



# SAR AUTO PRODUCTS LIMITED

Regd. Off : 50-E, Bhaktinagar Industrial Estate, RAJKOT. (GUJARAT) INDIA Website : [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: 11-08-2019

Respected Sir,

SUB: Submission of 32<sup>nd</sup> Annual Report for the year ended on 31<sup>st</sup> March, 2019 under regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

REF: COMPANY CODE 538992

As per captioned subject, we hereby submit 32<sup>nd</sup> Annual Report for the year ended on 31<sup>st</sup> March, 2019 as per Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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: 32<sup>nd</sup> Annual Report of the Company SAR AUTO PRODUCTS  
LIMITED



*ANNUAL REPORT* 2018-19

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## CORPORATE INFORMATION

### BOARD OF DIRECTORS

Mr. Rameshkumar Durlabhjibhai Virani  
Mr. Shreyas Rameshbhai Virani  
Mr. Issachthomas Charianthomas Kavunkal  
Ms. Aarti Chintan Sodha

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

### KEY MANAGERIAL PERSONNEL

Mr. Rameshkumar Durlabhjibhai Virani  
Mr. Shreyas Rameshbhai Virani  
Mr. Ronak M. Khanvani

Managing Director  
Whole-time Director and CFO  
Company Secretary (upto 4<sup>th</sup> June, 2019)

### STATUTORY AUDITORS

J. A. SHETH & ASSOCIATES  
Chartered Accountants  
507, Aalap -A, Limda Chowk,  
Subhash Road,  
Rajkot-360001.

### SECRETARIAL AUDITOR

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

### REGISTRARS & SHARE TRANSFER AGENT

Link Intime India Private Limited  
5<sup>th</sup> Floor, 506-508,  
Amarnath Business Centre-1,  
(ABC-1), Besides Gala Business Centre,  
Near ST Xavier's College Corner  
Off C G Road, Ellisebridge  
Ahmedabad – 380 006.  
Email: [ahmedabad@linkintime.co.in](mailto:ahmedabad@linkintime.co.in)  
Website: [www.linkintime.co.in](http://www.linkintime.co.in)

### STOCK EXCHANGE DETAILS

BSE  
Script Code: 538992  
ISIN: INE002E01010

### 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 **THIRTY-SECOND (32<sup>nd</sup>) ANNUAL GENERAL MEETING OF THE MEMBERS OF SAR AUTO PRODUCTS LIMITED** (CIN: L34100GJ1987PLC010088) will be held at the Registered Office of the Company at 50-E, Bhaktinagar Inds. Estate, Rajkot-360002 on **WEDNESDAY on 04<sup>TH</sup> SEPTEMBER, 2019 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, 2019 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 Mr. Rameshkumar Durlabhjibhai Virani (DIN: 00313236) who retires by rotation and being eligible, offers himself for re-appointment.

### **SPECIAL BUSINESS:**

3. To Consider and if thought fit, to pass with or without Modification(s), the following resolution as SPECIAL RESOLUTION:
  - Re-appointment of Mr. Issacthomas Charianthomas Kavunkal (DIN: 02995332), as an Independent Director.

“RESOLVED THAT pursuant to the provisions of 149, 152 and any other applicable provisions of the Companies Act, 2013 read with Schedule IV of the Companies Act, 2013 and the Companies (Amendment) Act, 2017 and the rules made there under (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof and pursuant to SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 as amended from time to time, Mr. Issacthomas Charianthomas Kavunkal (DIN: 02995332), who was appointed as an Independent Director w.e.f 30<sup>th</sup> September, 2014 till the conclusion of Annual General Meeting of the financial year 2018-19 and who is eligible for re-appointment and who meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed there under and Regulation 16(1)(b) of SEBI Listing Regulations and who has submitted a declaration to that effect and in respect of whom the Company has received a Notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of five years commencing with effect from September, 04, 2019 till September 03, 2024.”

4. To Consider and if thought fit, to pass with or without Modification(s), the following resolution as SPECIAL RESOLUTION:
  - Re-appointment of Ms. Aarti Chintan Sodha (DIN: 06978954), as an Independent Director.

“RESOLVED THAT pursuant to the provisions of 149, 152 and any other applicable provisions of the Companies Act, 2013 read with Schedule IV of the Companies Act, 2013 and the Companies (Amendment) Act, 2017 and the rules made there under (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof and pursuant to SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 as amended

from time to time, Ms. Aarti Chintan Sodha (DIN: 06978954), who was appointed as an Additional Independent Director on 12<sup>th</sup> September, 2014 in pursuance of Section 161 of Companies Act, 2013 and whose term of office expired at the 27<sup>th</sup> Annual General Meeting and her appointment was regularized at the 27<sup>th</sup> Annual General Meeting to hold office of Independent Director with effect from 12<sup>th</sup> September, 2014 till the conclusion of Annual General Meeting of the financial year 2018-19 and who is eligible for re-appointment and who meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed there under and Regulation 16(1)(b) of SEBI Listing Regulations and who has submitted a declaration to that effect and in respect of whom the Company has received a Notice in writing from a Member under Section 160(1) of the Act proposing her candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of five years commencing with effect from September, 04, 2019 till September 03, 2024.”

#### **Notes:**

1. The relevant Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013 in respect of the special business under item no.03 and 04 is annexed hereto. Brief profile of directors to be re-appointed is attached to this report as Annexure 01 of Board's Report.
2. 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.

The instrument of Proxy in order to be effective and valid, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, Trust, society etc., must be supported by an appropriate resolution/authority, as applicable.

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.

3. 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.
4. The Register of member and Share Transfer Book of the Company will remain closed from 30<sup>th</sup> August, 2019 to 4<sup>th</sup> September, 2019 (Both days inclusive) in connection with the Annual General Meeting.
5. Relevant documents referred to in the accompanying Notice and in the Explanatory Statements are open for Inspection by the Members at the Company's Registered office on all working days(except Saturday, Sundays and Public holidays) between 11:00 a.m. to 1:00 p.m. upto the date of this Annual General Meeting.



6. The notice of AGM along with Annual Report for 2018-19 is being sent to all the members whose name appears in the Register of Members/ list of beneficiaries received from the depositories on the end of 02<sup>nd</sup> August, 2019.
7. 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.
8. The Members/Proxies are requested to produce the attendance slip duly completed and signed at the entrance of the meeting.
9. Shareholders are requested to bring their copies of Annual Report at the meeting.
10. 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., 5<sup>th</sup> Floor, 506-508, Amarnath Business Centre-1, (ABC-1), Besides Gala Business Centre, Near ST Xavier's College Corner, Off C G Road, Ellisebridge Ahmedabad-380006, Ph: 079-26465179, 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.  
In Furtherance, In terms of the amended Regulation 40(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, except in case of transmission or transposition, requests for effecting transfer of securities of listed companies shall not be processed unless the securities are held in dematerialised form with a Depository. In view of the above, members holding shares in physical form are requested to consider converting their holdings to dematerialized form.
11. 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.
12. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. Members are requested to submit the said details to their depository participants ("DPs") in case the shares are held by them in electronic form and to LINK INTIME INDIA PVT. LTD in case the shares are held by them in physical form.
13. 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.
14. The notice of AGM along with Annual Report for 2018-19 is available at the Website of the Company <https://www.sarautoproductsltd.com> and Members can download from the same.
15. Pursuant to provision of section 139 of the Companies Act, 2013, in 31<sup>st</sup> Annual General Meeting convened on 28<sup>th</sup> September, 2018, Members have appointed M/s. J.A. Sheth & Associates, (FRN: 119980W), Chartered Accountants as Statutory Auditor of the Company to hold office for a continuous period of Four years i.e. from 2018-19 till the

conclusion of Annual General Meeting of the Financial year 2021-22. Accordingly, no resolution is being proposed for appointment/ re-appointment of statutory auditors at this 32<sup>nd</sup> AGM.

16. The Company has listed its shares on the BSE Limited. The Listing fees till date have been paid.
17. The Route Map of Venue is printed over here at the end of the Notice (attached herewith separately).
18. 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 32<sup>nd</sup> 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 31<sup>st</sup> August, 2019 at 10:00 a.m. and ends on 03<sup>rd</sup> September, 2019 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 28<sup>th</sup> August, 2019, 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:

- 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</p>



	sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	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. 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).

- 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. Apple 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 [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- 19. 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.
- 20. 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:**

#### **Explanatory Statement Pursuant to Section 102 of the Companies Act, 2013**

##### **For Item No. 3**

Mr. Issacthomas Charianthomas Kavunkal (DIN: 02995332), being eligible, pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 appointed as Independent Director for continuous period of 5 years w.e.f. 30th September, 2014 till the Conclusion of Annual General Meeting for the year 2018-19 after considering his candidature notice from the member of the Company.

In the opinion of the Board, Mr. Issacthomas Charianthomas Kavunkal (DIN: 02995332) fulfils the conditions specified in the Companies Act, 2013 as amended from time to time, and rules made there under for his re-appointment as an Independent Director of the Company and he is independent of the management. Company has received a notice in writing from the Member under the provision of section 160 of the Companies Act, 2013, and proposing his candidature for the second term of five years to hold the office of Independent Director of the Company.

The Company has received a declaration from him to the effect that he meets the criteria of independence as provided in Section 149(6) of the Act and Rules framed there under and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). In the opinion of the Board, he fulfills the conditions specified in the Act and SEBI Listing Regulations for appointment as an Independent Director and is independent of the management of the Company. The terms and conditions of his appointment shall be open for inspection by the Members at the Registered Office of the Company during the normal business hours on any working day and will also be kept open at the venue of the AGM till the conclusion of the AGM.

Mr. Issacthomas Charianthomas Kavunkal (DIN: 02995332) is eligible for re-appointment as Independent Non-Executive Director of the Company. Hence, In terms of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 read with Schedule IV of the Companies Act, 2013 and the Companies (Amendment) Act, 2017 and the rules made there under (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof and pursuant to SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 as amended from time to time, Mr. Issacthomas Charianthomas Kavunkal (DIN: 02995332), being eligible proposed to be re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of five years commencing with effect from September, 04, 2019 till September, 03, 2024.

The Board, based on the performance evaluation, considers that his background, experience and contribution, the continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Issacthomas Charianthomas Kavunkal as an Independent Director.

Accordingly, the Board recommends the resolution to re-appoint Mr. Issacthomas Charianthomas Kavunkal as an Independent Director, for the approval by the shareholders of the Company by way of special resolution.

Except Mr. Issacthomas Charianthomas Kavunkal (DIN: 02995332), being an appointee, none of the Directors and/or Key Managerial Personnel (KMP) of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item no.3.

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

Ms. Aarti Chintan Sodha (DIN: 06978954) being eligible pursuant to Sections 149 and other applicable provisions of the Companies Act, 2013 appointed as Additional Independent Director on September 12, 2014 in pursuance of Section 161 of Companies Act, 2013 and whose term of office expired at the 27<sup>th</sup> Annual General Meeting and her appointment is regularized at 27<sup>th</sup> Annual General Meeting to hold office of Independent Director for the continuous term of 5 years with effect from September 12, 2014 till the Conclusion of Annual General Meeting for the year 2018-19 of the Company.

In the opinion of the Board, Ms. Aarti Chintan Sodha (DIN: 06978954) fulfils the conditions specified in the Companies Act, 2013 as amended from time to time, and rules made there under for her re-appointment as an Independent Director of the Company and she is independent of the management. Company has received a notice in writing from the Member under the provision of section 160 of the Companies Act, 2013, and proposing her candidature for the second term of five years to hold the office of Independent Director of the Company.

The Company has received a declaration from her to the effect that she meets the criteria of independence as provided in Section 149(6) of the Act and Rules framed thereunder and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). In the opinion of the Board, she fulfills the conditions specified in the Act and SEBI Listing Regulations for appointment as an Independent Director and is independent of the management of the Company. The terms and conditions of her appointment shall be open for inspection by the Members at the Registered Office of the Company during the normal business hours on any working day and will also be kept open at the venue of the AGM till the conclusion of the AGM.

Ms. Aarti Chintan Sodha (DIN: 06978954) is eligible for re-appointment as Independent Non-Executive Director of the Company. Hence, In terms of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 read with Schedule IV of the Companies Act, 2013 and the Companies (Amendment) Act, 2017 and the rules made there under (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof and pursuant to SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 as amended from time to time, Ms. Aarti Chintan Sodha (DIN: 06978954), being eligible proposed to be re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of five years commencing with effect from September, 04, 2019 till September, 03, 2024.

The Board, based on the performance evaluation, considers that her background, experience and contribution, the continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Ms. Aarti Chintan Sodha as an Independent Director.

Accordingly, the Board recommends the resolution to re-appoint Ms. Aarti Chintan Sodha as an Independent Director, for the approval by the shareholders of the Company by way of special resolution.

Except Ms. Aarti Chintan Sodha (DIN: 06978954), being an appointee, none of the Directors and/or Key Managerial Personnel (KMP) of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item no.4.

Place: Rajkot

Date: 05<sup>th</sup> August, 2019

By order of Board of Directors

Sar Auto Products Ltd.

Rameshkumar D. Virani  
Chairman and Managing Director  
DIN: 00313236

## BOARD'S REPORT

To  
The Members,

Your Directors have pleasure in presenting the 32<sup>nd</sup> Annual Report of the Company together with the Audited Financial Accounts for the year ended 31<sup>st</sup> March, 2019.

### 1) FINANCIAL SUMMARY AND HIGHLIGHTS:

**(Amt Rs. in Lacs)**

Financial Results	2018-19	2017-18
Income from operations	983.05	695.10
Add : Other Income	31.88	31.94
Total Income	1014.93	727.04
Less : Total Expenditure	834.48	578.68
Profit/(Loss) before Depreciation write off and Interest	180.45	148.36
Less: Interest	12.04	7.21
Less: Depreciation & Amortization Expense	141.40	121.28
Profit /(Loss) before tax	27.01	19.87
Less: Provision for tax:		
Current Tax	5.20	4.00
Prior Period Taxes	0	0
Deferred Tax Assets	(5.92)	3.63
MAT Credit Entitlement	(5.25)	(3.79)
Profit/(Loss) after tax	32.98	16.03

Other Comprehensive Income	(0.22)	0.20
Total Comprehensive Income	32.76	16.23

## **2) REVIEW OF BUSINESS OPERATION AND FUTURE PROSPECTS:**

During the year, the Company has made Net turnover of Rs. 983.05 Lacs in comparison to previous year of Rs. 695.10 and the Company has made Profit of Rs. 32.98 Lacs in comparison to Profit after tax of previous year of Rs. 16.03. Management is working hard and aiming to increase the exports of the Company and looking forward to explore market in the gears and in the wide range of automotive parts. The future of automobile industry is very bright, there will be always increase in demand of Automobiles and this increase in demand leads to increase in automobiles parts, so the future of the Company seems to be bright. Your directors are hopeful for better financial result in coming years. Details related to future prospectus and overview of the business is given in Management Discussion and Analysis Report.

