



# SAR AUTO PRODUCTS LIMITED

Registered Office Address : 50-E, Bhaktinagar Industrial Estate, Rajkot - 360 002. Gujarat (India)

Website : [www.sarautoproductsltd.com](http://www.sarautoproductsltd.com) E-mail : [sapl@sarautoproductsltd.com](mailto:sapl@sarautoproductsltd.com) Ph.: +91 281 2374726

CIN No.: L34100GJ1987PLC010088

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

Date: 05-09-2020

ISIN: INE002E01010  
Scrip Code: 538992

Respected Sir/Madam,

SUB: Submission of 33<sup>rd</sup> Annual Report for the year ended on 31<sup>st</sup> March, 2020 under regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

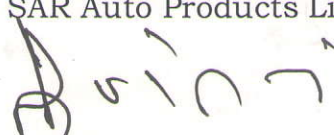
As per captioned subject, we hereby submit 33<sup>rd</sup> Annual Report for the year ended on 31<sup>st</sup> March, 2020 as per Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

You are requested to take the same in your record.

Yours faithfully,

Thanking you

For, SAR Auto Products Limited

  
Rameshkumar D. Virani  
Managing Director  
Din: 00313236



Enclosure: 33<sup>rd</sup> Annual Report of the Company SAR AUTO PRODUCTS LIMITED



# ANNUAL REPORT 2019-20

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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  
Ms. Zalak Kamlesh Upadhyay  
Mr. Ronak M. Khanvani

Managing Director  
Whole-time Director and CFO  
Company Secretary (W.e.f 05/02/2020)  
Company Secretary (upto 04/06/2019)

### 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  
Website: 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  
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-THIRD (33<sup>rd</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 30<sup>TH</sup> SEPTEMBER, 2020 at 10:00 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, 2020 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. Shreyas Rameshbhai Virani (DIN: 00465240) who retires by rotation and being eligible, offers himself for re-appointment.

### **Notes:**

1. The notice of AGM along with Annual Report for 2019-20 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 28<sup>th</sup> August, 2020. In Furtherance, as per the MCA and SEBI Circulars, the Notice of Annual General Meeting with annual report of the year 2019-20 required to sent only through electronic mode to those members whose email addresses are registered with the Company/Depositories as on 28-08-2020. Members may note that the Notice and Annual Report of the year 2019-20 will also be available on the website of the Company at [www. https://www.sarautoproductsltd.com](http://www.sarautoproductsltd.com) and on the website of stock exchange on which the securities of the company are listed i.e. [www. www.bseindia.com](http://www.bseindia.com).
2. Shareholders who have not registered their e-mail address and in consequence the Annual Report, Notice of AGM and e-voting notice could not be serviced, may also temporarily provide their email address and mobile number to the Company's Registrar and Share Transfer Agent, Link Intime India Private Limited at [ahmedabad@linkintime.co.in](mailto:ahmedabad@linkintime.co.in), for sending the same or can email to Company at [sapl@sarautoproductsltd.com](mailto:sapl@sarautoproductsltd.com). In case of any Queries relating to availing soft copy can contact company at aforesaid mentioned E-mail id.
3. Brief profile of director seeking to be re-appointed is attached to this report as Annexure 01 of Board's Report.
4. 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.

5. 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.
6. The Register of member and Share Transfer Book of the Company will remain closed from 25<sup>th</sup> September, 2020, Friday to 30<sup>th</sup> September, 2020, Wednesday (Both days inclusive) in connection with the Annual General Meeting.
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. In case of joint holders attending the AGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
10. Shareholders are requested to bring their copies of Annual Report at the meeting.
11. 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.
12. 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. transmission of share and transposition of shares. Shareholders are requested to furnish copy of Pan Card for all above mentioned transactions.

13. 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 PRIVATE LIMITED in case the shares are held by them in physical form.
14. 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 or at Email id [sapl@sarautoproductsltd.com](mailto:sapl@sarautoproductsltd.com) to enable the Company to collect relevant information.
15. Pursuant to provision of section 139 of the Companies Act, 2013 and Companies Amendment Act, 2017 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 33<sup>rd</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 33<sup>rd</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 26<sup>th</sup> September, 2020 at 10:00 a.m. and ends on 29<sup>th</sup> September, 2020 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 23<sup>rd</sup> September, 2020, 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 LIMITED." from the drop down menu and click on "SUBMIT"
- iv. Now enter your user ID
  - a. For CDSL : 16 digit beneficiary ID
  - b. For NSDL : 8 character DPID followed by 8 digits Client ID
  - c. Members holding shares in physical forms should enter Folio Number registered with the Company.
- v. Next enter the image verification as displayed and click on Login.



- vi. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- vii. If you are a first time user follow the steps given below:

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

- viii. After entering these details appropriately, click on "SUBMIT" tab.
- ix. Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- x. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xi. Click on the EVSN for the relevant SAR AUTO PRODUCTS LIMITED on which you choose to vote.
- xii. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or No as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiii. Click on the "RESOLUTION FILE LINK" if you wish to view the entire Resolution details.
- xiv. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xv. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvi. You can also take out print of the voting done by you by clicking on "click here to print" option on the voting page.
- xvii. If demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xviii. Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. 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 and Voting at the Annual General Meeting 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.

Place: Rajkot

Date: 17<sup>th</sup> August, 2020

By order of Board of Directors

Sar Auto Products Limited

Sd/-

Rameshkumar D. Virani

Chairman and Managing Director

DIN: 00313236

## BOARD'S REPORT

To  
The Members,

Your Directors have pleasure in presenting the 33<sup>rd</sup> Annual Report of the Company together with the Audited Financial Accounts for the year ended 31<sup>st</sup> March, 2020.

### 1) FINANCIAL SUMMARY AND HIGHLIGHTS:

|   | <b>(Amt in Rs. in Lacs)</b> |         |
|---|-----------------------------|---------|
| Financial Results   | 2019-20                     | 2018-19 |
|   |                             |         |
| Income from operations  | 679.81                      | 983.05  |
| Add : Other Income  | 31.31                       | 31.88   |
| Total Income  | 711.12                      | 1014.93 |
| Less : Total Expenditure (Excluding Depreciation & Amortization Expense & Finance Cost) | 552.50                      | 834.49  |
| Profit/(Loss) before Depreciation & Amortization Expense and Finance Cost               | 158.62                      | 180.44  |
| Less: Finance cost  | 6.53                        | 12.04   |
| Less: Depreciation & Amortization Expense   | 127.19                      | 141.40  |
| Profit / (Loss) before tax  | 24.90                       | 27.00   |
| Less: Provision for tax:  |                             |         |
| Current Tax   | 0                           | 5.19    |
| Prior Period Taxes  | 0                           | 0       |
| Deferred Tax Assets   | (4.47)                      | (5.92)  |
| MAT Credit Entitlement  | 0                           | (5.25)  |
| Profit/(Loss) after tax   | 29.37                       | 32.98   |
| Other Comprehensive Income  | 1.77                        | (0.22)  |
| Total Comprehensive Income  | 31.14                       | 32.76   |

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

During the year, the Company has made revenue from operation of Rs. 679.81 Lacs in comparison to previous year of Rs. 983.05 Lacs i.e reduced by 30.85% and the Company has made Profit of Rs. 29.37 Lacs and total comprehensive of Rs. 31.14 Lacs in comparison to Profit after tax of previous year of Rs. 32.98 Lacs and total comprehensive of Rs. 32.76 Lacs. Hence, due to Management's Effort, Company able to maintain the profitable position in approximate nearest position in relation to previous year. Management is working hard and looking forward to explore market in the gears and in the wide range of automotive parts.

