Expected Return on Plan Assets	-	-
Net Actuarial Loss / ( Gain ) Recognized in year	(49,820)	(14,419)
<b>Expense Recognized in The Statement of Profit &amp; Loss</b>	<b>105,338</b>	<b>131,770</b>
<b>Change in Defined Benefit Obligations - DBO during the year ended</b>		
Opening Defined Benefit Obligation	717,067	585,297
Current Service Cost	106,039	101,121
Interest Cost On Defined Benefit Obligation	49,119	45,068
Other Adjustment	-	-
Actuarial Loss / ( Gain )	(49,820)	(14,419)
Past Service Cost	-	-
Benefits Paid	-	-
<b>Closing Defined Benefit Obligation</b>	<b>822,405</b>	<b>717,067</b>
<b>Principal Actuarial Assumptions</b>		
Discount Rate	6.85%	7.70%
Interest Rate	-	7.70%
Salary Escalation	7.00%	7.00%
Retirement Age	58 Years	58 Years
Attrition - Withdrawal Rates	5% to 1%	5% to 1%
Current Liability	465,431	418,439
Non - Current Liability	356,974	298,628
<b>Net Liability as at 31<sup>st</sup> March, 2017 &amp; 31<sup>st</sup> March, 2016</b>	<b>822,405</b>	<b>717,067</b>

The estimates of rate of escalation in future salary considered in Actuarial Valuation, take into account inflation, seniority, promotion and other relevant factors including supply & demand in the Employment Market. The above information is certified by The Actuary.

## SAR AUTO PRODUCTS LIMITED

### NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Previous year's figure have been regrouped/reclassified wherever necessary to confirm with the current year's presentation.

**30. Segment Reporting**

Based on guiding principles in the Accounting Standard 17 - "Segment Reporting", the primary business segment of the Company is machining of auto components. Further, the surplus money available with the company continues to be deployed under the professional guidance in Fixed Deposits and Shares and securities. The company has started construction business but it is not a reportable segment as per Accounting Standard 17 - "Segment Reporting" due to non fulfillment of the given criterias. Hence as the Company operates in a single primary reportable business segment, disclosure requirements of Accounting Standard 17 - "Segment Reporting", are not applicable.

**31. Contingent Liabilities not provided for**

**NIL**

**32. Foreign Exchange:**

Particulars	As at 31.03.2017	As at 31.03.2016
<b>Earning In Foreign Exchange</b>		
FOB value of exports	3,030,640	5,411,369
<b>Imports</b>		
CIF Value of Imports	-	-
<b>Expenditure in Foreign Exchange</b>		
Professional Fees	-	-

- 33.** The company has written off an amount of ` 8,63,922 being export receivable which has been outstanding since last several years and the management does not foresee receipt of the said amount. The Reserve Bank of India vide its circular RBI/2012-13/435 A.P. (DIR Series) Circular No. 88 permits write-off up to only 5% of export realization in the previous calendar year (i.e. to the extent of ` 8,45,915). Any Amount in excess of this limit will have to be referred to the region office of Reserve Bank of India before writting off such excess amount.

However, the company, having made adequate efforts has failed to realize the outstanding export receivables amounting to ` 8,63,922 and thus Company has written off total amount as bad debts without refering to the regional office of Reserve Bank of India as per the above circular.

- 34.** Estimated amount of Contract remaining to be executed on Capital Accounts and not provided for, net of advance is - NIL ( Previous year - NIL)

## SAR AUTO PRODUCTS LIMITED

### NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Previous year's figure have been regrouped/reclassified wherever necessary to confirm with the current year's presentation.

- 35.** The outstanding balances as at 31.03.2017 in respect of Trade receivables, Trade payables, Loans & Advances and other payables & receivables are subjected to confirmation from respective parties and consequential reconciliation and/ or adjustments arising there from, if any. The Management, however, does not expect any material variation.
- 36.** According to the opinion of the management of the Company the value of realization of Trade & Other Receivables and Loans & Advances given in the ordinary course of business would not be less than the amount at which they are stated in the Balance sheet.