## **3) DIVIDEND:**

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

## **4) CAPTIAL STRUCTURE OF THE COMPANY:**

There is no change in capital structure of your company for the year under Review. Your Company does not have Debt securities.

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

During the year 2018-19, your Company has not made transaction forming part of section 186 of the Companies Act, 2013.

## **6) TRANSFER TO RESERVES:**

The Board of Directors of your company has decided not to transfer any amount to the Reserves for the year under review.

## **7) PARTICULARS RELATING TO HOLDING/SUBSIDIARY/ASSOCIATE COMPANY:**

The Company has no Holding, Subsidiary and Associate Company.

## **8) DEPOSITS:**

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

## **9) PARTICULARS OF CONTRACT OR ARRANGEMENTS MADE WITH RELATED PARTIES:**

Particulars of contracts or arrangements with related parties is carried out at arm's length basis and the details of the same is given in Form AOC-2, appended as **Annexure 03** to the Board's report.

## **10) MAJOR EVENTS OCCURRED DURING THE YEAR**

There has been no major events occurred during the year and there has been no change in the nature of Business.

## **11) 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 RELATES 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.

## **12) 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.

## **13) 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.

## **14) SEGMENT REPORTING:**

As per Indian Accounting Standard 108 'Operating Segment', the Company has reported 'Segment Information', as described below:

- a) The manufacturing Segment includes manufacturing of gears, gear boxes and other transmission components
- b) The construction segment includes business of real estate development

Details of the same is Given in Management Discussion and Analysis Report.

## **15) 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.

## **16) OVERVIEW OF THE INDUSTRY AND OUTLOOK**

The aforesaid details is given in the Management Discussion and Analysis Report.

## **17) MATERIAL ORDERS OF JUDICIAL BODIES /REGULATORS**

There are no significant or material orders passed by the Regulators/Courts/Tribunals that could impact the going concern status of the company and its future operations.

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

The Company is not having any women employee and as such Company is not required to frame a policy on prevention of Sexual Harassment policy of Women at workplace and accordingly not required to frame committee as per the aforesaid Act. However, 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.

**19) PARTICULARS OF EMPLOYEES:**

Disclosures pertaining to remuneration and other details as required under section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given in as **Annexure 04** to Board's report.

**20) 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 given in as **Annexure 02** to Board's Report.

**21) CORPORATE GOVERNANCE & SOME REGULATIONS OF SEBI(LODR),2015: NOT APPLICABLE TO COMPANY:**

Company is having paid up equity share capital of Rs. 4,76,47,400 which is not exceeding Rs.10 crore and Net worth is Rs. 13,16 Crore which is not exceeding Rs.25 crore, as on the last day of the financial year 2018-2019. Hence the provisions of Regulations 17,17A, 18, 19, 20, 21,22, 23, 24, 24A, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C , D and E of Schedule V shall not apply of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, are not applicable to the Company.

Hence, Corporate Governance Report and other details required to be given as per aforesaid Regulations are not presented. However, company will work by considering the base of Corporate Governance.

**22) DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

Mr. 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.

Further, Ms. Aarti Chintan Sodha (DIN: 06978954) and Mr. Issachthomas Charianthomas Kavunkal (DIN: 02995332), being eligible proposed to be re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of five years commencing with effect from September, 04, 2019 till September 03, 2024.

Brief profile of directors to be re-appointed is attached to this Board's report as **Annexure 01**. During the year, there has been no change in Key Managerial Personnel, however Mr. Ronak M. Khanvani, has resigned as Company Secretary and Compliance officer of the Company w.e.f 04<sup>th</sup> June, 2019 and Mr. Skaria Chacko Kolasseril has been designated as Compliance



Officer w.e.f. 04<sup>th</sup> June, 2019. Company is in search of suitable candidate for the appointment of Company Secretary in whole-time employment.

## 23) DECLARATION BY INDEPENDENT DIRECTORS:

Pursuant to the provisions of Section 149 of the Companies Act, the independent directors have submitted declarations that each of them meets the criteria of independence as provided in Section 149(6) of the Act along with Rules framed thereunder and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). There has been no change in the circumstances affecting their status as independent directors of the Company.

During the year under review, the non-executive director and Independent Directors of the Company had no pecuniary relationship or transactions with the Company.

## 24) NUMBER OF MEETINGS OF THE BOARD AND ATTENDANCE:

The Board has met 6 (Six) times during the financial year 2018 -19 on (1) 29-05-2018, (2) 13-08-2018, (3) 03-11-2018, (4) 05-02-2019, (5) 26-02-2019 and (6) 29-03-2019.

Details pertaining to Presence of Board Meetings are presented below:

Sr. No.	Name of Directors Designation as on 31-03-2019	Mr. Rameshkumar D Virani Managing Director	Mr. Shreyas R. Virani Whole-Time Director	Mr. Issacthomas C. Kavunkal Independent Director	Ms. Aarti C. Sodha Independent Woman Director
	Date of Board Meeting				
1	29-05-2018	Present	Present	Present	Present
2	13-08-2018	Present	Present	Present	Present
3	03-11-2018	Present	Present	Present	Present
4	05-02-2019	Present	Present	Present	Present
5	26-02-2019	Present	Present	Present	Present
6	29-03-2019	Present	Present	Present	Present

Separate Meeting of Independent Director:

One meeting of the Independent Director of the Company was held on 01<sup>st</sup> August, 2018 where in Independent directors have evaluated performance of Executive directors and chairman. Details of Previous Annual General Meeting Presence, Last Three years Annual General Meeting, Directorship, Chairmanship and Membership in other Companies are presented hereunder:

Sr. No.	Name of Director	Category	Attendance at Last AGM held on 28-09-2018
1	Mr. Rameshkumar D Virani	NI- E	Yes
2.	Mr. Shreyas R. Virani	NI-E	Yes
3	Mr. Issacthomas C. Kavunkal	IND-NE	Yes
4.	Ms. Aarti C. Sodha	IND-NE	No

NI- Non Independent, NE- Non Executive, IND- Independent, E- Executive

NO. OF OTHER COMPANIES OR COMMITTEES IN WHICH DIRECTOR IS DIRECTOR/CHAIRMAN/MEMBER:

No.	Name of Director	No. of other Directorship	Membership in the Committee of other Company	Chairmanship At the Committee of other Company
1	Mr. Rameshkumar D Virani	Nil	Nil	Nil
2	Mr. Shreyas R. Virani	Nil	Nil	Nil
3	Mr. Issacthomas C. Kavunkal	Nil	Nil	Nil
4	Ms. Aarti C. Sodha	Nil	Nil	Nil

**GENERAL BODY MEETING:**

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

Financial Year	Location	Date	Day	Time
2015-2016	50 E, Bhaktinagar Industrial Estate, Rajkot – 360 002	29 <sup>th</sup> September, 2016	Thursday	11.00 A. M.
2016-2017	50 E, Bhaktinagar Industrial Estate, Rajkot – 360 002	19 <sup>th</sup> September, 2017	Tuesday	11.00 A. M.
2017-2018	50 E, Bhaktinagar Industrial Estate, Rajkot – 360 002	28 <sup>th</sup> September, 2018	Friday	11.00 A. M.

Whether Special Resolution Passed: Yes- as mentioned below:

- Special Resolution was passed in the 30<sup>th</sup> Annual General Meeting convened on 19<sup>th</sup> September, 2017 for Re –appointment of Mr. Rameshbhai Virani for further period of 5 years and whose age was more than 70 years. Company has provided E-voting facility for the 30<sup>th</sup> Annual General Meeting convened on 19<sup>th</sup> September, 2017

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

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

## **25) 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 Nomination & Remuneration policy and disclosed in the website of the Company.

## **26) 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 and Nomination and remuneration committee.

Observations of board evaluation carried out for the year	:	NIL
Previous year's observations and actions taken	:	NIL
Proposed actions based on current year observations	:	NOT REQUIRED

## **27) COMMITTEES OF THE BOARD:**

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

### **1. 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

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

#### **(II) BRIEF TERMS OF REFERENCE:**

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

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

Four (4) Meetings of Audit Committee were held during financial year 2018-19 on 21-05-2018, 10-08-2018, 03-11-2018 and 05-02-2019 and all members were present at the meetings.

All the recommendations of Audit Committee have been accepted by the Board of Directors of the Company.

## **2. 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. Mr. Issachthomas C. Kavunkal | - Chairman - Non Executive Independent Director |
| 2. Ms. Aarti C. Sodha           | - Member - Non Executive Independent Director   |
| 3. Mr. Rameshkumar D. Virani    | - Member - Executive Director                   |

### (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.
- (d) Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.
- (e) Devising a policy on diversity of Board of Directors.

Details of remuneration paid:

- 1. Mr. Shreyas R. Virani, Whole-Time Director was paid Rs.10,55,964 as Managerial remuneration during the year 2018-19.

2. Mr. Rameshbhai D. Virani, Managing Director was paid Rs.11,61,552 as Managerial remuneration during the year 2018-19.

No sitting fees and no other payments were made to any Non Executive and Independent Directors of the Company.

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

Three(3) meetings of the Nomination and Remuneration Committee were held during the financial year 2018-19 on 21-05-2018, 01-08-2018 and 11-02-2019 and all the members were present.

### **3. STAKEHOLDERS RELATONSHIP 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. Mr. Issacthomas C. Kavunkal - Chairman - Non Executive Independent Director
2. Mr. Shreyas R. Virani - Member - Executive Director
3. Mr. Ramesh D. Virani - Member - Executive Director

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

During the year 2018-19, Two (2) Committee meeting was held on 09-04-2018 and 11-02-2019 all members have attended the meeting.

### **4. CORPORATE SOCIAL RESOPONSIBILIY 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 is framed voluntary.)

#### I. COMPOSITION OF THE COMMITTEE:

The Committee comprises the following Directors as members

1. Mr. Ramesh D. Virani - Chairman - Executive Director
2. Mr. Shreyas R. Virani - Member - Executive Director
3. Mr. IssacThomas C. Kavunkal - Member Non Executive Independent Director

## 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.

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

During the year 2018-19 the Committee met one (1) time on 09-04-2018 and all the members have attended the meeting.

## **5. RISK MANAGEMENT COMMITTEE**

### I. COMPOSITION OF THE COMMITTEE:

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

- 1. Mr. Shreyas R. Virani - Chairman- Executive Director
- 2. Mr. Ramesh D. Virani - Member - Executive Director
- 3. Mr. IssacThomas C. Kavunkal - Member - Non Executive Independent Director

### (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.

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

During the year 2018-19 the Committee met one(1) time on 21-05-2018 and all the members have attended the meeting.

## **28) DIRECTORS RESPONSIBILITY STATEMENT:**

In accordance with the provisions of Section 134(3)(C) and 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 Indian accounting standards had been followed along with proper explanation relating to material departures;
- 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.

## **29) STATEMENT FOR COMPLIANCE OF APPLICABLE SECRETARIAL STANDARDS:**

We the Directors of the Company hereby states the Company has complied all applicable Secretarial Standards to the extend its applicable.

## **30) AUDITORS AND AUDITORS' REPORT:**

### **STATUTORY AUDITORS**

Pursuant to provision of section 139 of the Companies Act, 2013, in 31<sup>st</sup> Annual General Meeting convened on 28<sup>th</sup> September, 2018, Members have appointed M/s. J.A. Sheth & Associates, (FRN: 119980W), Chartered Accountants as Statutory Auditor of the Company to hold office for a continuous period of Four years i.e. from 2018-19 till the conclusion of Annual General Meeting of the Financial year 2021-22 and M/s. J.A. Sheth & Associates is eligible to continue to act as Statutory auditor of the Company till the Conclusion of Annual General Meeting of the Financial year 2021-22.

### **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. No fraud has been reported by the Auditors under section 143(12) of the Companies Act, 2013 requiring disclosure in the Board's Report.

### **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 2018-19.

### **SECRETARIAL AUDITORS' REPORT:**

The Secretarial Audit Report for the financial year ended March 31, 2019 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. FM MR-3 is attached in this report as **Annexure 05**.

## **31) 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.

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.



### **32) 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 06** and attached to this report.

### **33) EXTRACT OF ANNUAL RETURN:**

The extract 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 07** and is attached to this Report.

### **34) RISK MANAGEMENT:**

The Company has identified the key risks area which may affect the business goals and periodically revisits the relevance of the identified risks and progress of the mitigation plans undertaken. The Audit Committee is responsible for monitoring and reviewing the risk management plan and ensuring its effectiveness. The Audit committee has additional oversight in area of financial risks and controls.

### **35) WHISTLE BLOWER POLICY (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. 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.

### **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: 05<sup>th</sup> August, 2019

For and on Behalf of

Sar Auto Products Ltd

Rameshkumar D. Virani  
Chairman and Managing Director  
DIN: 00313236

**ANNEXURE -01****BRIEF PROFILE OF THE DIRECTORS SEEKING RE-APPOINTMENT IN FORTHCOMING ANNUAL GENERAL MEETING:**

Name of Director	Mr. Rameshkumar D. Virani	Mr. Issacthomas C. Kavunkal	Ms. Aarti C. Sodha
DIN:	00313236	02995332	06978954
Date of Birth	13-03-1944	24-05-1959	14-03-1986
Date of Appointment	14-01-2005	01-03-2010 Re-appointed on 30-09-2014 as Independent director	12-09-2014
Expertise in Specific functional area	Administration	Finance	Finance & Management
Experience	26 Years	19 years	5 years
Number of Meetings of the Board attended during the year	06	06	06
List of public companies in which Directorship held (other than this company)	NIL	NIL	NIL
Chairman/Member of the committees of the Company	Chairman- 1 Member- in 4 Committees	Chairman- 3 Member- in 5 Committees	Member- in 2 Committees
Chairman/Member of the committees of Directors of other Companies	--	--	--
Shareholding in SAR AUTO PRODUCTS LIMITED	22.97%	0.00%	0.00%
Relationship between director Inter -se	Father of Mr. Shreyas R. Virani, Whole-Time Director of the Company	None	None
Terms and Condition of appointment	As per Nomination and Remuneration Policy of the Company as displayed on the Company's Website.		

Place: Rajkot

Date: 05<sup>th</sup> August, 2019

For and on Behalf of

Sar Auto Products Ltd

Rameshkumar D. Virani  
Chairman and Managing Director  
DIN: 00313236

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

### OVERALL REVIEW OF PERFORMANCE OF COMPANY:

Company manufactures auto components comprising of automobile parts, Synchronizer Rings, Cones, Sleeves and Hubs 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 and we can manufacture machined parts upto 480mm dia.

We produce gears conforming to German specification DIN 7 to DIN 9 class of accuracy. We are certified to ISO 9001:200 quality system requirements, from TUV Suddeusch land, in the year 2008.