Economic outlook, Future Prospects and overview of the business is given in Management Discussion and Analysis Report attached with the Report.

### **3) STATE OF THE COMPANY'S AFFAIRS:**

- Segment wise position of the Business is disclosed in the Management Discussion and Analysis Report attached with the Report
- During the year 2019-20, there has been no change in the status of the Company.
- There has been no change in financial year of the Company.
- There has been no event having material impact on the Company's affairs except in last quarter i.e. in March, 2020, Company's operations were suspended as per Government's order of Lock down due to outbreak of Covid- 19 Pandemic.

### **4) DIVIDEND:**

With a view of plough back of Profit, your Directors do not recommend any dividend.

### **5) CAPITAL 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.

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

During the year 2019-20, your Company has not made any transaction falling under the ambit of section 186 of the Companies Act, 2013 and as such disclosure for this point is not applicable. Investments made by the company are within the limit prescribed under section 186 of the Companies Act, 2013

### **7) 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.

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

The Company has no Holding, Subsidiary and Associate Company and as such all disclosure pertaining to Consolidation of Accounts and AOC-I is not applicable for the Company.

### **9) 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.

### **10) 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.

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

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

## **12) 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. However as stated earlier there is effect on operation of the Company due to lock down situation pursuant to Outbreak of Covid-19 Pandemic. Company is working hard to minimize the effect of this on Financial Performance of the Company.

## **13) INTERNAL FINANCIAL CONTROLS:**

“Internal financial controls” means the policies and procedures adopted by the company for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information. The Company has in place adequate internal financial controls with reference to financial statements. During the year no reportable material weakness in the design or operation was observed.

## **14) 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.

## **15) 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 and also in Notes forming part of the Financial statements attached herewith the report.

## **16) 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. During the year there was no instance of Strike, Lock out or another issues related to Human Resources. However as per Government’s order of Lock Down due to outbreak of covid19, the Company’s operations were closed w.e.f. 25th March, 2020 and restarted its operations w.e.f. 18<sup>th</sup> May, 2020 in accordance with the guidelines provided by the government and in accordance with requisite approvals of appropriate authorities.

## **17) OVERVIEW OF THE INDUSTRY AND OUTLOOK:**

The aforesaid details are given in the Management Discussion and Analysis Report attached herewith the report.

## **18) 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.

## **19) 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.

## **20) 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.

## **21) 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.

## **22) NON APPLICABILITY OF CORPORATE GOVERNANCE & SOME REGULATIONS OF SEBI(LODR),2015 AND OTHER PROVISIONS:**

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. 13.47 Crore which is not exceeding Rs.25 crore, as on the last day of the financial year 2019-2020. 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.

In Furtherance, Company was neither required to transfer any shares nor any amount to Investor Education and Protection Fund (IEPF).

## **23) DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

Mr. Shreyas Rameshbhai Virani (DIN: 00465240), 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.

Brief profile of Director seeking to be re-appointed is attached to this Board's report as **Annexure 01**.

At the previous 32<sup>nd</sup> Annual General Meeting convened on 04<sup>th</sup> September, 2019, with the consent of the Members of the Company and by way of passing Special Resolution, Ms. Aarti Chintan Sodha (DIN: 06978954) and Mr. Issacthomas Charianthomas Kavunkal (DIN: 02995332), were re-appointed as an Independent Director of the Company to hold office for a second term of five years commencing with effect from September, 04, 2019 till September 03, 2024.

During the year under review, there has been no change in the composition of Board of Directors of the Company.

Changes in KMP:

-Mr. Ronak M. Khanvani, has resigned as Company Secretary and Compliance officer of the Company w.e.f 04<sup>th</sup> June, 2019.

-Mr. Skaria Chacko Kolasseril has been designated as Compliance Officer w.e.f. 04<sup>th</sup> June, 2019 till 05<sup>th</sup> February, 2020.

- Ms. Zalak Kamlesh Upadhyay (ACS 44319) as Company Secretary and Compliance officer of the Company w.e.f. 05<sup>th</sup> February, 2020.

Independent Directors:

Ms. Aarti Chintan Sodha (DIN: 06978954) and Mr. Issacthomas Charianthomas Kavunkal (DIN: 02995332) are the Independent Directors

In terms of the Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, all Independent Directors of the Company have enrolled themselves on the Independent Directors Databank and will undergo the online proficiency self-assessment test within the specified timeline unless exempted under the aforesaid Rules.

## **24) DECLARATION BY INDEPENDENT DIRECTORS:**

Pursuant to the provisions of Section 149 of the 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 as per Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") at the first meeting of the Board of financial year. In Furtherance, Company has also received confirmation that that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence and that they are independent of the management. 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.

None of the Directors are disqualified to be continued to act as Director of the Company

## 25) NUMBER OF MEETINGS OF THE BOARD AND ANNUAL GENERAL MEETING AND ATTENDANCE AND OTHER RELATED DETAILS:

The Board has met 5 (Five) times during the financial year 2019 -20 on (1) 27-05-2019, (2)04-06-2019, (3) 05-08-2019, (4) 09-11-2019, and (5) 05-02-2020.

Details pertaining to Presence of Board Meetings are presented below:

| Sr. No. | Name of Directors<br>Designation as on 31-03-2020 | Mr. Rameshkumar D Virani<br>Managing Director | Mr. Shreyas R. Virani<br>Whole-Time Director | Mr. Issacthomas C. Kavunkal<br>Independent Director | Ms. Aarti C. Sodha<br>Independent Woman Director |
|---------|---|---|--|---|--|
|         | Date of Board Meeting                             |   |  |   |  |
| 1       | 27-05-2019  | Present                                       | Present                                      | Present   | Present  |
| 2       | 04-06-2019  | Present                                       | Present                                      | Present   | Present  |
| 3       | 05-08-2019  | Present                                       | Present                                      | Present   | Present  |
| 4       | 09-11-2019  | Present                                       | Present                                      | Present   | Present  |
| 5       | 05-02-2020  | Present                                       | Present                                      | Present   | Present  |

Separate Meeting of Independent Director:

One meeting of the Independent Director of the Company was held on 09<sup>th</sup> November, 2019 for review of performance of non-Independent directors and the Board of Directors as a whole, review the performance of Chairman taking into account view of executive directors and non-executive directors and to assess the quality, quantity and timeliness of flow of information between the management of the listed entity and the board of directors that is necessary for the board of directors to effectively and reasonably perform their duties.