As per our Report of even date

For, ARUN M. KOTHARI  
Chartered Accountant

Arun M. Kothari  
Proprietor  
Membership No. 108669

Ahmedabad, dated 28th April, 2017

For & on behalf of Board of Directors,

Ramesh D. Virani	Issacthomas C. Kavunkal
Managing Director	Director
DIN: 00313236	DIN:02995332

Shreyas R. Virani	Ronak M. Khanvani
Whole-time Director	Secretary
DIN: 00465240	

Rajkot, dated 28<sup>th</sup> April, 2017



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**SAR AUTO PRODUCTS LIMITED**

(CIN: L34100GJ1987PLC010088)

50-E, BHAKTINAGAR, INDS. ESTATE, RAJKOT

Ph: 0281-2374726 Fax No.: +912812376806 Email: sapl@sarautoproducs.com

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**ATTENDENCE FORM**

Name of Shareholder		
Number of Equity Shares held		
Folio No.		
If Demat Shares	DP ID	
	Client ID	

I hereby record my presence at the 30th Annual General Meeting of the Company held at Registered office of the Company situated at 50-E, Bhaktinagar, Inds. Estate, Rajkot-360002 at 11:00 a.m. on Tuesday, September 19, 2017.

.....  
(Name of Member/proxy/Authorized Representative)  
(IN BLOCK LETTERS)

.....  
(Signature of Member/Proxy  
/Authorized Representative)

***Note : Please fill up this attendance slip and hand it over at the entrance of the meeting hall.  
Members are requested to bring their copies of the Annual Report to the AGM.***

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**SAR AUTO PRODUCTS LIMITED**

(CIN: L34100GJ1987PLC010088)

50-E, BHAKTINAGAR, INDS. ESTATE, RAJKOT

Ph: 0281-2374726 Fax No.: +912812376806 Email: sapl@sarautoproducts.com

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**30TH ANNUAL GENERAL MEETING -19<sup>th</sup> September, 2017****Proxy form**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies  
(Management and Administration) Rules, 2014- **Form No. MGT-11**]

Name of the member (s) (In BLOCK LETTERS)			
Registered address (In BLOCK LETTERS)			
E-mail Id		Folio No.	
No. of Shares Held		DP ID Client ID	

I/We, \_\_\_\_\_ being the member (s) of \_\_\_\_\_ Equity shares of the above named company, hereby appoint

Name			
Address			
E-mail Id		Signature	
or failing him			
Name			
Address			
E-mail Id		Signature	
or failing him			
Name			
Address			
E-mail Id		Signature	

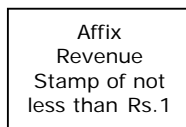
As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 30th Annual General Meeting of the company, to be held on Tuesday, September 19, 2017, at 11:00 a.m. at 50-E, Bhaktinagar, Inds. Estate, Rajkot-360002, and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution Number	Resolution	Vote(Optional See Note 2) Please Mention No. of Shares		
		For	Against	Abstain
<b>ORDINARY BUSINESS</b>				
1	To receive, consider, approve and adopt the Audited Balance Sheet as on 31 <sup>st</sup> March, 2017 and the Profit &Loss Account for the year ended on that date and the reports of the Directors' and the Auditors' there on.			
2	To appoint a Director in place of Shri RameshKumar Durlabhjibhai Virani (DIN 00313236) who retires by rotation and being eligible, offers himself for re-appointment			
3	To appoint Auditors and to fix their remuneration and in this regard to pass, with or without modification(s), the following resolution as an ORDINARY RESOLUTION:  "RESOLVED THAT pursuant to the provisions of section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 M/s J. A. Sheth & Associates, (FRN:119980W), Chartered Accountants, be and are hereby appointed as Statutory auditor of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the Annual General Meeting of the financial year 2021-22, subject to ratification by the shareholders annually, at a remuneration as may be decided by the Chairman in consultation with the Auditors, plus applicable service tax and reimbursement of travelling and out of pocket expenses incurred by them for the purpose of audit."			
<b>SPECIAL BUSINESS</b>				
4	To Consider and if thought fit, to pass with or without Modification(s), the following resolution as SPECIAL RESOLUTION  "RESOLVED THAT Pursuant to Provision of Section 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and subject to approval of Members Shri Rameshkumar Durlabhjibhai Virani Director of the company be and is hereby re-appointed as Managing Director of the company for a period of 5 (five) years w.e.f. 29th September, 2017 liable to retire by rotation on the terms and conditions including Remuneration decided by the Board			

76

	<p>RESOLVED FURTHER THAT Pursuant to provision of section 196 read with schedule V and other applicable provisions of Companies Act, 2013, if any and applicable rules, consent of the Members of the Company be and is accorded to Mr. Rameshbhai D. Virani who is 73 years (i.e more than 70 years) to continue to act as Managing Director of the Company till his term of 5 (five) years expires on 28th September, 2022.</p> <p>RESOLVED FURTHER THAT any one of the Director of the Company be and is hereby authorized to do all such acts, deeds, things and deal with all such matters and take all steps as may be necessary, proper or expedient to give effect to this resolution</p>			
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Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2017.