During the year 2018-19 there is Increase in Production. In this year there is Production of 1,59,127 (nos.) parts as compared to last year production of 88,707 (nos.) auto parts components. In terms of Turnover the company has achieved the net turnover of Rs. 9,83,05,285/-. The overall Review highlighted below:

Particulars	Year: 2018-2019	Year: 2017-2018
Export Sales	NIL	34,02,457
Domestic Sales	9,83,05,285	4,82,59,953
Total Sales	9,83,05,285	5,16,62,410
Other Income	31,88,489	31,93,627
Earnings Per Share	0.69	0.34

### INDUSTRY STRUCTURE AND DEVELOPMENTS:

#### AUTO COMPONENTS INDUSTRY IN INDIA IN THE YEAR 2018-19

The Indian auto-components industry has experienced healthy growth over the last few years. The auto-components industry accounts for 2.3 per cent of India's Gross Domestic Product (GDP) and employs as many as 1.5 million people directly and indirectly each. A stable government framework, increased purchasing power, large domestic market, and an ever increasing development in infrastructure have made India a favorable destination for investment.

#### Market Size

The Indian auto-components industry can be broadly classified into the organised and unorganised sectors. The organised sector caters to the Original Equipment Manufacturers (OEMs) and consists of high-value precision instruments while the unorganised sector comprises low-valued products and caters mostly to the aftermarket category.

According to the Automotive Component Manufacturers Association of India (ACMA), the Indian auto-components industry is expected to register a turnover of US\$ 100 billion by 2020 backed by strong exports ranging between US\$ 80- US\$ 100 billion by 2026.

## Indian Auto Components Industry Analysis



(Source: <https://www.ibef.org/industry/autocomponents-india.aspx>)

### SEGMENT WISE PERFORMANCE

Segment Reporting for the year ended on 31<sup>st</sup> March, 2019

[Amount in Rs.]

Particulars		BUSINESS SEGMENTS			
		Manufacturing	Construction	Unallocable	Total
<b>1. Segment Revenue</b>					
External Turnover		98,305,285	-	-	98,305,285
Inter-Segment Turnover		-	-	-	-
<b>Gross Turnover</b>		98,305,285	-	-	98,305,285
Less: Excise Duty		-	-	-	-
<b>Net Turnover</b>		<b>98,305,285</b>	-	-	<b>98,305,285</b>
<b>2. Segment Result before Interest and Taxes</b>		<b>716,103</b>	-		716,103
Less: Interest Expense		-	-	(1,204,017)	(1,204,017)
Add: Other Income		-	-	3,188,489	3,188,489
<b>Profit Before Tax [PBT]</b>		<b>716,103</b>	-	<b>1,984,472</b>	<b>2,700,575</b>
Less: Net Current tax		-	-	(5,165)	(5,165)
Deferred tax		-	-	(592,686)	(592,686)
Prior Year Tax		-	-	-	-
<b>Profit After Tax [PAT]</b>		<b>716,103</b>	-	<b>2,582,323</b>	<b>3,298,426</b>
<b>3. Other Information</b>					
Segment Assets		151,948,994	2,030,706	-	153,979,700
Segment Liabilities		153,979,700	-	-	153,979,700

## **OUTLOOK:**

The rapidly globalizing world is also opening up newer avenues for the transportation industry, especially while it makes a shift towards electric, electronic and hybrid cars, which are deemed more efficient, safe and reliable modes of transportation. Over the next decade, this will lead to newer verticals and opportunities for auto-component manufacturers, who would need to adapt to the change via systematic research and development.

Company is monitoring the present style of auto parts used and analyzing future development requirements in auto parts based on the new innovation taking place in automobile industry. Company is also focusing to give best quality so as it can increase the exports of the same. With the best of technical expertise, financial acumen, marketing experience and managerial skills at hand, we look forward to explore the export market in the gears and in the wide range of automotive parts.

The Indian auto-components industry is set to become the third largest in the world by 2025. Indian auto-component makers are well positioned to benefit from the globalisation of the sector as exports potential could be increased by up to US\$ 30 billion by 2021E and with the growth of Indian auto Component Industry, there will be growth of our Company too.

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

### **OPPORTUNITIES**

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.

### **THREATS, RISK AND CONCERN**

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. There are various Risk factors such as Changes in Government Policies and Regulations, Fluctuation in Foreign Exchange Rates, Prices of Raw materials, Competition, Volatile in Automobile Industry, Manpower. The Company is trying to overcome/minimize it by taking certain steps, which are in hand of company.

Besides this, Companies Internal Risk, Credit Risk, Liquidity Risk, Maturities of Financial Liabilities, Interest rate risk and the details of the same has been given in Notes Forming Part of Financial Statements

## **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.

#### **DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE :**

The Company has achieved its commercial production of 1,59,127 and the Net turnover of Rs. 9,83,05,285/- in the Financial year 2018-19. In this year, company has earned Profit of Rs. 32.76 lacs as compared to last year's profit of Rs. 16.03 lacs. Details of the performance are disclosed in the financial statement.

#### **HUMAN RESOURCE AND DEVELOPMENT:**

There has been no material development on the Human Resource/ Industrial Relations Front during the year. The Company always has adopted positive approach towards human relation development. Industrial relations remained cordial throughout the year and there was no incidence of strike, lock-out, etc.

#### **DETAILS OF SIGNIFICANT CHANGES (I.E. CHANGE OF 25% OR MORE AS COMPARED TO THE IMMEDIATELY PREVIOUS FINANCIAL YEAR) IN KEY FINANCIAL RATIOS, ALONG WITH DETAILED EXPLANATIONS:**

There are no significant changes i.e. change of 25% or more as compared to the immediately previous financial year in key financial ratios.

#### **DETAILS OF ANY CHANGE IN RETURN ON NET WORTH AS COMPARED TO THE IMMEDIATELY PREVIOUS FINANCIAL YEAR ALONG WITH A DETAILED EXPLANATION THEREOF:**

The Networth of the Company as on 31<sup>st</sup> March, 2019 is 13,16,32,958 in comparison to previous year of Rs. 12,84,23,420. The change in Net Worth is due to Increase in the Surplus of the Company.

#### **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.

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: 05<sup>th</sup> August, 2019

For and on Behalf of

Sar Auto Products Ltd

Rameshkumar D. Virani  
Chairman and Managing Director  
DIN: 00313236

**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	Rameshkumar D. Virani	KMP	Directors Salary & Perks	1161552
			Loan Accepted	0
			Loan Repaid	0
2	Shreyas R. Virani	KMP	Directors Salary & Perks	1055964
			Loan Accepted	12500000
			Loan Repaid	12900000

*Note: Date of approval by the Board for aforesaid transactions is 29<sup>th</sup> May, 2018.*

Place: Rajkot

Date: 05<sup>th</sup> August, 2019

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 Rs. 4,73,823.00.  
Managing Director: Mr. Rameshkumar D. Virani: ratio is 1.67 times  
Whole Time Director: Mr Shreyas R. Virani : ratio is 1.51 times
- (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 managing Director, Chief Financial Officer, and Company Secretary.



- (c) The percentage increase in the median remuneration of employees in the financial year:  
There is no increase in the median remuneration of employee.
- (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 remuneration of employees as well as in the Managerial Remuneration and such this point is not applicable.
- (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**

S r. N o.	Employee Name	Designation	Educational Qualification	Age	Experience (In Years)	Date of joining	Gross Remuneration Paid (For the year 18-19)	Previous employment	Relative of any director/ Manager (yes/no) if yes then name of such director and Manager
1	Rameshkumar D. Virani	Chairman & Managing Director	Diploma Holder In Business Studies	75	37	14/01/2005	1161552.00	Mahindra SAR Transmission Pvt. Ltd.	Father Of Shreyas Virani
2	Shreyas Virani	Whole Time Director	B.Com	49	27	14/04/2007	1055964.00	Mahindra SAR Transmission Pvt. Ltd.	Son Of Ramesh Virani
3	Skaria Chacko	DGM – Sales	B.Com	44	17	01/06/2016	338114.00	Mahindra SAR Transmission Pvt. Ltd.	--
4	Rameshbhai Virsodiya	DGM – Administration	B.Com	54	22	01/09/2013	135708.00	Mahindra SAR Transmission Pvt. Ltd.	--

Place: Rajkot

Date: 05<sup>th</sup> August, 2019

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 31<sup>ST</sup> MARCH, 2019  
*[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 31<sup>st</sup> March, 2019, 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 31<sup>st</sup> March, 2019, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder and further amendments thereto and as per applicability to the company;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA'), Securities Contracts (Regulation) Amendment Act, 2007 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 there under 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 and amendments thereto;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and amendments thereto;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **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 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **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 issued any 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, 2018; **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 Agreements as per SEBI (Listing of Obligations and Disclosure Requirement) Regulations, 2015 entered into by the Company with Stock Exchange to the extent its applicable to the Company;

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 Composition of Nomination and Remuneration Committee. No changes took place in the composition of the Board of Directors during the period under review. However, Mr. Shreyas R. Virani, re-appointed as Whole-Time director of the Company for a period of 5 years w.e.f 30<sup>th</sup> September, 2018 with the approval of the Members of the Company at the 31<sup>st</sup> Annual General Meeting convened on 28<sup>th</sup> September, 2018.

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 Heads 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 : 05<sup>th</sup> August, 2019

Kalpesh P. Rachchh  
Proprietor  
FCS No.5156  
C P No.: 3974

**ANNEXURE TO SECRETARIAL AUDIT REPORT**

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

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

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express as opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records.
3. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
5. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
6. The compliance of the provisions of Corporate and other applicable laws, Rules, Regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
7. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

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

Place : Rajkot  
Date : 05<sup>th</sup> August, 2019

Kalpesh P. Rachchh  
Proprietor  
FCS No. : 5156  
C P No.: 3974

**CONSERVATION OF ENERGY, RESERARCH 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>2018-19</b>	<b>2017-18</b>
<b>a) Electricity</b>		
Purchased (KWH)	379864	314326
Total Amount	2589492.26	2306604.02
Average Rate Rs.	6.82 / Units	7.34 / 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: NIL  
(ii) Total foreign Exchange outgo during the year: Rs. 27,37,045

Place: Rajkot  
Date: 05<sup>th</sup> August, 2019

For and on Behalf of  
Sar Auto Products Ltd

Rameshkumar D. Virani  
Chairman and Managing Director  
DIN: 00313236

**Form No. MGT-9**

EXTRACT OF ANNUAL RETURN as on the financial year ended on 31/03/2019  
[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 5 <sup>th</sup> Floor, 506-508,Amarnath Business Centre-1, (ABC-1), Beside Gala Business Centre, Nr. St. Xavier's College Corner, Off C G Road, Ellisebridge, Ahemdabad-380006 Ph: 079-26465179 Email: <a href="mailto:ahmedabad@linkintime.co.in">ahmedabad@linkintime.co.in</a> Website: <a href="http://www.linkintime.co.in">www.linkintime.co.in</a>

**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 Parts and Accessories of Bodies for Motor Vehicles	29302	100.00

\*Code No. Given as per National Industrial Classification [All Economic Activities] 2008

### 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
Shareholders	Demat	Physical	Total	% of total	Demat	Physical	Total	% of total	year
				shares				shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual /HUF	3354735	0	3354735	70.4075	3556866	0	3556866	74.6497	4.2422
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)	3354735	0	3354735	70.4075	3556866	0	3556866	74.6497	4.2422
<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)	3354735	0	3354735	70.4075	3556866	0	3556866	74.6497	4.2422
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	4.6260	220417	0	220417	4.6260	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	4.6260	220417	0	220417	4.6260	0
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	194323	1000	195323	4.0993	151337	1000	152337	3.1972	-0.9021
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	28758	21300	50058	1.0506	17427	19100	36527	0.7666	-0.2840
ii) Individual Shareholders holding nominal share Capital in excess of Rs. 1.00 Lacs	744843	0	744843	15.6324	594362	0	594362	12.4742	-3.1582
c) Others (Specify)									
- HUF	656	0	656	0.0138	156	0	156	0.0033	-0.0105
- NRI (Non Repat)	1006	0	1006	0.0211	14	0	14	0.0033	-0.0208
- NRI (Repat)	196989	0	196989	4.1343	197060	0	197060	4.1358	0.0015
- Clearing Member	713	0	713	0.0150	7001	0	7001	0.1469	0.1319
Sub Total (B)(2):-	1167288	22300	1189588	24.9665	967357	20100	987457	20.7243	-4.2422

Total Public Shareholding									
(B)=(B)(1)+	1387705	22300	1410005	29.5925	1187774	20100	1207874	25.3503	-4.2422
(B)(2)									
C. Shares Held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
GrandTotal	4742440	22300	4764740	100.00	4744640	20100	4764740	100.00	0.00
(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 Shareholding 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	18.3118	0	872510	18.3118	0	0.0000
2	RAMESHBHAI D. VIRANI	1094480	22.9704	0	1094480	22.9704	0	0.0000
3	URVI S. VIRANI	824100	17.2958	0	1026231	21.5380	0	4.2422
4	SHREYAS VIRANI	563645	11.8295	0	563645	11.8295	0	0.0000
	Total	3354735	70.4075	0	3556866	74.6497	0	4.2422

## 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	563645	11.8295	563645	11.8295
	No changes during the year	0	0.0000	0	0.0000
	At the End of the Year	563645	11.8295	563645	11.8295
2	RAMESHBHAI D. VIRANI				
	At the Beginning of the year	1094480	22.9704	1094480	22.9704
	No changes during the year	0	0.0000	0	0.0000
	At the End of the Year	1094480	22.9704	1094480	22.9704

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
3	RAJESHREE R VIRANI				
	At the Beginning of the year	872510	18.3118	872510	18.3118
	No changes during the year	0	0.0000	0	0.0000
	At the End of the Year	872510	18.3118	872510	18.3118
4	URVI S. VIRANI				
	At the Beginning of the year	824100	17.2958	824100	17.2958
	Add: Purchase/Transfer of Shares on 01-02-2019	202131	4.2422	1026231	21.5380
	At the End of the Year	1026231	21.5380	1026231	21.5380

iv)	<b>Shareholding Pattern of Top Ten Shareholders</b> (Other than Directors, Promoters & Holders of GDRs & ADRs)
-----	---

Sr. No.	Name of Top Ten 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	PRAMOD HAPANI				
	At the Beginning of the year	226480	4.7532	226480	4.7532
	Change during the year	0	0.0000	226480	4.7532
	At the end of the year	226480	4.7532	226480	4.7532
2	GUJARAT STATE FINANCIAL INSTITUTION				
	At the Beginning of the year	220417	4.6260	220417	4.6260
	Changes During the year	0	0	220417	4.6260
	At the end of the year	220417	4.6260	220417	4.6260
3	CHIRAG RAJENDRABHAI KOTHARI				
	At the Beginning of the year	196984	4.1342	196984	4.1342
	Changes During the year	0	0.0000	196984	4.1342
	At the end of the year	196984	4.1342	196984	4.1342
4	MATALIA STOCK BROKING PVT LTD.				
	At the Beginning of the year	183060	3.8420	183060	3.8420
	Add: Purchase/Transfer on 06-04-2018	403	0.0085	183463	3.8504