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 04-09-2019 |
|---------|-----------------------------|----------|---|
| 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   | Yes                                       |

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        |
|----------------|---|----------------------------------|-----------|-------------|
| 2018-2019      | 50 E, Bhaktinagar Industrial Estate, Rajkot – 360 002 | 04 <sup>th</sup> September, 2019 | Wednesday | 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. |
| 2016-2017      | 50 E, Bhaktinagar Industrial Estate, Rajkot – 360 002 | 19 <sup>th</sup> September, 2017 | Tuesday   | 11.00 A. M. |

Whether Special Resolution Passed: Yes- as mentioned below:

- Special Resolution were passed in the 32<sup>nd</sup> Annual General Meeting convened on 04<sup>th</sup> September, 2019 for Re- appointment of Independent Directors: Mr. Issacthomas C. Kavunkal (DIN: 02995332) and Ms. Aarti C. Sodha (DIN: 06978954) to hold office for a second term of five years commencing with effect from September, 04, 2019 till September 03, 2024 and who were not liable to retire by rotation. Company has provided E-voting facility for the 32<sup>nd</sup> Annual General Meeting convened on 04<sup>th</sup> September, 2019.
- 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 (DIN: 00313236) as Managing Director of the Company 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

### **26) 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.

## 27) 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. In Furtherance Independent Directors have also met once during a year without Non-Independent directors for review of performance of non-Independent directors and the Board of Directors as a whole, review the performance of Chairman taking into account view of executive directors and non-executive directors. Evaluation made on various criteria's such as analyzing skill of Directors related to Leadership, Strategy Formulation and execution, Financial planning / performance, skill related to maintenance of relationship including both i.e. internal and external relationship, participation in the decision making, presence of board meeting, knowledge and competency, assessment of risk factors etc.

|   |   |              |
|---|---|--------------|
| 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 |

## 28) 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 :-

- Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- 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 & approval of Payment to Statutory Auditors for any other services rendered by the Statutory Auditors.
- Reviewing with the management the financial statements and auditor's report thereon before submission to the Board, focusing primarily on
  1. Matters to be included in the Directors Responsibility Statement to be included in

the Board's report in terms of Clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013.

2. Changes to any accounting policies and practices.
  3. Major accounting entries based on the exercise of judgement by Management.
  4. Significant adjustments if any, arising out of audit findings.
  5. Compliance with respect to accounting standards, listing agreements and legal.
  6. requirements concerning financial statements.
  7. Disclosure of any related party transactions.
  8. Modified opinion (s) in the draft audit report.
- Examination and review of quarterly, half yearly financial statement including Limited Review Report/ 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 undertaking or assets of the Company, whenever it necessary.
  - Review of the adequacy of internal audit function and discuss with Internal Auditors of any significant findings and follow up thereon.
  - Evaluation of internal financial controls and risk management system.
  - to review the functioning of the whistle blower mechanism
  - Other matters as may be prescribed from time to time to be deal with or handled by the Audit Committee pursuant to provisions of the Companies Act, 2013 the Rules there under, SEBI (LODR) Regulations, 2015 and any other functions as may be assigned to the committee by the Board from time to time.

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

Four (4) Meetings of Audit Committee were held during financial year 2019-20 on 27-05-2019, 05-08-2019, 09-11-2019 and 05-02-2020 and all members were present at the meetings.

Mr. Ronak M. Khanvani, Company secretary has attended the meeting dated 27-05-2019.

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:-

- 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.
- 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.
- 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.
- 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.
- Devising a policy on diversity of Board of Directors.
- Other matters as may be prescribed from time to time to be deal with or handled by the Audit Committee pursuant to provisions of the Companies Act, 2013 the Rules there under, SEBI (LODR) Regulations, 2015 and any other functions as may be assigned to the committee by the Board from time to time.

Details of remuneration paid:

1. Mr. Shreyas R. Virani, Whole-Time Director was paid Rs.10,55,964 as Managerial remuneration during the year 2019-20.
2. Mr. Rameshbhai D. Virani, Managing Director was paid Rs.11,61,552 as Managerial remuneration during the year 2019-20.

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:

Four(4) meetings of the Nomination and Remuneration Committee were held during the financial year 2019-20 on 27-05-2019, 04-06-2019, 24-07-2019 and 24-01-2020 and all the members were present.

Mr.Ronak M. Khanvani,Company secretary has attended the meeting dated 27-05-2019.

### **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. Issachthomas 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 2019-20, Two (2) Committee meeting was held on 17-04-2019 and 05-02-2020 all members have attended the meeting.

Mr. Ronak M. Khanvani, Company secretary has attended the meeting dated 17-04-2019.

## **4. CORPORATE SOCIAL RESPONSIBILITY 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. Issac Thomas 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) as and when applicable 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 2019-20 the Committee met one (1) time on 30-04-2019 and all the members have attended the meeting. Mr. Ronak M. Khanvani, Company Secretary has also 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. Issac Thomas 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 2019-20 the Committee met one(1) time on 27-05-2019 and all the members have attended the meeting.

## **29) 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.

## **30) 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.

## **31) 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 has confirmed that he 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 2019-20.

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

The Secretarial Audit Report for the financial year ended March 31, 2020 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**.

#### **COST AUDIT/RECORD:**

The Company is not falling under the ambit of section 148 of the Companies Act, 2013 and the Companies (Cost Records & Audit) amendment Rules, 2014 is not applicable to the Company. Hence company has not maintained Cost Records and Cost audit is not applicable.

#### **32) 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 due to fluctuations in the profitability of the Company no CSR activities was carried out during the year.

#### **33) 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.

#### **34) 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.



### **35) 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.

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

Whistle Blower (vigil mechanism) is a mechanism which provides a format for all stakeholders, employees and directors of the Company to approach the Chairman of the Audit Committee of the Company and make protective disclosures about the unethical behavior towards stakeholder/employee of the company, leak of UPSI, actual or suspected fraud or violation of the Company's Code of Conduct and Company has established this 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 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.

Kindly Note that Mr. Shreyas R. Virani (DIN: 00465240), Whole-Time Director and CFO of the Company could not be able to sign Financial statements as he is out of India and due to covid-19 not able to present/reach in India.

Place: Rajkot

Date: 17<sup>th</sup> August, 2020

For and on Behalf of

Sar Auto Products Limited

Sd/-

Rameshkumar D. Virani

Chairman and Managing Director

DIN: 00313236

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

|   |   |
|---|---|
| Name of Director  | Mr. Shreyas Rameshbhai Virani   |
| DIN:  | 00465240  |
| Date of Birth   | 09/03/1970  |
| Age   | 50 years & 5 Months   |
| Date of Appointment   | 14-04-2007  |
| Expertise in Specific functional area   | Financial & Administration  |
| Experience  | 28 Years  |
| Number of Meetings of the Board attended during the year                      | 5   |
| List of public companies in which Directorship held (other than this company) | NIL   |
| Chairman/Member of the committees of the Company                              | Chairman- 1<br>Member- in 3 Committees  |
| Chairman/Member of the committees of Directors of other Companies             | --  |
| Shareholding in SAR AUTO PRODUCTS LIMITED                                     | 11.65%  |
| Relationship between director Inter -se                                       | Son of Mr. Rameshkumar D.Virani, Managing Director of the Company                               |
| Terms and Condition of appointment  | As per Nomination and Remuneration Policy of the Company as displayed on the Company's Website. |

Place: Rajkot

Date: 17<sup>th</sup> August, 2020

For and on Behalf of

Sar Auto Products Limited

Sd/-

Rameshkumar D. Virani

Chairman and Managing Director

DIN: 00313236

|  |
|--|
| <b>MANAGEMENT DISCUSSION AND ANALYSIS REPORT</b> |
|--|

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:**

The company is mainly engage in manufacturing and selling of Auto components, especially Gears for Transmission, Differential & Engine. SAPL manufactures Auto components comprising of automobile gears like Spur Gear, Helical Gear, Straight Bevel Gear, Sprockets along with Transmission Spline Shafts, Couplings and Power Take-off clutches which are used for Transmission, Engine and Differential gear boxes and Company can manufacture machined parts upto 480mm dia.