\_\_\_\_\_  
Signature of shareholder

signature across Revenue stamp

\_\_\_\_\_  
Signature of Proxy holder(s)

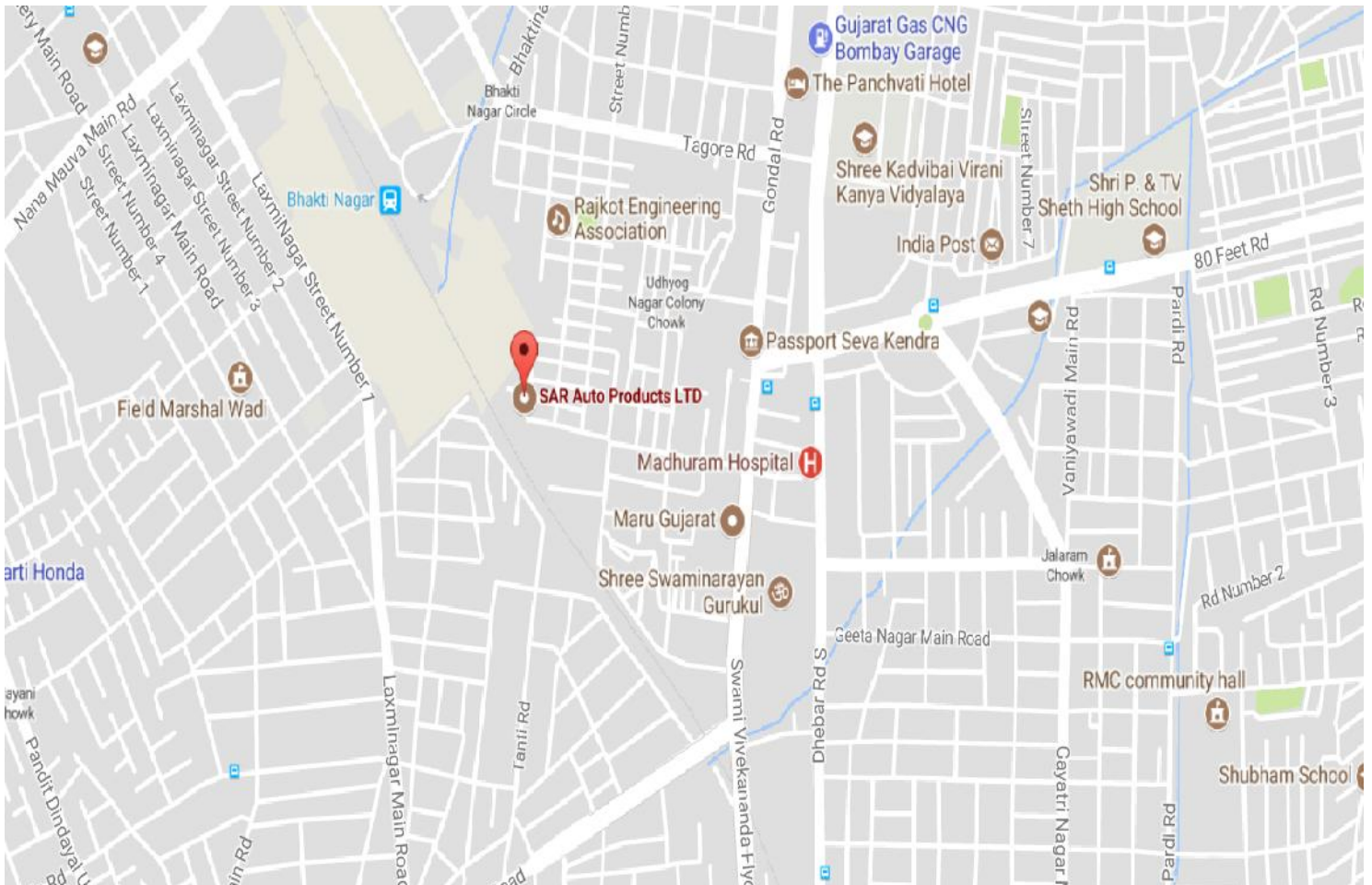
**Note:**

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
- 2 . It is optional to indicate your preference. If you leave the 'for', 'against' or 'abstain' column blank against any or all of the resolutions, your proxy will be entitled to vote in the manner as he/she may deem appropriate.

**For Office Use: Proxy No.**

**Date of Receipt** \_\_\_\_\_

## ROUTE MAP OF SAR AUTO PRODUCTS LIMITEED FOR 30<sup>TH</sup> AGM



SAR AUTO PRODUCTS LIMITEED

50-E BHAKTINAGAR INDS ESTATE

KHOKHADADAD, SADHANA

SOCIETY, BHAKTINAGAR

RAJKOT-360002