	Add: Purchase/Transfer on 13-04-2018	130	0.0027	183593	3.8532
	Less: Sale/Transfer on 20-04-2018	(1070)	0.0225	182523	3.8307
	Add: Purchase/Transfer on 27-04-2018	3607	0.0757	186130	3.9064
	Add: Purchase/Transfer on 04-05-2018	6763	0.1419	192893	4.0483
	Add: Purchase/Transfer on 11-05-2018	2357	0.0495	195250	4.0978
	Add: Purchase/Transfer on 18-05-2018	1334	0.0280	196584	4.1258
	Add: Purchase/Transfer on 25-05-2018	554	0.0116	197138	4.1374
	Add: Purchase/Transfer on 01-06-2018	1644	0.0345	198782	4.1719
	Add: Purchase/Transfer on 08-06-2018	7	0.0001	198789	4.1721
	Less: Sale/Transfer on 15-06-2018	(8553)	0.1795	190236	3.9926
	Add: Purchase/Transfer on 22-06-2018	76	0.0016	190312	3.9942
	Add: Purchase/Transfer on 30-06-2018	549	0.0115	190861	4.0057
	Add: Purchase/Transfer on 06-07-2018	173	0.0036	191034	4.0093
	Less: Sale/Transfer on 13-07-2018	(10158)	-0.2132	180876	3.7961
	Add: Purchase/Transfer on 20-07-2018	245	0.0051	181121	3.8013
	Add: Purchase/Transfer on 27-07-2018	879	0.0184	182000	3.8197
	Less: Sale/Transfer on 03-08-2018	(16044)	0.3367	165956	3.4830
	Add: Purchase/Transfer on 10-08-2018	501	0.0105	166457	3.4935
	Add: Purchase/Transfer on 17-08-2018	83	0.0017	166540	3.4953
	Add: Purchase/Transfer on 24-08-2018	611	0.0128	167151	3.5081
	Less: Sale/Transfer on 31-08-2018	(8248)	0.1731	158903	3.3350
	Add: Purchase/Transfer on 07-09-2018	54	0.0011	158957	3.3361
	Add: Purchase/Transfer on 14-09-2018	205	0.0043	159162	3.3404
	Add: Purchase/Transfer on 21-09-2018	103	0.0022	159265	3.3426
	Add: Purchase/Transfer on 29-09-2018	174	0.0037	159439	3.3462
	Add: Purchase/Transfer on 05-10-2018	66	0.0014	159505	3.3476
	Add: Purchase/Transfer on 12-10-2018	190	0.0040	159695	3.3516
	Add: Purchase/Transfer on 19-10-2018	459	0.0096	160154	3.3612
	Less: Sale/Transfer on 26-10-2018	(107)	0.0022	160047	3.3590
	Add: Purchase/Transfer on 02-11-2018	502	0.0105	160549	3.3695

	Add: Purchase/Transfer on 09-11-2018	202	0.0042	160751	3.3738
	Add: Purchase/Transfer on 16-11-2018	155	0.0033	160906	3.3770
	Add: Purchase/Transfer on 23-11-2018	55	0.0012	160961	3.3782
	Add: Purchase/Transfer on 30-11-2018	140	0.0029	161101	3.3811
	Add: Purchase/Transfer on 07-12-2018	80	0.0017	161181	3.3828
	Add: Purchase/Transfer on 14-12-2018	60	0.0013	161241	3.3840
	Add: Purchase/Transfer on 21-12-2018	105	0.0022	161346	3.3862
	Less: Sale/Transfer on 28-12-2018	(7500)	0.1574	153846	3.2288
	Add: Purchase/Transfer on 04-01-2019	106	0.0022	153952	3.2311
	Add: Purchase/Transfer on 11-01-2019	30	0.0006	153982	3.2317
	Add: Purchase/Transfer on 18-01-2019	25	0.0005	154007	3.2322
	Add: Purchase/Transfer on 25-01-2019	65	0.0014	154072	3.2336
	Add: Purchase/Transfer on 01-02-2019	35	0.0007	154107	3.2343
	Add: Purchase/Transfer on 08-02-2019	35	0.0007	154142	3.2351
	Add: Purchase/Transfer on 15-02-2019	25	0.0005	154167	3.2356
	Add: Purchase/Transfer on 22-02-2019	45	0.0009	154212	3.2365
	Add: Purchase/Transfer on 01-03-2019	50	0.0010	154262	3.2376
	Add: Purchase/Transfer on 08-03-2019	35	0.0007	154297	3.2383
	Add: Purchase/Transfer on 15-03-2019	45	0.0009	154342	3.2393
	Less: Sale/Transfer on 29-03-2019	(6915)	0.1451	147427	3.0941
	At the end of the year	147427	3.0941	147427	3.0941
5	HARSHA HAPANI				
	At the Beginning of the year	113920	2.3909	113920	2.3909
	Change during the year	0	0.00	113920	2.3909
	At the end of the year	113920	2.3909	113920	2.3909
6	MINAL RAJENDRABHAI KOTHARI				
	At the Beginning of the year	58600	1.2299	58600	1.2299
	Add: Purchase/Transfer on 22-06-2018	8750	0.1836	67350	1.4135
	Add: Purchase/Transfer on 05-10-2018	19700	0.4135	87050	1.8270
	Add: Purchase/Transfer on 01-03-2019	7500	0.1574	94550	1.9844
	At the end of the year	94550	1.9844	94550	1.9844

7	RAJENDRA HIRALAL KOTHARI				
	At the Beginning of the year	76900	1.6139	76900	1.6139
	Add: Purchase/Transfer on 24-08-2018	16700	0.3505	93600	1.9644
	At the end of the Year	93600	1.9644	93600	1.9644
8	SKARIA CHACKO KOLASSERIL				
	At the Beginning of the year	50251	1.0546	50251	1.0546
	Changes during the year	0	0.0000	0	0.0000
	At the end of the year	50251	1.0546	50251	1.0546
9	CHINTAN HARESHBHAI SODHA				
	At the Beginning of the year	16562	0.3476	16562	0.3476
	Less: Sale/Transfer as on 01-06-2018	(1000)	0.0201	15562	0.3266
	At the end of the year	15562	0.3266	15562	0.3266
10	PRUDENT BROKING SERVICES PRIVATE LIMITED				
	At the Beginning of the year	0	0.0000	0	0.0000
	Add: Purchase/Transfer as on 15-06-2018	8750	0.1836	8750	0.1836
	Less: Sale/Transfer as on 22-06-2018	(8750)	0.1836	0	0.0000
	Add: Purchase/Transfer as on 13-07-2018	10700	0.2246	10700	0.2246
	Add: Purchase/Transfer as on 03-08-2018	16700	0.3505	27400	0.5751
	Less: Sale/Transfer as on 24-08-2018	(16700)	0.3505	10700	0.2246
	Add: Purchase/Transfer as on 31-08-2018	9000	0.1889	19700	0.4135
	Less: Sale/Transfer as on 05-10-2018	(19700)	0.4135	0	0.0000
	Add: Purchase/Transfer as on 28-12-2018	7500	0.1574	7500	0.1574
	Less: Sale/Transfer as on 29-03-2019	(540)	0.0113	6960	0.1461
	At the end of the year	6960	0.1461	6960	0.1461
11	TEJAS HAPANI				
	At the Beginning of the year	202131	4.2422	202131	4.2422
	Less: Sale/Transfer as on 01-02-2019	202131	4.2422	0	0.0000
	At the end of the year	0	0.0000	0	0.0000

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

Sr. No.	Name of Directors & KMP	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	1094480	22.9704	1094480	22.9704
	Changes during the year	0	0.0000	0	0.0000
	At the End of the Year	1094480	22.9704	1094480	22.9704
2	SHREYAS VIRANI				
	At the Beginning of the year	563645	11.8295	563645	11.8295
	Changes during the year	0	0.0000	0	0.0000
	At the End of the Year	563645	11.8295	563645	11.8295
3	ISSACTHOMAS C. KAVUNKAL				
	At the Beginning of the year	0	0.0000	0	0.0000
	Changes during the year	0	0.0000	0	0.0000
	At the End of the year	0	0.0000	0	0.0000
4	MRS. AARTI C. SODHA				
	At the Beginning of the year	0	0.0000	0	0.0000
	Changes during the year	0	0.0000	0	0.0000
	At the End of the year	0	0.0000	0	0.0000
5	RONAK M. KHANVANI(CS -KMP)				
	At the Beginning of the year	0	0.0000	0	0.0000
	Changes during the year	0	0.0000	0	0.0000
	At the End of the year	0	0.0000	0	0.0000

## V. INDEBTEDNESS

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

(Amount in Rs.)

	Secured Loan excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the Financial year</b>				
i) Principal Amount	14,29,750	96,78,292	0.00	1,11,08,042
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
<b>Total (i+ii+iii)</b>	<b>14,29,750</b>	<b>96,78,292</b>	<b>00.00</b>	<b>1,11,08,042</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	0.00	0.00	0.00	0.00
Reduction	0.00	27,63,604	0.00	27,63,604
<b>Net Change</b>	<b>0.00</b>	<b>27,63,604</b>	<b>0.00</b>	<b>(27,63,604)</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	14,29,750	69,14,688	0.00	83,44,438
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
<b>Total (i+ii+iii)</b>	<b>14,29,750</b>	<b>69,14,688</b>	<b>0.00</b>	<b>83,44,438</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			
	(a) Salary as per Provisions contained in Section 17(1) of the of the Income Tax Act, 1961	1161552.00	1055964.00	2217516.00
	(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			84.00 Lacs

**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	N.A. as not given	N.A. as not given	N.A. as not given

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

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, 2019.

Place: Rajkot

Date: 05<sup>th</sup>August, 2019

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 of

**SAR AUTO PRODUCTS LIMITED**

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS****OPINION**

We have audited the financial statements of **Sar Auto Products Limited** ("the Company"), which comprise the balance sheet as at 31<sup>st</sup> March 2019, and the statement of Profit and Loss (including Other Comprehensive Income), statement of changes in equity, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March 2019, the profit, and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

**BASIS FOR OPINION**

We conducted our audit of financial statement in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidences we have obtained are sufficient and appropriate to provide a basis for our opinion.

**KEY AUDIT MATTERS**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report.

**OTHER INFORMATION**

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**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, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

**AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

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

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

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

#### **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2019 from being appointed as a director in terms of Section 164 (2) 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".
- 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, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - 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 were 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.
- 3. With Respect to the other matters to be included in Auditors' Report in accordance with the requirements of Section 197(16) of the Act, as amended:

In our opinion and according to the information and explanation given to us, the remuneration paid during the current year by the Company to its directors is in accordance with the provisions of Section 197 of the Act.

For J. A. Sheth & Associates,  
Chartered Accountants  
(Firm Registration Number - 119980W)

Sd/-  
Jingal A. Sheth  
Proprietor  
(Membership No.107067)

Rajkot, Dated 27<sup>th</sup> May, 2019



**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 us for verification/perusal, such checks as we considered appropriate, and in terms of information and explanations given to us on our enquiries, we state that:

- (i) (a) In our opinion and according to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) In our opinion and according to the information and explanations given to us, 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 our 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) The title deeds of immovable properties are held in the name of the company.
- (ii) According to the information and explanation given to us, the inventory has been physically verified during the year by the management at reasonable intervals and no material discrepancies were noticed on such physical verification.
- (iii) According to the information and explanations given to us, 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. Accordingly, the provision of clause 3 (iii) of the Order is not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect grant of loans given. The company has not made investments and given any guarantee and security under section 186 of the Companies Act, 2013.
- (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 us, 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 us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Employee Provident Fund, ESIC, Income Tax, Goods and Service Tax, Cess and other material statutory dues apart from few cases of delay in payment of tax deducted at source, ESIC. There are no undisputed statutory dues outstanding as at 31<sup>st</sup> March 2019, for the period of more than six month from the date they become payable.
  - (b) According to the information and explanations given to us, there are no dues in respect of Provident Fund, ESIC, Income Tax, Goods and Service Tax, cess and any other material dues that have not been deposited with the appropriate authorities on account of any dispute.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of any loan either to banks, financial institutions or from the government and has not issued any debentures. The Company is enjoying Bill Discounting facilities from the Bank which is being timely honored by the company.
- (ix) In our opinion and according to the information and explanations given to us, 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) During the course of our examination of the books of account and records of the company, carried out in accordance with generally accepted auditing principles in India and according to the information and explanation given to us, we have neither come across any incidence of fraud by the Company or any fraud on the Company by its officers or employees noticed or reported during the year, nor have we been informed of any such case by the management.
- (xi) In our opinion and according to the information and explanations given to us, 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 our opinion, the Company is not a Nidhi Company. Accordingly, the provisions of clause 3 (xii) of the Order is not applicable to the Company.

- (xiii) In our 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.
- (xiv) In our opinion and according to the information and explanations given to us, 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 our opinion and according to the information and explanations given to us, 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 our 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 J. A. Sheth & Associates,  
Chartered Accountants  
(Firm Registration Number - 119980W)

Sd/-  
Jingal A. Sheth  
Proprietor  
(Membership No.107067)

Rajkot, Dated 27<sup>th</sup> May, 2019

**"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")**

We have audited the internal financial controls over financial reporting of **SAR AUTO PRODUCTS LIMITED** ("the Company") as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial 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**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. we have conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, 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 we 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.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls 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 our opinion and to the best of our information and according to explanations given to us, 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 31<sup>st</sup> March, 2019, based on internal financial 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.