All parts are manufactured and tested as per the German Specification (DIN standard) and majority of the parts are self-certified by our OEM customers and are directly used at their assembly line.

We are certified to ISO/TS 16949:2009 in quality system for the products ranges: Automobile Components Like Synchronizer Ring, Synchronizer Cone, Sliding Sleeve, Hub and Transmission Components from LMS Certification limited, which is Accredited with IAS i.e. International Accreditation Service.

During the year 2019-20 there is decrease in Production. In this year there is Production of 92294 (nos.) parts as compared to last year production of 1,59,127 (nos.) auto parts components. In terms of Turnover the company has achieved the net turnover of Rs. 6,79,81,270/-. The overall Review highlighted below:

| Particulars        | Year: 2019-2020 | Year: 2018-2019 |
|--------------------|-----------------|-----------------|
| Export Sales       | 28,78,920       | NIL             |
| Domestic Sales     | 6,31,02,350     | 9,83,05,285     |
| Total Sales        | 6,59,81,270     | 9,83,05,285     |
| Other Income       | 31,31,049       | 31,88,489       |
| Earnings Per Share | 0.62            | 0.69            |

From the above, during the year under review Company has made export sales which was nil in last year. During the year 2019-20, there is reduction in the turnover of the Company due to volatile market condition of the Automobile industry. In furtherance, due to outbreak of Covid-19 in the last quarter of 2019-20 and due to continuous effect of pandemic, profitability of the Company might get reduced and impact the annual performance for the year 2020- 21.

### **INDUSTRY STRUCTURE AND DEVELOPMENTS:**

AUTO COMPONENTS INDUSTRY IN INDIA IN THE YEAR 2019-20

India’s automobile industry is the world’s fourth largest. India was the world's fourth largest manufacturer of cars and seventh largest manufacturer of commercial vehicles in 2019. Indian automotive industry (including component manufacturing) is expected to reach between Rs 16.16-18.18 trillion (US\$ 251.4-282.8 billion) by 2026. Indian automobile industry received Foreign Direct Investment (FDI) worth US\$ 24.21 billion between April 2000 and March 2020.

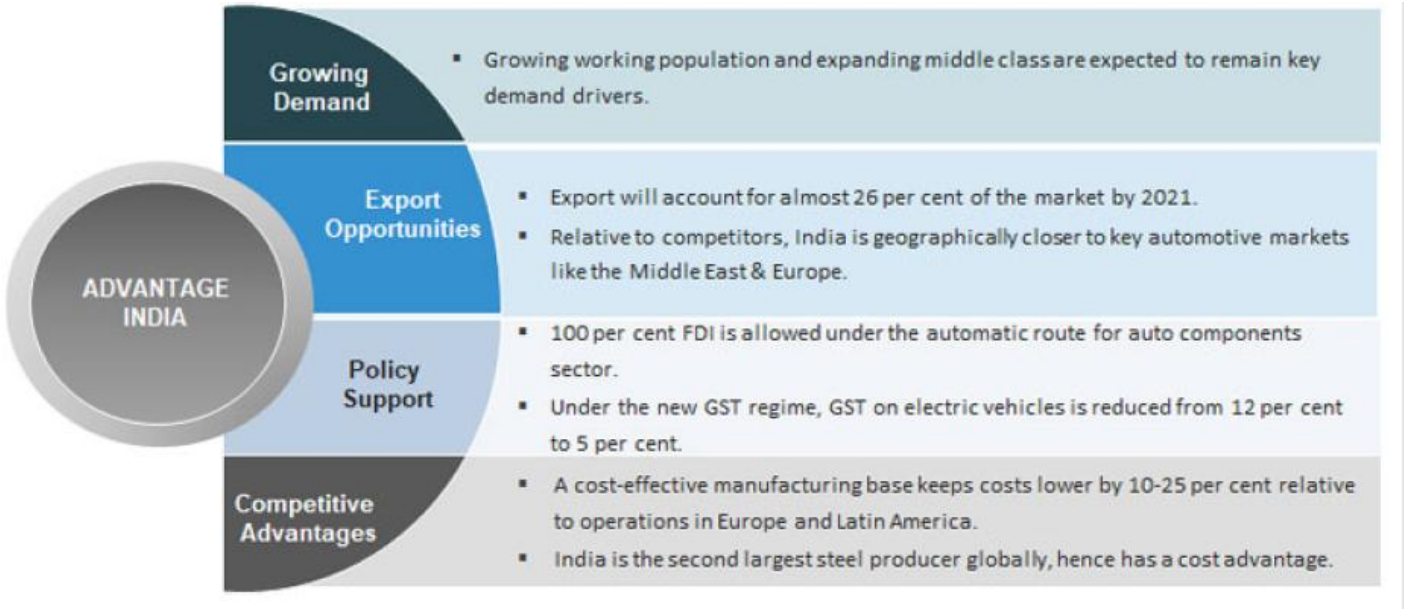
In Furtherance, The Indian auto-components industry has experienced healthy growth over the last few years. The auto-components industry expanded 10.6 per cent to reach US\$ 56.52 billion in FY19. Auto-components industry account for 2.3 per cent of India’s Gross Domestic Product (GDP) and employs as many as 1.5 million people directly and indirectly each.

### Market Size

The industry can be broadly classified into organised and unorganised sectors. The organised sector caters to original equipment manufacturers (OEMs) and consist of high-value precision instruments while the unorganised sector comprises low-valued products and caters mostly to the aftermarket category.

Automobile component industry’s revenue stood at US\$ 56.52 billion in FY19, up from US\$ 35 billion in FY14. As per Automobile Component Manufacturers Association (ACMA), automobile components export from India is expected to reach US\$ 80 billion by 2026. The Indian auto components industry aims to achieve US\$ 200 billion in revenue by 2026. Turnover of the industry stood at Rs 1.79 lakh crore (US\$ 25.61 billion) in FY20 (till September 2019) and export of auto components grew 2.7 per cent to reach Rs 51,397 crore (US\$ 7.35 billion) during the same time.

### Indian Auto Components Industry Analysis



(Source:IBEF)

### SEGMENT WISE PERFORMANCE

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

## Segment Reporting for the year ended 31<sup>st</sup> March, 2020

[Amount in  
Rs.]

| Particulars |   | BUSINESS SEGMENTS |                  | Unallocable      | Total             |
|-------------|---|-------------------|------------------|------------------|-------------------|
|             |   | Manufacturing     | Construction     |                  |                   |
| 1.          | <b>Segment Revenue</b>                          |                   |                  |                  |                   |
|             | External Turnover                               | 65,981,270        | 2,000,000        | -                | 67,981,270        |
|             | Inter-Segment Turnover                          | -                 | -                | -                | -                 |
|             | <b>Gross Turnover</b>                           | 65,981,270        | 2,000,000        | -                | 67,981,270        |
|             | Less: Excise Duty                               | -                 | -                | -                | -                 |
|             | <b>Net Turnover</b>                             | <b>65,981,270</b> | <b>2,000,000</b> | <b>-</b>         | <b>67,981,270</b> |
| 2.          | <b>Segment Result before Interest and Taxes</b> | <b>42,498</b>     | <b>(30,706)</b>  |                  | 11,792            |
|             | Less: Interest Expense                          | -                 | -                | (652,809)        | (652,809)         |
|             | Add: Other Income                               | -                 | -                | 3,131,049        | 3,131,049         |
|             | <b>Profit Before Tax [PBT]</b>                  | <b>42,498</b>     | <b>(30,706)</b>  | <b>2,478,240</b> | <b>2,490,032</b>  |
|             | Less: Net Current tax                           | -                 | -                | -                | -                 |
|             | Deferred tax                                    | -                 | -                | (447,582)        | (447,582)         |
|             | Prior Year Tax                                  | -                 | -                | -                | -                 |
|             | <b>Profit After Tax [PAT]</b>                   | <b>42,498</b>     | <b>(30,706)</b>  | <b>2,925,822</b> | <b>2,937,616</b>  |
|             |   |                   |                  |                  |                   |
| 3.          | <b>Other Information</b>                        |                   |                  |                  |                   |
|             | Segment Assets                                  | 152,556,172       | -                | -                | 152,556,172       |
|             | Segment Liabilities                             | 152,556,172       | -                | -                | 152,556,172       |

## OUTLOOK:

### World Economic Outlook

Global growth is projected to rise from an estimated 2.9 percent in 2019 to 3.3 percent in 2020 and 3.4 percent for 2021—a downward revision of 0.1 percentage point for 2019 and 2020 and 0.2 for 2021 compared to those in the October World Economic Outlook (WEO).

(Source: IMF: January 9, 2020)

The COVID-19 pandemic is inflicting high and rising human costs worldwide, and the necessary protection measures are severely impacting economic activity. As a result of the pandemic, the global economy is projected to contract sharply by –3 percent in 2020, much worse than during the 2008–09 financial crisis. In a baseline scenario—which assumes that the pandemic fades in the second half of 2020 and containment efforts can be gradually unwound—the global economy

is projected to grow by 5.8 percent in 2021 as economic activity normalizes, helped by policy support.

(Source: IMF: April 6,2020)

Global growth is projected at -4.9 percent in 2020, 1.9 percentage points below the April 2020 World Economic Outlook (WEO) forecast. The COVID-19 pandemic has had a more negative impact on activity in the first half of 2020 than anticipated, and the recovery is projected to be more gradual than previously forecast. In 2021 global growth is projected at 5.4 percent. Overall, this would leave 2021 GDP some 6½ percentage points lower than in the pre-COVID-19 projections of January 2020. The adverse impact on low-income households is particularly acute, imperiling the significant progress made in reducing extreme poverty in the world since the 1990s.

(Source: IMF: June 24,2020)

### **Indian Economy outlook**

India continued to be one of the most robust and resilient economies of the world in 2019.

During FY20, the economy grew by 4.2%, suffering primarily from inadequate credit availability owing to challenges in the financial sector. The combined impact of muted domestic demand and export markets dragged down capacity utilisation of industries.

The Government of India undertook proactive initiatives such as reducing corporate tax rates and offering credit guarantee for financially sound Non-Banking Financial Corporations (NBFCs). The year also witnessed easing of monetary policy by the Reserve Bank of India (RBI) with significant reduction in the repo rate. Driven by fiscal and monetary policy initiatives, the economy began to show early signs of recovery. However, the COVID-19 outbreak in the fourth quarter of the year made recovery an uphill task.

Source: Economic Survey of India 2019-20; Central Statistics Office

### **Industry Outlook**

The Indian auto-components industry has experienced healthy growth over the last few years. The auto-components industry expanded 10.6 per cent to reach US\$ 56.52 billion in FY19.

Auto-components industry account 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 favourable destination for Investment.

Considering the ROAD AHEAD Map:

The rapidly globalising world is opening newer opportunities for the transportation industry, especially while it makes a shift towards electric, electronic and hybrid cars, which are deemed more efficient, safe, and reliable mode of transportation. Over the next decade, this will lead to newer verticals and opportunities for auto-component manufacturers, who would need to adapt change via systematic R&D. As per ACMA forecasts, automobile component export from India is expected to reach US\$ 80 billion by 2026.

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 export potential could be increased by up to US\$ 30 billion by 2021E.

(Source: Secondary Research & IBEF)

Hence, in the critical situation of Pandemic, with the Best efforts of Government of India and Company is also striving hard to accommodate with the current situation and to improve the performance of the company for the year 2020-21. It is difficult to measure the performance of the Company for the year 2020-21, as the future market is volatile and cannot be predicted but Company expects to gradually come back to its original level of operations, in the upcoming months

## **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. Due to outbreak of Covid-19, we expect to increase in demand of private vehicles and we consider this as one of the opportunity which will help to improve the performance of the Company. Government of India is also taking various initiative steps for the development of Auto Industry. The Theme of "ATMANIRBHAR" of Indian Government will also be one of the path of Opportunity for the Company.

### **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, Tense situations amongst the Country, 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. One of the Major risk in present situation is unstable market position and deflation in export due to outbreak of Covid-19.

Company is watching and analyzing the trend of market situation and accordingly will take various steps to mitigate the risks of the business.

## **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 92,294 and the Net turnover of Rs. 6,79,81,270/- in the Financial year 2019-20. In this year, company has earned Profit of Rs. 31.14 lacs as compared to last year's profit of Rs. 32.76 lacs. Decrease is there in profitability but the company has tried to maintain the profitability situation. 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. However, due to outbreak of covid 19 and consequence of LOCK DOWN as per Government Order, the Company's office and operation of the Company is suspended from March 25, 2020 and the Company has restarted its operations since May 18, 2020, by adhering to the safety norms prescribed by Government of India.

## **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, 2020 13,47,47,913 is in comparison to previous year of Rs. 13,16,32,958 The change in Net Worth is due to Increase in other Comprehensive Income 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: 17<sup>th</sup> August, 2020

For and on Behalf of

Sar Auto Products Limited

Sd/-

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:**

| Name(s) of the related party and nature of relationship:  | Nature of contracts/ arrangements/ transactions | Duration of the contracts / arrangements/ transactions | Salient terms of the contracts or arrangements or transactions including the value, if any | Date(s) of approval by the Board | Amount paid as advances, if any |
|---|---|--|--|----------------------------------|---------------------------------|
| Virani Estate Corporation<br>Enterprise in which KMP are able to exercise significant influence | Commission On Sales                             | Approved yearly omnibus                                | 290280.00  | 27-05-2019                       | NIL                             |
| Virani Estate Corporation<br>Enterprise in which KMP are able to exercise significant influence | Sales Of Automobiles Parts                      | Approved yearly omnibus                                | 7921632.00   | 27-05-2019                       | NIL                             |
|   |   |  |  |                                  |                                 |

Place: Rajkot

Date: 17<sup>th</sup> August, 2020

For and on Behalf of

Sar Auto Products Limited

Sd/-

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. 4,76,357.00.