For J. A. Sheth & Associates,  
Chartered Accountants  
(Firm Registration Number - 119980W)

Sd/-  
Jingal A. Sheth  
Proprietor  
(Membership No.107067)

Rajkot, Dated 27<sup>th</sup> May, 2019

**SAR AUTO PRODUCTS LIMITED**  
**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2019**

[Amount in Rs]

Particulars	Note No.	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, Plant and Equipment	3	61,569,687	69,559,853
Financial Assets			
Investments	4	3,050	3,050
Loans	5	-	25,000
Other financial assets	6	539,412	-
Deferred tax assets (Net)	7	3,230,255	2,112,569
Other non-current assets	8	1,076,176	634,351
		<b>66,418,580</b>	<b>72,334,823</b>
<b>CURRENT ASSETS</b>			
Inventories	9	6,891,287	15,266,891
Financial Assets			
Investments	10	80,826	1,817,501
Trade receivables	11	25,629,604	18,382,745
Cash and cash equivalents	12	42,468,767	29,687,768
Bank Balance other than Cash and Cash equivalents	13	7,596,119	13,426,734
Loans	14	-	827,830
Other financial assets	15	3,594,332	5,944,439
Current tax asset	16	152,198	152,198
Other current assets	17	1,147,987	2,769,318
		<b>87,561,120</b>	<b>88,275,424</b>
<b>Total Assets</b>		<b>153,979,700</b>	<b>160,610,247</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity share capital	18	47,647,400	47,647,400
Other Equity	19	83,985,558	80,709,182
		<b>131,632,958</b>	<b>128,356,582</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Financial liabilities			
Borrowings	20	1,429,750	1,429,750
Provisions	21	449,605	391,719
		<b>1,879,355</b>	<b>1,821,469</b>
<b>CURRENT LIABILITIES</b>			
Financial liabilities			
Borrowings	22	6,914,688	9,678,292
Trade payables	23		
-Micro & Small enterprises*		*	*
-Other than Micro & Small enterprises		11,352,086	18,840,914
Other financial liabilities	24	96,788	96,788
Other current liabilities	25	1,299,748	1,107,508
Provisions	26	560,056	514,516
Current tax liability	27	244,021	194,178
		<b>20,467,387</b>	<b>30,432,196</b>
<b>Total Equity and Liabilities</b>		<b>153,979,700</b>	<b>160,610,247</b>

\* Refer Note No. 23 of Notes forming part of financial statements

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

As per our Report of even date

For J. A. Sheth & Associates,  
Chartered Accountants  
(Firm Registration No. 119980W)

Sd/-  
Jingal A. Sheth  
Proprietor  
(Membership No.107067)

For & on behalf of Board of Directors,  
SAR AUTO PRODUCTS LIMITED

Sd/-  
Ramesh D. Virani  
Managing Director  
(DIN: 00313236)

Sd/-  
Shreyas R. Virani  
Chief Financial  
Officer & Whole  
Time Director  
(DIN: 00465240)

Sd/-  
Ronak M. Khanvani  
Company Secretary

Rajkot, dated 27<sup>th</sup> May, 2019

Rajkot, dated 27<sup>th</sup> May, 2019

**SAR AUTO PRODUCTS LIMITED**

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDING ON 31<sup>ST</sup> MARCH, 2019**

<b>[Amount in Rs]</b>			
<b>Particulars</b>	<b>Note No.</b>	<b>Year ended 31<sup>st</sup> March, 2019</b>	<b>Year ended 31<sup>st</sup> March, 2018</b>
<b>INCOME</b>			
Revenue from operations	28	98,305,285	69,510,070
Other income	29	3,188,489	3,193,627
<b>Total Income</b>		<b>101,493,774</b>	<b>72,703,697</b>
<b>EXPENSES</b>			
Cost of material consumed	30	36,331,951	18,274,836
Cost of Development and Construction		-	1,283,651
Changes in inventories of finished goods, Stock-in-Trade and work-in progress	31	8,403,836	(3,273,836)
Changes in inventories of Constructed Properties		-	14,610,706
Excise duty on sale of product		-	1,191,471
Employee benefits expense	32	3,198,269	3,190,737
Finance costs	33	1,204,017	720,808
Depreciation and amortization expense	3	14,140,339	12,127,945
Other expenses	34	35,514,787	22,590,438
<b>Total Expenses</b>		<b>98,793,199</b>	<b>70,716,756</b>
<b>Profit/(loss) before tax</b>		<b>2,700,575</b>	<b>1,986,940</b>
Tax expenses			
Current tax		519,835	400,000
Deferred tax		(592,686)	362,901
MAT Credit Entitlement		(525,000)	(378,798)
<b>Profit/(loss) for the period</b>		<b>3,298,426</b>	<b>1,602,837</b>
<b>Other Comprehensive Income</b>			
Items that will not be reclassified to profit or loss			
Equity instruments through other comprehensive income		(89,435)	(68,641)
Remeasurement of Defined benefit Plans		67,385	88,548
<b>Total other comprehensive income</b>		<b>(22,050)</b>	<b>19,907</b>
<b>Total comprehensive income</b>		<b>3,276,376</b>	<b>1,622,744</b>
<b>Earning per share (for continuing operations)</b>			
Basic		0.69	0.34
Diluted		0.69	0.34

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

As per our Report of even date

For J. A. Sheth & Associates,  
Chartered Accountants  
(Firm Registration No. 119980W)

Sd/-

Jingal A. Sheth  
Proprietor  
(Membership No.107067)

For & on behalf of the Board of Directors.  
SAR AUTO PRODUCTS LIMITED

Sd/-

Ramesh D. Virani  
Managing Director  
(DIN: 00313236)

Sd/-

Shreyas R. Virani  
Chief Financial Officer &  
Whole Time Director  
(DIN: 00465240)

Sd/-

Ronak M. Khanvani  
Company Secretary

Rajkot, Dated 27<sup>th</sup> May, 2019

Rajkot, Dated 27<sup>th</sup> May, 2019

**SAR AUTO PRODUCTS LIMITED**

**STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31<sup>ST</sup> MARCH, 2019**

[Amount in Rs]

**A EQUITY SHARE CAPITAL**

Particulars	In No.	In Rs.
<b>Balances as at 1<sup>st</sup> April, 2017</b>	<b>4,764,740</b>	<b>47,647,400</b>
Changes in equity share capital during 2017-18	-	-
<b>Balances as at 31<sup>st</sup> March, 2018</b>	<b>4,764,740</b>	<b>47,647,400</b>
Changes in equity share capital during 2018-19	-	-
<b>Balances as at 31<sup>st</sup> March, 2019</b>	<b>4,764,740</b>	<b>47,647,400</b>

**B OTHER EQUITY**

Particulars	Reserves and surplus			Other Comprehensive Income		Total
	Securities Premium	General Reserve	Retained earnings	Remeasurement of Defined benefit Plans	Equity Instruments through OCI	
<b>Balances as at 1<sup>st</sup> April, 2017</b>	<b>14,996,000</b>	<b>732,787</b>	<b>63,306,028</b>	<b>49,820</b>	<b>1,803</b>	<b>79,086,438</b>
Profit for the year	-	-	1,602,837		-	1,602,837
Other Comprehensive Income for the year, net of Income Tax	-	-	-	88,548	(68,641)	19,907
<b>Balances as at 31<sup>st</sup> March, 2018</b>	<b>14,996,000</b>	<b>732,787</b>	<b>64,908,865</b>	<b>138,368</b>	<b>(66,838)</b>	<b>80,709,182</b>
Profit for the year	-	-	3,298,426		-	3,298,426
Other Comprehensive Income for the year, net of Income Tax	-	-	-	67,385	(89,435)	(22,050)
<b>Balances as at 31<sup>st</sup> March, 2019</b>	<b>14,996,000</b>	<b>732,787</b>	<b>68,207,292</b>	<b>205,753</b>	<b>(156,273)</b>	<b>83,985,558</b>

As per our Report of even date

For J. A. Sheth & Associates,  
Chartered Accountants  
(Firm Registration No. 119980W)

Sd/-  
Jingal A. Sheth  
Proprietor  
(Membership No.107067)

For & on behalf of the Board of Directors,  
SAR AUTO PRODUCTS LIMITED

Sd/-  
Ramesh D. Virani  
Managing Director  
(DIN: 00313236)

Sd/-  
Shreyas R. Virani  
Chief Financial Officer &  
Whole Time Director  
(DIN: 00465240)

Sd/-  
Ronak M. Khanvani  
Company Secretary



**SAR AUTO PRODUCTS LIMITED**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019**

		[Amount in Rs]	
Particulars		As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>A. Cash Flow From Operating Activities</b>			
<b>Profit / (Loss) Before Tax</b>		2,700,575	1,986,940
<b>Adjustments for:</b>			
Depreciation and Amortization Expenses		14,140,339	12,127,945
Finance Costs		1,204,017	720,808
Interest Income		(2,744,520)	(2,121,497)
Dividend Income		(4)	-
Net (Gain)/Loss arising on financial asset designated as at FVTPL		(77,979)	(79,830)
Remeasurement of Defined benefit Plans		67,385	88,548
Profit or Loss on Sale of Assets		(100,000)	546,240
<b>Operating Profit/ (Loss) before Working Capital Changes</b>		<b>15,189,814</b>	<b>13,269,154</b>
<b>Changes In:</b>			
Movement in Trade Receivables		(7,246,859)	(985,775)
Movement in Loans		852,830	12,959,305
Movement in Inventories		8,375,604	10,889,439
Movement in Other Current Asset and Other Financial Asset		3,975,729	(2,935,399)
Movement in Trade Payable		(7,488,828)	15,455,245
Movement in Other Current Liability		192,240	(797,796)
Movement in Provision		103,426	76,330
<b>Cash Generated From Operations</b>		<b>13,953,955</b>	<b>47,930,504</b>
Direct Taxes Paid (Net of Refunds)		(485,739)	(185,165)
<b>Net Cash flow from Operating Activities [A]</b>		<b>13,468,216</b>	<b>47,745,339</b>
<b>B. Cash Flow from Investing Activities</b>			
Movement in Current Investments		1,736,675	116,071
Purchase of Fixed Assets		(6,150,173)	(30,578,293)
Sale of Fixed Assets		100,000	400,000
Dividend Income		4	-
Movement in Other Non Current Asset		(441,825)	-
Movement in Fixed Deposits		5,291,203	(13,426,734)
<b>Net Cash flow from Investing Activities [B]</b>		<b>535,884</b>	<b>(43,488,955)</b>
<b>C. Cash Flow from Financing Activities</b>			
Movement in Short Term Borrowings		(2,763,604)	4,878,292
Finance Costs Paid		(1,204,017)	(720,808)
Interest Received		2,744,520	2,121,497
<b>Net Cash flow from Financing Activities [C]</b>		<b>(1,223,101)</b>	<b>6,278,981</b>
<b>Net Increase/ (Decrease) in Cash and Cash Equivalents [A+B+C]</b>		<b>12,780,999</b>	<b>10,535,364</b>
<b>Opening Balance of Cash and Cash Equivalents</b>		<b>29,687,768</b>	<b>19,152,404</b>
<b>Closing Balance of Cash and Cash Equivalents</b>		<b>42,468,767</b>	<b>29,687,768</b>
<b>Note:</b> The above Cash Flow Statement has been prepared under the 'Indirect Method' as set it out in Indian Accounting Standard 7 - "Statement of Cash Flow".			

As per our Report of even date

For J. A. Sheth & Associates,  
Chartered Accountants  
(Firm Registration No. 119980W)

Sd/-  
Jingal A. Sheth  
Proprietor  
(Membership No.107067)

For & on behalf of the Board of Directors,  
SAR AUTO PRODUCTS LIMITED

Sd/-  
Ramesh D. Virani  
Managing Director  
(DIN: 00313236)

Sd/-  
Shreyas R. Virani  
Chief Financial Officer &  
Whole Time Director  
(DIN: 00465240)

Sd/-  
Ronak M. Khanvani  
Company Secretary

# **SAR AUTO PRODUCTS LIMITED**

## **NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

### **NOTE: 1**

#### **1.1 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. It is also engaged in business of Real Estate Development.

The Financial statements of the company for the year ended 31<sup>st</sup> March, 2019 were authorised for issue in accordance with a resolution of the Board of Directors on 27<sup>th</sup> May, 2019.

#### **1.2 BASIS OF PREPARATION**

##### **I. Compliance with Ind AS**

The financial statements comply in all material aspects with Indian Accounting Standards ("Ind AS") notified under section 133 of the Companies Act, 2013 ("the Act"), Companies (Indian Accounting Standards) Rules, 2015 as amended by Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and other relevant provisions of the Act as applicable.

##### **II. Historical cost convention**

The financial statements have been prepared on a historical cost basis, except following:

- (i) Certain financial assets and liabilities that are measured at fair value;
- (ii) Defined benefit plans - plan assets measured at fair value.

##### **III. Functional and presentation currency**

The functional and presentation currency of the Company is Indian Rupee ("₹") which is the currency of the primary economic environment in which the Company operates.

#### **1.3 SIGNIFICANT ACCOUNTING POLICIES**

##### **A. Property, Plant and Equipment:**

##### **I. Recognition and measurement**

Property, Plant and Equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use.

## **SAR AUTO PRODUCTS LIMITED**

### **NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably. Property, Plant and Equipment which are significant to the total cost of that item of Property, Plant and Equipment and having different useful life are accounted separately.

Expenses incurred relating to project, net of income earned during the project development stage prior to its intended use, are disclosed under Capital Work - in - Progress.

Gains or losses arising from de-recognition of a property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

#### **II. Depreciation**

Depreciation is recognised so as to write off the cost of the assets (other than freehold land and Capital work in progress) less their residual values over their useful lives, using the written down value method as per the useful life prescribed in schedule II to the Companies Act, 2013. The Estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in the estimated accounted for on a prospective basis.

#### **B. Financial Instruments**

##### **1. Financial Assets**

###### **a) Initial Recognition and Measurement**

All Financial Assets are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of Financial Assets, which are not at Fair Value Through Profit or Loss, are adjusted to the fair value on initial recognition. Purchase and sale of Financial Assets are recognised using trade date accounting.

###### **b) Subsequent measurement**

###### **➤ Financial Assets measured at Amortised Cost**

A Financial Asset is measured at Amortised Cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the Financial Asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

###### **➤ Financial Assets measured at Fair Value Through Other Comprehensive Income (FVTOCI)**

A Financial Asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling Financial Assets and the contractual terms of the Financial Asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

## SAR AUTO PRODUCTS LIMITED

### NOTES FORMING PART OF THE FINANCIAL STATEMENTS

➤ Financial Assets measured at Fair Value Through Profit or Loss (FVTPL)

A Financial Asset which is not classified in any of the above categories are measured at FVTPL.

**c) Other Equity Investments**

All other equity investments are measured at fair value, with value changes recognised in Statement of Profit and Loss, except for those equity investments for which the Company has elected to present the value changes in 'Other Comprehensive Income'.

**d) Loans to Employees**

Loans given to employees are repayable to the company on demand and hence are carried at cost in the financial statements.

**e) Cash & Cash Equivalents**

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and highly liquid investments with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

**f) Impairment of Financial Assets**

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of Financial Assets other than those measured at Fair Value Through Profit and Loss (FVTPL).

Expected credit losses are measured through a loss allowance at an amount equal to:

- The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

For Trade Receivables the Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables.

At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

For other assets, the Company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

## **2. Financial Liabilities & Equity Instruments**

**a) Classification as debt or equity**

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

## **SAR AUTO PRODUCTS LIMITED**

### **NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**b) Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received.

**c) Financial Liabilities: Initial Recognition and Measurement**

All Financial Liabilities are recognized at fair value and in case of borrowings, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

**d) Financial Liabilities: Subsequent Measurement**

Financial Liabilities are carried at amortized cost using the effective interest rate (EIR) method.

For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

**3. De-recognition of Financial Instruments**

The Company derecognizes a Financial Asset when the contractual rights to the cash flows from the Financial Asset expire or it transfers the Financial Asset and the transfer qualifies for de-recognition under Ind AS 109. A Financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

**4. Offsetting**

Financial Assets and Financial Liabilities are offset and the net amount is presented in the balance sheet when, and only when, the Company has a legally enforceable right to set off the amount and it intends, either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

**C. Inventories:**

Inventories are measured at the lower of Cost and Net Realizable Value. Cost of inventories is based on the first-in first-out formula, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location condition. In the case of manufactured inventories and work in progress, includes an appropriate share of fixed production overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The Net realisable value of work in progress is determined with reference to the selling prices of related finished products.

Raw materials, components and other supplies held for use in the production of finished products are not written down value below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

## **SAR AUTO PRODUCTS LIMITED**

### **NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

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.