Managing Director: Mr. Rameshkumar D. Virani: ratio is 1.66 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, Whole-Time Director, Chief Financial Officer, and Company Secretary. No Remuneration is paid to Non-Executive Director.

- (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 19-20) | 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 | 76  | 38                    | 14/01/2005      | 1161552.00                                   | Mahindra SAR Transmission Pvt. | Father Of Shreyas Virani   |

|   |                      |                      |         |    |    |            |            |                                     |                      |
|---|----------------------|----------------------|---------|----|----|------------|------------|-------------------------------------|----------------------|
|   |                      |                      | Studies |    |    |            |            | Ltd.                                |                      |
| 2 | Shreyas Virani       | Whole Time Director  | B.Com   | 50 | 28 | 14/04/2007 | 1055964.00 | Mahindra SAR Transmission Pvt. Ltd. | Son Of Ramesh Virani |
| 3 | Skaria Chacko        | DGM – Sales          | B.Com   | 45 | 18 | 01/06/2016 | 341280.00  | Mahindra SAR Transmission Pvt. Ltd. | --                   |
| 4 | Rameshbhai Virsodiya | DGM – Administration | B.Com   | 55 | 23 | 01/09/2013 | 135077.00  | Mahindra SAR Transmission Pvt. Ltd. | --                   |

Except directors, other remaining 2 employees do not hold more than 2% of the Equity shares of the company

Place: Rajkot

Date: 17<sup>th</sup> August, 2020

For and on Behalf of

Sar Auto Products Limited

Sd/-

Rameshkumar D. Virani

Chairman and Managing Director

DIN: 00313236

## ANNEXURE -05

### Form No. MR-3

### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31<sup>ST</sup> MARCH, 2020

*[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 our 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, 2020, 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, 2020, 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, 2018; **Not Applicable** during the Audit Period 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** during the Audit Period 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** during the Audit Period 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** during the Audit Period and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **Not Applicable** during the Audit Period 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.*** Re- appointment of Independent Directors for a second term of five years is made in due compliance with the provisions of the Act. ***In Furtherance, Company Secretary and Compliance officer have resigned on 04<sup>th</sup> June, 2019 & thereafter appointed new Company Secretary and Compliance Officer w.e.f 05<sup>th</sup> February, 2020 and during the aforesaid period there was no qualified company secretary. However, Management has explained that the company has appointed Agency for searching the Qualified company secretary to be appointed in company, however suitable candidate was not found till 4<sup>th</sup> February, 2020.***

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 (or with requisite compliances for holding of a Board Meeting at a shorter notice in case of urgency), 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 : 17<sup>th</sup> August, 2020  
UDIN: F005156B000587628

Sd/-  
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.

We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. 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.
6. 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 :17<sup>th</sup> August, 2020  
UDIN: F005156B000587628

Sd/-  
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>2019-20</b> | <b>2018-19</b> |
| <b>a) Electricity</b>                  |                |                |
| Purchased (KWH)                        | 202959         | 379864         |
| Total Amount                           | 1603555.52     | 2589492.26     |
| Average Rate Rs.                       | 7.90 / Units   | 6.82 / 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: NIL

Place: Rajkot

Date: 17<sup>th</sup> August, 2020

For and on Behalf of

Sar Auto Products Limited

Sd/-

Rameshkumar D. Virani

Chairman and Managing Director

DIN: 00313236

**ANNEXURE -07****Form No. MGT-9**

EXTRACT OF ANNUAL RETURN as on the financial year ended on 31/03/2020  
[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 LIMITEED  |
| iv)     | Category/Sub Category of the Company                                      | PUBLIC COMPANY LIMITED BY SHARES &<br>INDIAN NON- GOVERNMENT COMPANY  |
| v)      | Address of the Registered office and Contact Details                      | 50-E, BHAKTINAGAR INDS ESTATE, RAJKOT-360002<br>Ph: 0281- 2374726<br>Email: <a href="mailto:sapl@sarautoproductsltd.com">sapl@sarautoproductsltd.com</a><br>Website: <a href="http://www.sarautoproductsltd.com">www.sarautoproductsltd.com</a>   |
| 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<br>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<br>Ph: 079-26465179<br>Email: <a href="mailto:ahmedabad@linkintime.co.in">ahmedabad@linkintime.co.in</a><br>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                             | 97.06                              |
|         |   |                                   |                                    |

\*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 year |
|----------------------|--|----------|---------|-------------------|--------------------------------------|----------|---------|-------------------|--------------------------|
| Shareholders         | Demat                                      | Physical | Total   | % of total shares | Demat                                | Physical | Total   | % of total shares |                          |
| <b>A. Promoters</b>  |  |          |         |                   |                                      |          |         |                   |                          |
| <b>(1) Indian</b>    |  |          |         |                   |                                      |          |         |                   |                          |
| a) Individual /HUF   | 3556866                                    | 0        | 3556866 | 74.6497           | 3548266                              | 0        | 3548266 | 74.4692           | -0.1805                  |
| 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)     | 3556866                                    | 0        | 3556866 | 74.6497           | 3548266                              | 0        | 3548266 | 74.4692           | -0.1805                  |
| <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)   | 3556866 | 0     | 3556866 | 74.6497 | 3548266 | 0     | 3548266 | 74.4692 | -0.1805 |
| 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  | 151337  | 1000  | 152337  | 3.1972  | 3849    | 1000  | 4849    | 0.1018  | -3.0954 |
| 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          | 17427   | 19100 | 36527   | 0.7666  | 17134   | 18900 | 36034   | 0.7563  | -0.0103 |
| ii) Individual Shareholders holding nominal share Capital in excess of Rs. 1.00 Lacs | 594362  | 0     | 594362  | 12.4742 | 625798  | 0     | 625798  | 13.1339 | 0.6597  |
|  |         |       |         |         |         |       |         |         |         |
| c) NBFC Registered with RBI  | 0       | 0     | 0       | 0       | 0       | 0     | 0       | 0       | 0.0000  |
|  |         |       |         |         |         |       |         |         |         |
| d) Others (Specify)  |         |       |         |         |         |       |         |         |         |
| -Trust   | 0       | 0     | 0       | 0.00    | 131925  | 0     | 131925  | 2.7688  | +2.7688 |
| -Trust Employee  | 0       | 0     | 0       | 0       | 211     | 0     | 211     | 0.0044  | +0.0044 |

|   |         |       |         |         |         |       |         |         |         |
|---|---------|-------|---------|---------|---------|-------|---------|---------|---------|
| - HUF                                       | 156     | 0     | 156     | 0.0033  | 165     | 0     | 165     | 0.0035  | +0.0002 |
| -NRI (Non Repat)                            | 14      | 0     | 14      | 0.0033  | 15      | 0     | 15      | 0.0033  | 0.0000  |
| - NRI (Repat)                               | 197060  | 0     | 197060  | 4.1358  | 197060  | 0     | 197060  | 4.1358  | 0.0000  |
| - Clearing Member                           | 7001    | 0     | 7001    | 0.1469  | 0       | 0     | 0       | 0       | -0.1469 |
| Sub Total (B)(2):-                          | 967357  | 20100 | 987457  | 20.7243 | 976157  | 19900 | 996057  | 20.9048 | 0.1805  |
| Total Public Shareholding                   |         |       |         |         |         |       |         |         |         |
| (B)=(B)(1)+                                 | 1187774 | 20100 | 1207874 | 25.3503 | 1196574 | 19900 | 1216474 | 25.5308 | 0.1805  |
| (B)(2)                                      |         |       |         |         |         |       |         |         |         |
| C. Shares Held by Custodian for GDRs & ADRs | 0       | 0     | 0       | 0.00    | 0       | 0     | 0       | 0.00    | 0.00    |
|   |         |       |         |         |         |       |         |         |         |
| GrandTotal                                  | 4744640 | 20100 | 4764740 | 100.00  | 4744840 | 19900 | 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       | 1026231                                   | 21.5380                          | 0   | 1026231                              | 21.5380                          | 0   | 0.0000                                   |
| 4       | SHREYAS VIRANI       | 563645                                    | 11.8295                          | 0   | 555045                               | 11.6490                          | 0   | -0.1805                                  |
|         | Total                | 3556866                                   | 74.6497                          | 0   | 3548266                              | 74.4692                          | 0   | -0.1805                                  |

## 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 R. VIRANI                |   |                                  |   |                                  |
|         | At the Beginning of the year     | 563645                                    | 11.8295                          | 563645                                  | 11.8295                          |
|         | Transfer of Shares on 15/11/2019 | 8600                                      | 0.1805                           | 555045                                  | 11.6490                          |
|         | At the End of the Year           | 555045                                    | 11.6490                          | 555045                                  | 11.6490                          |

|   |                              |         |         |         |         |
|---|------------------------------|---------|---------|---------|---------|
| 2 | RAMESHBHAI D. VIRANI         |         |         |         |         |
|   | At the Beginning of the year | 1094480 | 22.9704 | 1094480 | 22.9704 |
|   | No changes during the year   | 0       | 0.0000  | 1094480 | 22.9704 |
|   | At the End of the Year       | 1094480 | 22.9704 | 1094480 | 22.9704 |
| 3 | RAJESHREE R VIRANI           |         |         |         |         |
|   | At the Beginning of the year | 872510  | 18.3118 | 872510  | 18.3118 |
|   | No changes during the year   | 0       | 0.0000  | 872510  | 18.3118 |
|   | At the End of the Year       | 872510  | 18.3118 | 872510  | 18.3118 |
| 4 | URVI S. VIRANI               |         |         |         |         |
|   | At the Beginning of the year | 1026231 | 21.5380 | 1026231 | 21.5380 |
|   | No changes during the year   | 0       | 0.0000  | 1026231 | 21.5380 |
|   | At the End of the Year       | 1026231 | 21.5380 | 1026231 | 21.5380 |

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

| Sr. No. | Name of 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 CORPORATION                           |   |                                  |   |                                  |
|         | 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       | SHREE SAMJI VELJI VIRANI AND SMT KADVIBEN VIRANI SMARAK TRUST |   |                                  |   |                                  |

|   |  |          |         |        |        |
|---|--|----------|---------|--------|--------|
|   | At the Beginning of the year           | 0.00     | 0.00    | 0.00   | 0.00   |
|   | Add: Purchase/Transfer on 10/05/ 2019  | 146826   | 3.0815  | 146826 | 3.0815 |
|   | Less: Purchase/Transfer on 11/10/ 2019 | (146632) | -3.0774 | 194    | 0.0041 |
|   | Add: Purchase/Transfer on 18/10/2019   | 12       | 0.0003  | 206    | 0.0043 |
|   | Add: Purchase/Transfer on 01/11/2019   | 15       | 0.0003  | 221    | 0.0046 |
|   | Add: Purchase/Transfer on 08/11/2019   | 10       | 0.0002  | 231    | 0.0048 |
|   | Add: Purchase/Transfer on 15/11/2019   | 15       | 0.0003  | 246    | 0.0052 |
|   | Add: Purchase/Transfer on 22/11/2019   | 131662   | 2.7633  | 131908 | 2.7684 |
|   | Add: Purchase/Transfer on 06/12/ 2019  | 22       | 0.0005  | 131930 | 2.7689 |
|   | Add: Purchase/Transfer on 13/12/2019   | 5        | 0.0001  | 131935 | 2.7690 |
|   | Add: Purchase/Transfer on 20/12/2019   | 25       | 0.0005  | 131960 | 2.7695 |
|   | Add: Purchase/Transfer on 27/12/2019   | 99       | 0.0021  | 132059 | 2.7716 |
|   | Add: Purchase/Transfer on 31/12/2019   | 10       | 0.0002  | 132069 | 2.7718 |
|   | Add: Purchase/Transfer on 24/01/2020   | 20       | 0.0004  | 132089 | 2.7722 |
|   | Add: Purchase/Transfer on 07/02/2020   | 5        | 0.0001  | 132094 | 2.7723 |
|   | Add: Purchase/Transfer on 28/02/2020   | 5        | 0.0001  | 132099 | 2.7724 |
|   | Add: Purchase/Transfer on 06/03/2020   | 19       | 0.0004  | 132118 | 2.7728 |
|   | Add: Purchase/Transfer on 13/03/2020   | 1        | 0.0000  | 132119 | 2.7728 |
|   | Add: Purchase/Transfer on 20/03/2020   | 5        | 0.0001  | 132124 | 2.7730 |
|   | Add: Purchase/Transfer on 27/03/2020   | 12       | 0.0003  | 132136 | 2.7732 |
|   | At the end of the year                 | 132136   | 2.7732  | 132136 | 2.7732 |
| 5 | HARSHA HAPANI                          |          |         |        |        |
|   | At the Beginning of the year           | 113920   | 2.3909  | 113920 | 2.3909 |
|   | Add: Purchase/Transfer on 12/07/2019   | 200      | 0.0042  | 114120 | 2.3951 |
|   | At the end of the year                 | 114120   | 2.3951  | 114120 | 2.3951 |
| 6 | RAJENDRA HIRALAL KOTHARI               |          |         |        |        |
|   | At the Beginning of the year           | 93600    | 1.9644  | 93600  | 1.9644 |
|   | Add: Purchase/Transfer on 05/04/2019   | 6960     | 0.1461  | 100560 | 2.1105 |
|   | Add: Purchase/Transfer on 19/07/2019   | 7800     | 0.1637  | 108360 | 2.2742 |
|   | Add: Purchase/Transfer on              | 4300     | 0.0902  | 112660 | 2.3645 |