The comparison of cost and net realisable value is made on an item-by-basis.

#### **D. Cash and Cash Equivalents:**

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and highly liquid investments with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

#### **E. Foreign Currency Translation:**

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

Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate at the date of the transaction. At each balance sheet date, foreign currency monetary items are reported using the closing exchange rate. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rate are recognized as income and expenses in the Statement of Profit and Loss, in the period in which they arise.

#### **F. Revenue recognition:**

Effective April 1, 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Company has adopted Ind AS 115 using the cumulative effect method. The effect of initially applying this standard is recognised at the date of initial application (i.e. April 1, 2018). The impact of adoption of the standard on the financial statements of the Company is insignificant.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Dividend income is recorded when the right to receive payment is established. Interest income is recognised using the effective interest method.

## **SAR AUTO PRODUCTS LIMITED**

### **NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

#### **Construction Project Income:**

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.

#### **G. Employee benefits:**

##### **Short-term obligations:**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employee's services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

##### **Provident Fund:**

Contribution towards provident fund for employees is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis.

##### **Gratuity**

Incremental expenditure on gratuity for each year is arrived at as per actuarial valuation and is recognised and charged to the statement of profit and loss in the year in which employee has rendered services.

#### **H. Borrowing costs:**

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other borrowing costs are expensed in the period in which they are incurred.

# **SAR AUTO PRODUCTS LIMITED**

## **NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

### **I. Income tax:**

Tax expenses comprise of current and deferred tax.

#### **1. Current Tax:**

Current tax is measured at the amount expected to be paid on the basis of reliefs and deductions available in accordance with the provisions of the Income Tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current tax items are recognised in co-relation to the underlying transaction either in statement of profit and loss, OCI or directly in Equity.

#### **2. Deferred Tax:**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates [and tax laws] that have been enacted or substantively enacted at the reporting date and are expected to apply in the year when the asset is realised or the liability is settled. Deferred tax items are recognised in co-relation to the underlying transaction either in OCI or directly in equity. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities.

#### **3. MAT Credit Entitlement:**

Minimum Alternate Tax [MAT] paid in a year is charged to the Statement of Profit and Loss as current tax. The company recognizes MAT credit available as an asset based on historical experience of actual utilisation of such credit and only when and to the extent there is a convincing evidence that the company will pay normal income tax during the specified period i.e., the period for which MAT Credit is allowed to be carried forward. Such asset, if any recognised, is reviewed at each Balance sheet date and the carrying amount is written down to the extent there is no longer a convincing evidence that the company will be liable to pay normal tax during the specified period.

### **J. Impairment of Non-Financial Assets**

The Company assesses at each reporting date as to whether there is any indication that any Property, Plant and Equipment and Intangible Assets or group of Assets, called Cash Generating Units (CGU) may be impaired. If any such indication exists, the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any.

When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the CGU to which the asset belongs.



## **SAR AUTO PRODUCTS LIMITED**

### **NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets

The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

#### **K. Provisions, Contingent Liabilities & Contingent Assets**

##### **(i) Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Long-term provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money. Short term provisions are carried at their redemption value and are not offset against receivables from reimbursements.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

Contingent Assets are neither recognized nor disclosed in the Notes forming part of the Financial Statements

#### **L. Earnings per Share:**

Basic Earnings Per Share are calculated by dividing the net profit or loss [excluding other comprehensive income] for the period attributable to Equity Shareholders by the Weighted Average Number of Equity Shares outstanding during the period. Earnings considered in ascertaining the Company's Earnings per Share are the Net Profit after Tax for the Year. The Weighted Average Numbers of Equity Shares outstanding during the period are adjusted for events of Bonus Issue and Sub-division of Shares.

For the purpose of calculating diluted earnings per share, the net profit or loss [excluding other comprehensive income] for the year attributable to equity share holders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

## **SAR AUTO PRODUCTS LIMITED**

### **NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

#### **M. Exceptional items:**

Certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Company is such that its disclosure improves the understanding of the performance of the Company, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements.

#### **NOTE: 2**

#### **USE OF JUDGEMENTS, ESTIMATES AND ASSUMPTIONS**

While preparing financial statements in conformity with Ind AS, the management has made certain estimates and assumptions that require subjective and complex judgments. These judgments affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses, disclosure of contingent liabilities at the statement of financial position date and the reported amount of income and expenses for the reporting period. Financial reporting results rely on the management estimate of the effect of certain matters that are inherently uncertain. Future events rarely develop exactly as forecasted and the best estimates require adjustments, as actual results may differ from these estimates under different assumptions or conditions. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

Judgment, estimates and assumptions are required in particular for:

##### **a) Recognition and measurement of defined benefit obligations**

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations. Due to complexities involved in the valuation and its long term nature, defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting period.

##### **b) Recognition of deferred tax liabilities**

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilized business loss and depreciation carry-forwards and tax credits. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilized.

## **SAR AUTO PRODUCTS LIMITED**

### **NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

#### **c) Discounting of financial assets / liabilities**

All financial assets / liabilities are required to be measured at fair value on initial recognition. In case of financial assets / liabilities which are required to be subsequently measured at amortized cost, interest is accrued using the effective interest method.

#### **d) Provisions**

Significant estimates are involved in the determination of provisions. The Company records a provision for onerous sales contracts when current estimates of total contract costs exceed expected contract revenue. The provision for expenses is based on the best estimate required to settle the present obligation at the end of the reporting period.

Legal proceedings often involve complex legal issues and are subject to substantial uncertainties. Accordingly, considerable judgment is part of determining whether it is probable that there is a present obligation as a result of a past event at the end of the reporting period, whether it is probable that such a Legal Proceeding will result in an outflow of resources and whether the amount of the obligation can reliably estimated. Internal and external counsels are generally part of the determination process.

**SAR AUTO PRODUCTS LIMITED**

**NOTES FORMING PART OF FINANCIAL STATEMENTS**

**3 Property, Plant & Equipment**

[Amount in Rs]

Particulars	Factory Building	Plant & Machinery	Machinery R&D	Jigs & Fixtures R&D	Furniture & Fixtures	Computers	Electrical Installation	Vehicles	Total Tangible Asset
<b>Gross carrying amount:</b>									
Gross carrying amount as at April 01, 2017	893,205	56,660,168	2,419,711	132,086	14,529	71,394	76,783	2,987,176	<b>63,255,052</b>
Additions	-	29,391,514	-	-	1,173,686	13,093	-	-	<b>30,578,293</b>
Diaposals	-	1,332,013	-	-	-	-	-	-	<b>1,332,013</b>
Gross carrying amount as at March 31, 2018	893,205	84,719,669	2,419,711	132,086	1,188,215	84,487	76,783	2,987,176	<b>92,501,332</b>
Additions	-	3,736,402	-	-	-	28,347	59,564	2,325,860	<b>6,150,173</b>
Diaposals	-	-	-	-	-	-	-	-	<b>-</b>
Gross carrying amount as at March 31, 2019	893,205	88,456,071	2,419,711	132,086	1,188,215	112,834	136,347	5,313,036	<b>98,651,505</b>
<b>Accumulated depreciation:</b>									
Balance as at April 01, 2017	107,116	9,435,000	652,768	4,984	9,924	24,641	39,577	925,297	<b>11,199,307</b>
Depreciation for the year	94,239	10,609,071	476,317	3,604	202,407	26,151	15,327	700,829	<b>12,127,945</b>
Depreciation on diaposals	-	385,773	-	-	-	-	-	-	<b>385,773</b>
Balance as at March 31, 2018	201,355	19,658,298	1,129,085	8,588	212,331	50,792	54,904	1,626,126	<b>22,941,479</b>
Depreciation for the year	82,915	12,918,596	347,659	7,591	254,497	28,408	27,010	473,663	<b>14,140,339</b>
Depreciation on diaposals	-	-	-	-	-	-	-	-	<b>-</b>
Balance as at March 31, 2019	284,270	32,576,894	1,476,744	16,179	466,828	79,200	81,914	2,099,789	<b>37,081,818</b>
<b>Net Carrying amount</b>									
As at March 31, 2019	608,935	55,879,177	942,967	115,907	721,387	33,634	54,433	3,213,247	<b>61,569,687</b>
As at March 31, 2018	691,850	65,061,371	1,290,626	123,498	975,884	33,695	21,879	1,361,050	<b>69,559,853</b>

# SAR AUTO PRODUCTS LIMITED

## NOTES FORMING PART OF FINANCIAL STATEMENTS

[Amount in Rs]

### 4 Non Current Investments

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>Investments at fair value through other comprehensive income</b>		
Investments in Equity Instruments Unquoted Rajkot Nagrik Sahkari bank	3,050	3,050
<b>Total Non-current investment</b>	<b>3,050</b>	<b>3,050</b>
Aggregate amount of quoted investments	-	-
Market Value of quoted investments	-	-
Aggregate amount of unquoted investments	3,050	3,050
Aggregate provision for diminution in value of Investments	-	-

### 5 Non Current Loans

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>Unsecured, considered good</b>		
Loans to others	-	25,000
<b>Total</b>	<b>-</b>	<b>25,000</b>

### 6 Other Non Current Financial Assets

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>( Unsecured, considered good unless otherwise stated )</b>		
Banks Term Deposits with original maturity period more than 12 months	539,412	-
<b>Total</b>	<b>539,412</b>	<b>-</b>

### 7 Deferred Tax Asset

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
MAT Credit Entitlement	1,813,814	1,288,814
MAT Credit Entitlement F.Y. 2013-14	215,016	215,016
<b>Total</b>	<b>3,230,255</b>	<b>2,112,569</b>

# SAR AUTO PRODUCTS LIMITED

## NOTES FORMING PART OF FINANCIAL STATEMENTS

[Amount in Rs]

### 8 Other Non Current Assets

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Security Deposits	1,076,176	634,351
<b>Total</b>	<b>1,076,176</b>	<b>634,351</b>

### 9 Inventories

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Work-in-progress - Machining Component	2,006,400	10,410,236
Completed Unit at - Business Park 1	2,030,706	2,030,706
Stores & Spares	2,632,530	2,644,444
Packing Material	221,651	181,505
<b>Total</b>	<b>6,891,287</b>	<b>15,266,891</b>

**SAR AUTO PRODUCTS LIMITED**

**NOTES FORMING PART OF FINANCIAL STATEMENTS**

[Amount in Rs]

**10 Current Investments**

Particulars	As at 31 <sup>st</sup> March, 2019		As at 31 <sup>st</sup> March, 2018	
	No. of Shares		No. of Shares	
<b>Investments at fair value through profit or loss</b>				
<b>Investment in Mutual Fund (Quoted)</b>				
Goldman Sachs Gold Exchange Tr	-	-	600	1,647,240
<b>Total</b>		-		<b>1,647,240</b>
<b>Investments at fair value through other comprehensive income</b>				
Investments in Equity Instruments (Quoted)	-	-		
Cura Technologies Limited	6	8	6	30
Sanraa Media Ltd	100,000	-	100,000	-
Clarus Finance Securities Ltd	2	76	2	44
Prabhav Industries Ltd	131,073	64,226	131,073	153,355
Scope Industries India Limited	5	-	5	-
Cistro Telelink Ltd	37,097	7,790	37,097	7,790
Jmd Telefilms Industries Ltd	2	14	2	43
Sky Industries Ltd	7	231	7	287
Emporis Projects Limited	82,908	-	82,908	-
Kgn Industries Ltd	40	64	40	72
Nivyah Infrastructur & Telecom	9,229	-	9,229	-
Rcl Foods Limited	1	-	1	-
Aadi Industries Ltd	1,062	-	1,062	-
Sancia Global Infraprojects Ltd	100	-	100	-
Acil Cotton Industries Ltd	40,000	-	40,000	-
Aadhaar Ventures India Limited	17,064	8,361	17,064	8,361
Mercator Lines	8	55	8	278
<b>Total</b>		<b>80,826</b>		<b>170,261</b>
<b>Total current investment</b>		<b>80,826</b>		<b>1,817,501</b>
Aggregate amount of quoted investments		315,646		1,806,312
Market Value of quoted investments		80,826		1,817,501
Aggregate amount of unquoted investments		-		-
Aggregate provision for diminution in value of Investments		234,820		145,385

# SAR AUTO PRODUCTS LIMITED

## NOTES FORMING PART OF FINANCIAL STATEMENTS

[Amount in Rs]

### 11 Trade receivables

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Secured, considered good	-	-
Unsecured, considered good	25,629,604	18,382,745
Unsecured, considered Doubtful	852,830	3,937,279
	<b>26,482,434</b>	<b>22,320,024</b>
Less: Allowance for doubtful debts (Expected credit loss allowance)	(852,830)	(3,937,279)
<b>Total</b>	<b>25,629,604</b>	<b>18,382,745</b>

### 12 Cash and Cash Equivalents

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>Cash and cash equivalents</b>		
Balances with banks	9,399,319	13,503,180
Cash on hand	80,613	195,464
Balances with bank in Term Deposit account	32,988,835	15,989,125
<b>Total</b>	<b>42,468,767</b>	<b>29,687,768</b>

### 13 Bank balances other than cash and cash equivalents

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>Bank balances other than cash and cash equivalents</b>		
Fixed Deposit (Deposit with original maturity more than 3 months but less than 12 months)	7,596,119	13,426,734
<b>Total</b>	<b>7,596,119</b>	<b>13,426,734</b>

### 14 Current Loans

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>Unsecured, considered good</b>		
Loans to others	-	827,830
<b>Total</b>	<b>-</b>	<b>827,830</b>

### 15 Other Current Financial assets

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>Other financial assets</b>		
Bills Receivable	3,594,332	5,944,439
<b>Total</b>	<b>3,594,332</b>	<b>5,944,439</b>



# SAR AUTO PRODUCTS LIMITED

## NOTES FORMING PART OF FINANCIAL STATEMENTS

[Amount in Rs]

### 16 Current tax asset

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Income Tax Refund due	152,198	152,198
<b>Total</b>	<b>152,198</b>	<b>152,198</b>

### 17 Other Current Assets

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Balance With Government Authorities	716,563	2,064,318
Advance to Suppliers	56,425	30,000
Prepaid Expenses	375,000	675,000
<b>Total</b>	<b>1,147,987</b>	<b>2,769,318</b>

# SAR AUTO PRODUCTS LIMITED

## NOTES FORMING PART OF FINANCIAL STATEMENTS

[Amount in Rs]

### 18 Equity Share capital

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

Particulars	As at 31 <sup>st</sup> March, 2019		As at 31 <sup>st</sup> March, 2018	
	No. of shares	Amount	No. of shares	Amount
<b>Authorised Share capital</b>				
Equity shares of ` 10 each	10,000,000	100,000,000	10,000,000	100,000,000
<b>Issued, subscribed and paid up</b>				
Equity shares of ` 10 each fully paid up	<b>4,764,740</b>	<b>47,647,400</b>	<b>4,764,740</b>	<b>47,647,400</b>

#### 18.2 The Company has only one class of equity shares of face value of Rs 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.

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

Name of Shareholder	As at 31 <sup>st</sup> March, 2019		As at 31 <sup>st</sup> March, 2018	
	No. of shares	% of holding	No. of shares	% of holding
Rameshbhai D. Virani	1,094,480	22.97%	1,094,480	22.97%
Rajshreeben R. Virani	872,510	18.31%	872,510	18.31%
Shreyasbhai R. Virani	563,645	11.83%	563,645	11.83%
Urviben S. Virani	1,026,231	21.54%	824,100	17.30%
<b>Total no. of shares held by such shareholders</b>	<b>3,556,866</b>	<b>74.65%</b>	<b>3,354,735</b>	<b>70.41%</b>
<b>Total no. of shares of the company</b>	<b>4,764,740</b>	<b>100.00%</b>	<b>4,764,740</b>	<b>100.00%</b>

**SAR AUTO PRODUCTS LIMITED**

**NOTES FORMING PART OF FINANCIAL STATEMENTS**

[Amount in Rs]

**19 Other Equity**

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>Reserves and surplus</b>		
Securities Premium	14,996,000	14,996,000
General Reserve	732,787	732,787
Retained Earnings	68,207,292	64,908,865
<b>Other Comprehensive Income</b>		
Equity Instrument through Other Comprehensive Income	(156,273)	(66,838)
Remeasurement of Defined Benefit Plans	205,753	138,368
<b>Total</b>	<b>83,985,558</b>	<b>80,709,182</b>

**19.1 Retained earnings**

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Opening Balance	64,908,865	63,306,028
Add: Profit for the year as per Statement of Profit & Loss	3,298,426	1,602,837
<b>Total</b>	<b>68,207,292</b>	<b>64,908,865</b>

**19.2 Equity Instrument through Other Comprehensive Income**

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Opening Balance	(66,838)	1,803
Less: Deletions during the Year	(89,435)	(68,641)
<b>Total</b>	<b>(156,273)</b>	<b>(66,838)</b>

**19.3 Remeasurement of Defined benefit Plans**

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Opening Balance	138,368	49,820
Add: Additions during the Year	67,385	88,548
<b>Total</b>	<b>205,753</b>	<b>138,368</b>

# SAR AUTO PRODUCTS LIMITED

## NOTES FORMING PART OF FINANCIAL STATEMENTS

[Amount in Rs]

### 20 Non Current Borrowings

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>Secured</b>		
Loan from LIC of India (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	1,429,750	1,429,750
<b>Total</b>	<b>1,429,750</b>	<b>1,429,750</b>

### 21 Non Current Provisions

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>Provision for Employee benefits</b>		
Provision for Defined Benefit Obligation - Gratuity	449,605	391,719
<b>Total</b>	<b>449,605</b>	<b>391,719</b>

### 22 Current Borrowings

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>Unsecured</b>		
From Bank	3,473,688	5,837,292
From Director	3,441,000	3,841,000
[The loans are interest free and repayable on demand]		
<b>Total</b>	<b>6,914,688</b>	<b>9,678,292</b>

### 23 Trade payables

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Trade payable - Micro and small enterprise*	*	*
Trade payable - Other than Micro and small enterprise	11,352,086	18,840,914
<b>Total</b>	<b>11,352,086</b>	<b>18,840,914</b>

\*The company has requested the suppliers to give information about their status as Micro, Small and Medium Enterprises as defined under the MSME Act, 2006. In the absence of this information, the Company is unable to provide the details in "Trade Payables" regarding the overdues to such Enterprises.

**SAR AUTO PRODUCTS LIMITED**

**NOTES FORMING PART OF FINANCIAL STATEMENTS**

[Amount in Rs]

**24 Other financial liabilities**

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Interest accrued but not due on borrowings	96,788	96,788
<b>Total</b>	<b>96,788</b>	<b>96,788</b>

**25 Other Current liabilities**

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Statutory dues	184,115	170,720
Others		
Salary Payable	646,185	647,113
Bonus Payable	289,066	176,533
Leave Salary Payable	180,382	113,142
<b>Total</b>	<b>1,299,748</b>	<b>1,107,508</b>

**26 Current Provisions**

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>Provision for Employee benefits</b>		
Provision for Defined Benefit Obligation - Gratuity	552,556	507,016
Other provisions		
Provision for Audit Fees	7,500	7,500
<b>Total</b>	<b>560,056</b>	<b>514,516</b>

**27 Current Tax Liability**

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>Current Tax Liability</b>		
Provision for Tax ( Net of TDS and TCS receivables)	244,021	194,178
<b>Total</b>	<b>244,021</b>	<b>194,178</b>

# SAR AUTO PRODUCTS LIMITED

## NOTES FORMING PART OF FINANCIAL STATEMENTS

[Amount in Rs]

### 28 Revenue from operations

Particulars	Year ended 31 <sup>st</sup> March, 2019	Year ended 31 <sup>st</sup> March, 2018
Sale of product*	98,022,825	51,662,410
Other operating income	282,460	17,847,660
<b>Total</b>	<b>98,305,285</b>	<b>69,510,070</b>

\*Note: The Government of India introduced Goods and Service Tax (GST) with effect from 1<sup>st</sup> July 2017 which replaced excise duty. Consequently the revenue from operations for period 1<sup>st</sup> July, 2017 to 31<sup>st</sup> March, 2019 is net of GST. However the revenue from operations for the period of 1<sup>st</sup> April, 2017 to 30<sup>th</sup> June, 2017 includes excise duty recovered on sales of Rs 11,91,471

### 29 Other Income

Particulars	Year ended 31 <sup>st</sup> March, 2019	Year ended 31 <sup>st</sup> March, 2018
Interest Income	2,744,520	2,121,497
Dividend Income	4	-
Other non-operating income (net of expenses)	123,091	992,300
Profit on sale of Asset	100,000	-
Net Gain on Foreign Exchange transaction	220,874	-
<b>Other gains and loss</b>		
Net Gain/(Loss) arising on financial asset designated as at FVTPL	-	79,830
<b>Total</b>	<b>3,188,489</b>	<b>3,193,627</b>

### 30 Cost of material consumed

Particulars	Year ended 31 <sup>st</sup> March, 2019	Year ended 31 <sup>st</sup> March, 2018
Opening Stock	2,644,444	2,187,740
Add: Purchases	36,320,037	18,731,540
Less: Closing stock	(2,632,530)	(2,644,444)
<b>Total</b>	<b>36,331,951</b>	<b>18,274,836</b>

### 31 Changes in inventories of finished goods, Stock-in-Trade and work-inprogress

Particulars	Year ended 31 <sup>st</sup> March, 2019	Year ended 31 <sup>st</sup> March, 2018
Opening stock:	10,410,236	7,136,400
Work-in-progress	<b>10,410,236</b> -	<b>7,136,400</b> -
Less: Closing stock		
Work-in-progress	2,006,400	10,410,236
<b>Total</b>	<b>8,403,836</b>	<b>(3,273,836)</b>

# SAR AUTO PRODUCTS LIMITED

## NOTES FORMING PART OF FINANCIAL STATEMENTS

[Amount in Rs]

### 32 Employee benefit expenses

Particulars	Year ended 31 <sup>st</sup> March, 2019	Year ended 31 <sup>st</sup> March, 2018
Salary, wages and bonus	2,691,339	2,692,459
Contribution to provident and other funds	460,542	458,017
Staff welfare expenses	46,388	40,261
<b>Total</b>	<b>3,198,269</b>	<b>3,190,737</b>

### 33 Finance cost

Particulars	Year ended 31 <sup>st</sup> March, 2019	Year ended 31 <sup>st</sup> March, 2018
Interest Expenses		
On Borrowing	1,033,085	614,473
On Tax Deducted at Source	495	980
On Others	-	3,466
On Income Tax	15,747	-
On VAT/CST & Excise	8,403	-
Other borrowing costs		
Bank Charges	146,287	101,889
<b>Total</b>	<b>1,204,017</b>	<b>720,808</b>

# SAR AUTO PRODUCTS LIMITED

## NOTES FORMING PART OF FINANCIAL STATEMENTS

[Amount in Rs]

### 34 Other Expenses

Particulars	Year ended 31 <sup>st</sup> March, 2019	Year ended 31 <sup>st</sup> March, 2018
<b>Manufacturing Expenses</b>		
Labour Charges, Loading & Unloading Charges	33,100	42,200
Factory Expenses	123,216	98,679
Freight Inward & Goods Import Expenses	618,903	311,327
Job Work Charges	16,922,256	9,150,203
Packing Material Consumed	825,522	460,676
Power & Fuel Expenses	2,609,903	2,306,604
Repairs & Maintenance on: Machineries	9,337,837	1,629,694
	<b>30,470,737</b>	<b>13,999,383</b>
<b>Administrative and Selling Expenses</b>		
Advertisement Expenses	31,927	-
Auditors' Remuneration		
Statutory & Tax Audit Fees	7,500	7,500
Bad Debt	852,830	3,937,279
Computer Maintenance & Updation Charges	9,200	8,714
Demat Expenses	8,419	570
Discount Expenses	188,573	223,101
Donation Expenses	11,000	-
Freight Outward Expenses	537,397	257,798
Insurance Expenses	215,751	343,358
Labour Case Settlement Expenses	-	112,000
Legal and Professional charges	1,069,603	1,072,681
Listing and Cetification fees	250,000	259,800
Loss on Sale of Asset	-	546,240
Loss on sale of financial asset designated as at FVTPL	11,456	-
Net Loss on Foreign Exchange transaction	-	142,008
NSDL / CDSL Connection Fees	18,985	31,500
Office expenses	82,031	42,000
Printing & Stationery Expenses	54,466	47,802
Postage, Telegram, Telephone & Interenet Expenses	193,091	192,137
Rates & Taxes	-	37,793
Rent Expenses	300,000	567,000
Repairs & Maintenance - Others	-	3,690
Sales promotion Expense	259,111	62,397
Securities Expenses	137,520	128,148
Tender Fees	19,500	40,827
Travelling Expenses	517,861	232,462
VAT, Excise ans Service Tax Expenses	-	49,166
Vehicle Running & Maintanance	267,829	245,085
	<b>5,044,051</b>	<b>8,591,055</b>
<b>Total</b>	<b>35,514,787</b>	<b>22,590,438</b>



# SAR AUTO PRODUCTS LIMITED

## NOTES FORMING PART OF FINANCIAL STATEMENTS

[Amount in Rs]

### 35 Earning per Share (EPS)

Particulars	Year ended 31 <sup>st</sup> March, 2019	Year ended 31 <sup>st</sup> March, 2018
<b>Basic and Diluted Earning per Share (EPS)</b>		
Profit available for Equity Shareholder	3,276,376	1,622,744
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>0.69</b>	<b>0.34</b>
<b>Face value of Share</b>	<b>10.00</b>	<b>10.00</b>

### 36. Foreign Exchange:

Particulars	Year ended 31 <sup>st</sup> March, 2019	Year ended 31 <sup>st</sup> March, 2018
<b>Earning In Foreign Exchange</b>		
FOB value of exports	-	3,402,457
<b>Imports</b>		
CIF Value of Imports	2,737,045	825,927

# SAR AUTO PRODUCTS LIMITED

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

[Amount in Rs]

### 37. Related Party Disclosures

As per Ind AS - 24, the disclosure of Party List, Relationship, Nature of Transactions, Transaction Amount & Outstanding Balances with Related Parties are given below:

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

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

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

Particulars	Year ended 31 <sup>st</sup> March, 2019	Year ended 31 <sup>st</sup> March, 2018
<b><u>Nature of Transaction</u></b>		
Directors' Salary & Perks	2,217,516	2,217,516
Loans Accepted from KMP	12,500,000	7,030,000
Loans Repaid to KMP	12,900,000	8,700,000

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b><u>Year-end balances</u></b>		
Loans Accepted from KMP(Payable)	3,441,000	3,841,000

# SAR AUTO PRODUCTS LIMITED

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 38 Disclosure Pursuant To Ind AS 19 - Employee Benefits

#### 38.1 Defined Contribution Plan

The Company has recognized Rs 1,70,811/- & Rs 1,64,878/- in the Statement of Profit & Loss for the year ended 31<sup>st</sup> March, 2019 & 31<sup>st</sup> March, 2018 respectively under Defined Contribution Plan.

#### 38.2 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.

[Amount in Rs]		
Particulars	As At 31 <sup>st</sup> March, 2019	As At 31 <sup>st</sup> March, 2018
<b>Change in Present Value of Defined Benefit Obligations:</b>		
Present Value of Benefit Obligation at beginning of the period	898,735	822,405
Current Service Cost	101,620	101,564
Interest Cost	69,191	63,314
Actuarial (Gains)/Losses arising from change in financial assumption	-	(29,212)
Actuarial (Gains)/Losses arising from experience adjustments	(67,385)	(59,336)
<b>Present Value of Benefit Obligation at the end of the period</b>	<b>1,002,161</b>	<b>898,735</b>
<b>Amount Recognized in Balance Sheet:</b>		
Present Value of Benefit Obligation at the end of the period	1,002,161	898,735
Fair Value of Planed Assets at the end of the period	-	-
<b>Net Liability/(Asset) recognized in Balance Sheet</b>	<b>1,002,161</b>	<b>898,735</b>
<b>Expenses Recognized in Profit and Loss Statement:</b>		
Current Service Cost	101,620	101,564
Net Interest on net Defined Liability/(Asset)	69,191	63,314
<b>Expenses recognized in Statement of Profit and Loss</b>	<b>170,811</b>	<b>164,878</b>
<b>Expenses Recognized in Other Comprehensive Income Remeasurements:</b>		
Actuarial (Gains)/Losses on Liability	(67,385)	(88,548)
<b>Total</b>	<b>(67,385)</b>	<b>(88,548)</b>
<b>Assumption used in accounting for Gratuity Plan:</b>		
Discount Rate	7.70%	7.70%
Salary Escalation	7.00%	7.00%
Retirement Age	58 Years	58 Years
Attrition - Withdrawal Rates	5% to 1%	5% to 1%
<b>Total Employee Benefit Liability</b>		
Current Liability	552,556	507,016
Non - Current Liability	449,605	391,719
<b>Total</b>	<b>1,002,161</b>	<b>898,735</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.

#### Sensitivity Analysis

Particulars	As At 31 <sup>st</sup> March, 2019	As At 31 <sup>st</sup> March, 2018
Discounte Rate - 1% Increase	969,078	867,258
Discounte Rate - 1% Decrease	1,038,474	933,219
Salary Escalation Rate - 1% Increase	1,038,368	933,118
Salary Escalation Rate - 1% Decrease	968,572	866,781
Withdrawal Rate - 1% Increase	1,002,397	898,846
Withdrawal Rate - 1% Decrease	1,001,922	898,324

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

**39. Segment Information**

As per Indian Accounting Standard 108 'Operating Segment', the Company has reported 'Segment Information', as described below:

- a) **The manufacturing Segment** includes manufacturing of gears, gear boxes and other transmission components  
b) **The construction segment** includes business of real estate development

Revenues and Expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to a particular segment have been allocated on the basis of associated revenues of the segments. All other expenses which relate to enterprise as a whole and are not attributable / allocable to a segment on reasonable basis have been disclosed as "Unallocable".

Assets and Liabilities that are directly attributable / allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable. Fixed assets that are used interchangeably among segments are not allocated to primary and secondary segments.

**Segment Reporting for the year ended 31<sup>st</sup> March, 2019**

[Amount in Rs]

Particulars	BUSINESS SEGMENTS			
	Manufacturing	Construction	Unallocable	Total
<b>1. Segment Revenue</b>				
<b>External Turnover</b>	98,305,285	-	-	98,305,285
Inter-Segment Turnover	-	-	-	-
<b>Gross Turnover</b>	98,305,285	-	-	98,305,285
Less: Excise Duty	-	-	-	-
<b>Net Turnover</b>	98,305,285	-	-	98,305,285
<b>2. Segment Result before Interest and Taxes</b>	716,103	-		716,103
Less: Interest Expense	-	-	(1,204,017)	(1,204,017)
Add: Other Income	-	-	3,188,489	3,188,489
<b>Profit Before Tax [PBT]</b>	716,103	-	1,984,472	2,700,575
Less: Net Current tax	-	-	(5,165)	(5,165)
Deferred tax	-	-	(592,686)	(592,686)
Prior Year Tax	-	-	-	-
<b>Profit After Tax [PAT]</b>	716,103	-	2,582,323	3,298,426
<b>3. Other Information</b>				
Segment Assets	151,948,994	2,030,706	-	153,979,700
Segment Liabilities	153,979,700	-	-	153,979,700

## SAR AUTO PRODUCTS LIMITED

### NOTES FORMING PART OF FINANCIAL STATEMENTS

#### 40 Fair Value Measurements

##### I. Financial instruments by category

[Amount in Rs]

Particulars	As at 31 <sup>st</sup> March, 2019			As at 31 <sup>st</sup> March, 2018		
Financial Assets	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
-Investments						
Equity Instrument	-	83,876	-	-	173,311	-
Mutual Fund	-	-	-	1,647,240	-	-
-Loans	-	-	-	-	-	852,830
-Trade receivables	-	-	25,629,604	-	-	18,382,745
-Cash & Cash Equivalents	-	-	42,468,767	-	-	29,687,768
-Bank Balance other than Cash and Cash equivalents	-	-	7,596,119	-	-	13,426,734
- Others	-	-	4,133,743	-	-	5,944,439
				-	-	
<b>Total Financial Assets</b>	<b>-</b>	<b>83,876</b>	<b>79,828,233</b>	<b>1,647,240</b>	<b>173,311</b>	<b>68,294,516</b>
<b>Financial Liabilities</b>						
-Borrowings	-	-	8,344,438	-	-	11,108,042
-Trade Payables	-	-	11,352,086	-	-	18,840,914
-Other Financial Liabilities	-	-	96,788	-	-	96,788
<b>Total Financial Liabilities</b>	<b>-</b>	<b>-</b>	<b>19,793,312</b>	<b>-</b>	<b>-</b>	<b>30,045,743</b>

##### II. Fair value hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3, as described below:

Quoted prices in an active market (Level 1): This level of hierarchy includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities.

## SAR AUTO PRODUCTS LIMITED

### NOTES FORMING PART OF FINANCIAL STATEMENTS

#### II. Fair value hierarchy (Cont.)

Valuation techniques with observable inputs (Level 2): This level of hierarchy includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices). This level of hierarchy includes the Company's investments in Gold Funds; prices of which have been derived from MCX.

Valuation techniques with significant unobservable inputs (Level 3): This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. This level includes investment in unquoted equity shares.

[Amount in Rs]				
Particulars	As at 31 <sup>st</sup> March, 2019			Total
	Level 1	Level 2	Level 3	
<b>Financial Assets</b>				
Investments in Equity Shares	80,826	-	3,050	83,876
	<b>80,826</b>	<b>-</b>	<b>3,050</b>	<b>83,876</b>
<b>Financial Liabilities</b>	-	-	-	-
	-	-	-	-

[Amount in Rs]				
Particulars	As at 31 <sup>st</sup> March, 2018			Total
	Level 1	Level 2	Level 3	
<b>Financial Assets</b>				
Investments in Equity Shares	170,261	-	3,050	173,311
Investments in Mutual Funds	-	1,647,240	-	1,647,240
	<b>170,261</b>	<b>1,647,240</b>	<b>3,050</b>	<b>1,820,551</b>
<b>Financial Liabilities</b>	-	-	-	-
	-	-	-	-

## **SAR AUTO PRODUCTS LIMITED**

### **NOTES FORMING PART OF FINANCIAL STATEMENTS**

#### **II. Fair value hierarchy (Cont.)**

> **Financial Assets:**

The Carrying amounts of trade receivables, loans and advances and other financial assets, cash and cash equivalents are considered to be the approximately equal to the fair values.

> **Financial Liabilities**

Fair values of Loans from banks, other financial liabilities and trade payables are considered to be approximately equal to the carrying values.

- > Investments carried at fair value are generally based on market price quotations. The investments included in the level 3 of the fair value hierarchy have been valued using the cost approach to arrive at their fair value. Cost of unquoted equity instruments has been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range
- > Management uses its best judgment in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of the amounts that the Company could have realised or paid in sale transactions as of respective dates. As such, fair value of financial instruments subsequent to the reporting dates may be different from the amounts reported at each reporting date.

## SAR AUTO PRODUCTS LIMITED

### NOTES FORMING PART OF FINANCIAL STATEMENTS

#### 41 Capital Management

The Company's capital management is intended to create value for shareholders by facilitating the achievement of long term and short term goals of the Company.

The Company determines the amount of capital required on the basis of annual business plan coupled with long term and short term strategic investment and expansion plans. The funding needs are met through equity, cash generated from operations, long term and short term bank borrowings and unsecured loans from directors.

The Company monitors the capital structure on the basis of net debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

Net debt includes borrowings less cash and cash equivalents and other bank balances (including non-current and earmarked balances).

The table below summarizes the capital, net debt and net debt to equity ratio of the Company.

[Amount in Rs]		
Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>Total Equity(A)</b>	<b>131,632,958</b>	<b>128,356,582</b>
<b>Gross Debt(B)</b>	<b>8,441,226</b>	<b>11,204,830</b>
<b>Gross Debt as above</b>	8,441,226	11,204,830
<b>Less: Cash &amp; Cash Equivalents</b>	(42,468,767)	(29,687,768)
Less: Other Balances with banks	(7,596,119)	(13,426,734)
<b>Net Debt (C)</b>	<b>(41,623,660)</b>	<b>(31,909,672)</b>
<b>Net Debt to Equity (C/A)*</b>	-	-

\* Net Debt to Equity ratio as at March 31, 2019 and March 31, 2018 has been computed based on Equity as at year end

#### 42 Risk Management:

The Company's activities expose it to market risk, liquidity risk and credit risk.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

The Company's risk management is done in close co-ordination with the board of directors and focuses on actively securing the Company's short, medium and long-term cash flows by minimizing the exposure to volatile financial markets. Long-term financial investments are managed to generate lasting returns. The Company does not actively engage in the trading of financial assets for speculative purposes nor does it write options.

The most significant financial risks to which the Company is exposed are described below:



# SAR AUTO PRODUCTS LIMITED

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### a) Credit risk:

Trade Receivable: The Company trades with recognized and credit worthy parties. It is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an on-going basis with the result that the Company's exposure to bad debts is not significant.

The Company is exposed to credit risk in the event of non-payment by customers. Credit risk concentration with respect to trade receivables is mitigated by the Company's large customer base. Adequate expected credit losses are recognized as per the assessments. The history of trade receivables shows an allowance for bad and doubtful debts of ₹ 8,52,830 as at March 31, 2019 [ ₹ 39,37,279 as at March 31, 2018].

### b) Liquidity risk:

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the Company maintains flexibility in funding by maintaining availability under committed facilities.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which it operates. In addition, the Company's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

#### Maturities of financial liabilities:

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

[Amount in Rs]				
Non-derivative Financial Liabilities:	As at 31 <sup>st</sup> March, 2019			
	< 1 year	1-2 year	> 2 year	Total
Borrowings [including interest]	7,011,476	-	1,429,750	8,441,226
Trade Payable	11,352,086	-	-	11,352,086

[Amount in Rs]				
Non-derivative Financial Liabilities:	As at 31 <sup>st</sup> March, 2018			
	< 1 year	1-2 year	> 2 year	Total
Borrowings [including interest]	9,775,080	-	1,429,750	11,204,830
Trade Payable	18,840,914	-	-	18,840,914

### c) Interest Rate risk

#### Liabilities:

The Company's policy is to minimise interest rate cash flow risk exposures on long-term financing. As at March 31, 2019, the Company is exposed to changes in market interest rates through bank borrowings at variable interest rates. The Company's investments in Fixed Deposits are at fixed interest rates.

#### Sensitivity \*:

Below is the sensitivity of profit or loss(PAT) in interest rates:

Particulars	Movement in Rate	31-Mar-19	31-Mar-18
Interest Rates	+1.00%	(114,787)	(68,275)
Interest Rates	-1.00%	114,787	68,275

\* Holding all other variables constant

## **SAR AUTO PRODUCTS LIMITED**

### **NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

- 43.** Contingent Liabilities not provided for **NIL**
- 44.** Previous year's figure have been regrouped/reclassified wherever necessary to confirm with the current year's presentation.
- 45.** Estimated amount of Contract remaining to be executed on Capital Accounts and not provided for, net of advance is - NIL ( Previous year - NIL)
- 46.** The outstanding balances as at 31.03.2019 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.
- 47.** 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.

#### **See accompanying Statement on Significant accounting policies & Notes to Accounts**

As per our Report of even date

For J. A. Sheth & Associates,  
Chartered Accountants  
(Firm Registration No. 119980W)

Sd/-

Jingal A. Sheth  
Proprietor  
(Membership No.107067)

For & on behalf of the Board of Directors,  
SAR AUTO PRODUCTS LIMITED

Sd/-  
Ramesh D. Virani  
Managing Director  
(DIN: 00313236)

Sd/-  
Shreyas R. Virani  
Chief Financial Officer &  
Whole Time Director  
(DIN: 00465240)

Sd/-  
Ronak M. Khanvani  
Company Secretary

Rajkot, dated 27<sup>th</sup> May, 2019

Rajkot, dated 27<sup>th</sup> May, 2019

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**SAR AUTO PRODUCTS LIMITED**

(CIN: L34100GJ1987PLC010088)

Registered office: 50-E, BHAKTINAGAR, INDS. ESTATE, RAJKOT

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

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**ATTENDANCE SLIP FOR 32<sup>ND</sup> ANNUAL GENERAL MEETING**

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

I hereby record my presence at the 32<sup>nd</sup> 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 Wednesday, September 04, 2019.

.....  
(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.***

**SAR AUTO PRODUCTS LIMITED**

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**32<sup>ND</sup> ANNUAL GENERAL MEETING ON 04<sup>th</sup> SEPTEMBER, 2019****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 32<sup>nd</sup> Annual General Meeting of the company, to be held on Wednesday, September -04, 2019, 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 Financial Statements as on 31 <sup>st</sup> March, 2019 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 Mr. Rameshkumar Durlabhjibhai Virani (DIN: 00313236) who retires by rotation and being eligible, offers himself for re-appointment			
<b>SPECIAL BUSINESS</b>				
3	Re-appointment of Mr. Issacthomas Charianthomas Kavunkal (DIN: 02995332), as an Independent Director.			
4	Re-appointment of Ms. Aarti Chintan Sodha (DIN: 06978954), as an Independent Director.			

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2019.

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

Affix  
Revenue  
Stamp of not  
less than Rs.1

signature across Revenue stamp

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

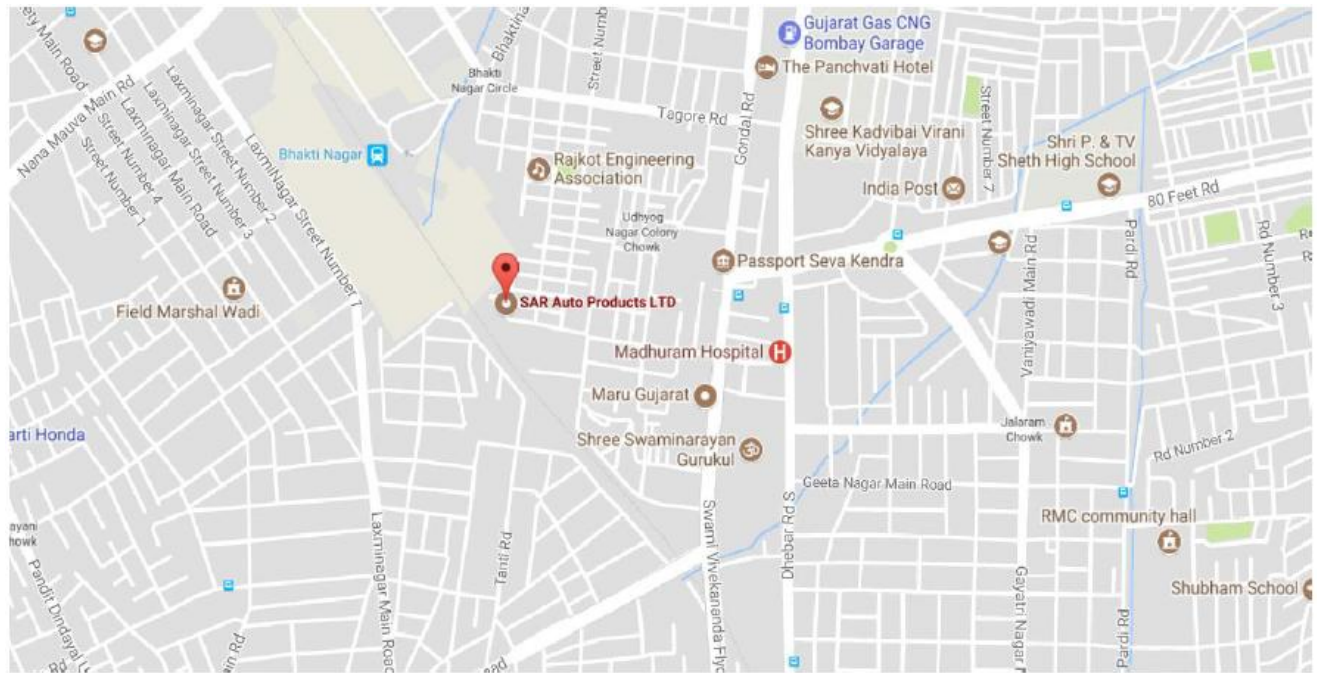
**Note:**

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 LIMITED FOR ANNUAL GENERAL MEETING**



**SAR AUTO PRODUCTS LIMITED  
50-E BHAKTINAGAR INDS ESTATE,  
RAJKOT - 360002**