|   |                                      |         |         |        |        |
|---|--------------------------------------|---------|---------|--------|--------|
|   | 15/11/2019                           |         |         |        |        |
|   | At the end of the Year               | 112660  | 2.3645  | 112660 | 2.3645 |
|   |                                      |         |         |        |        |
| 7 | MINAL RAJENDRABHAI KOTHARI           |         |         |        |        |
|   | At the Beginning of the year         | 94550   | 1.9844  | 94550  | 1.9844 |
|   | Add: Purchase/Transfer on 19/07/2019 | 7520    | 0.1578  | 102070 | 2.1422 |
|   | Add: Purchase/Transfer on 15/11/2019 | 4300    | 0.0902  | 106370 | 2.2324 |
|   | At the end of the year               | 106370  | 2.2324  | 106370 | 2.2324 |
|   |                                      |         |         |        |        |
| 8 | SKARIA CHACKO KOLASSERIL             |         |         |        |        |
|   | At the Beginning of the year         | 50251   | 1.0546  | 50251  | 1.0546 |
|   | Less: Sale/Transfer as on 08/11/2019 | (5)     | -0.0001 | 50246  | 1.0545 |
|   | Add: Purchase/Transfer on 15/11/2019 | 5       | 0.0001  | 50251  | 1.0546 |
|   | At the end of the year               | 50251   | 1.0546  | 50251  | 1.0546 |
|   |                                      |         |         |        |        |
| 9 | CHINTAN HARESHBHAI SODHA             |         |         |        |        |
|   | At the Beginning of the year         | 15562   | 0.3266  | 15562  | 0.3266 |
|   | Less: Sale/Transfer as on 09/08/2019 | (15561) | -0.3266 | 1      | 0.0000 |
|   | Add: Purchase/Transfer on 23/08/2019 | 15561   | 0.3266  | 15562  | 0.3266 |
|   | Add: Purchase/Transfer on 27/09/2019 | 644     | 0.0135  | 16206  | 0.3401 |
|   | Less: Sale/Transfer as on 04/10/2019 | (15)    | -0.0003 | 16191  | 0.3398 |
|   | Less: Sale/Transfer as on 18/10/2019 | (1)     | -0.0000 | 16190  | 0.3398 |
|   | Less: Sale/Transfer as on 01/11/2019 | (15)    | -0.0003 | 16175  | 0.3395 |
|   | Less: Sale/Transfer as on 22/11/2019 | (5)     | -0.0001 | 16170  | 0.3394 |
|   | Less: Sale/Transfer as on 06/12/2019 | (15)    | -0.0003 | 16155  | 0.3391 |
|   | Less: Sale/Transfer as on 20/12/2019 | (5)     | -0.0001 | 16150  | 0.3389 |
|   | Less: Sale/Transfer as on 27/12/2019 | (2)     | -0.0000 | 16148  | 0.3389 |
|   | Less: Sale/Transfer as on 31/12/2019 | (5)     | -0.0001 | 16143  | 0.3388 |
|   | Less: Sale/Transfer as on 17/01/2020 | (4)     | -0.0001 | 16139  | 0.3387 |
|   | Less: Sale/Transfer as on 31/01/2020 | (5)     | -0.0001 | 16134  | 0.3386 |
|   | Less: Sale/Transfer as on 28/02/2020 | (5)     | -0.0001 | 16129  | 0.3385 |
|   | Less: Sale/Transfer as on 06/03/2020 | (1)     | -0.0000 | 16128  | 0.3385 |
|   | Less: Sale/Transfer as on            | (5)     | -0.0001 | 16123  | 0.3384 |



|    |   |       |         |       |        |
|----|---|-------|---------|-------|--------|
|    | 20/03/2020                              |       |         |       |        |
|    | Less: Sale/Transfer as on<br>27/03/2020 | (5)   | -0.0001 | 16118 | 0.3383 |
|    | At the end of the year                  | 16118 | 0.3383  | 16118 | 0.3383 |
|    |   |       |         |       |        |
| 10 | ARYAVRAT SAVINGS UNITS LTD.             |       |         |       |        |
|    | At the Beginning of the year            | 3512  | 0.0737  | 3512  | 0.0737 |
|    | Less: Sale/Transfer as on<br>03/01/2020 | (21)  | -0.0004 | 3491  | 0.0733 |
|    | At the end of the year                  | 3491  | 0.0733  | 3491  | 0.0733 |
|    |   |       |         |       |        |

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

| Sr. No. | Name of Directors and Key Managerial Personnel                     | 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                          |
|         | No changes during the year   | 0   | 0.0000                           | 1094480                                 | 22.9704                          |
|         | At the End of the Year   | 1094480                                   | 22.9704                          | 1094480                                 | 22.9704                          |
|         |  |   |                                  |   |                                  |
| 2       | SHREYAS R. VIRANI  |   |                                  |   |                                  |
|         | At the Beginning of the year                                       | 563645                                    | 11.8295                          | 563645                                  | 11.8295                          |
|         | Less: sale/transfer as on<br>15/11/2019                            | (8600)                                    | -0.1805                          | 555045                                  | 11.6490                          |
|         | At the End of the Year   | 555045                                    | 11.6490                          | 555045                                  | 11.6490                          |
|         |  |   |                                  |   |                                  |
| 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       | 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       | ZALAK KAMLESH UPADHYAY<br>(CS –KMP-appointed w.e.f.<br>05/02/2020) |   |                                  |   |                                  |
|         | 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

|  | Secured Loan<br>excluding<br>Deposits | Unsecured<br>Loans | Deposits     | Total Indebtedness |
|--|---------------------------------------|--------------------|--------------|--------------------|
| <b>Indebtedness at the beginning 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>00.00</b> | <b>83,44,438</b>   |
| <b>Change in Indebtedness during the financial year</b>    |                                       |                    |              |                    |
| Addition   | 0.00                                  | 4,46,212           | 0.00         | 4,46,212           |
| Reduction  | 0.00                                  | 0.00               | 0.00         | 0.00               |
| <b>Net Change</b>  | <b>0.00</b>                           | <b>4,46,212</b>    | <b>0.00</b>  | <b>4,62,212</b>    |
| <b>Indebtedness at the end of the financial year</b>       |                                       |                    |              |                    |
| i) Principal Amount  | 14,29,750                             | 73,60,900          | 0.00         | 87,90,650          |
| 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>73,60,900</b>   | <b>0.00</b>  | <b>87,90,650</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        |
|---------|--|---|---|--------------|
|         |  | Ramesh Kumar D. Virani<br>Managing Director (1) | Shreyas R. Virani<br>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 | 11,61,552.00                                    | 10,55,964.00                                  | 22,17,516.00 |
|         | (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)  | 11,61,552.00                                    | 10,55,964.00                                  | 22,17,516.00 |
|         | 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<br>(1) | Aarti C. Sodha<br>(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 |
|---------|---|--------------------------|--------------------------|-------|
|         |   | Zalak K. Upadhyay<br>CS  | Shreyas R. Virani<br>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<br>- 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, 2020

Place: Rajkot

Date: 17<sup>th</sup> August, 2020

For and on Behalf of

Sar Auto Products Ltd

Sd/-

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 2020, 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 for the year ended on that date (hereinafter referred to as "financial statements").

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 accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March 2020, 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.

On account of COVID-19 related lockdown restrictions, management was able to perform year end physical verification of inventories subsequent to the year-end. Also, we were not able to physically observe the stock verification, where carried out by the management. Consequently, we have performed alternate procedure to audit the existence of inventory as per the guidance provided in SA 501 "Audit Evidence – Specific Consideration for Selected Items", which includes inspection of supporting documentations relating to Purchases, sales, results of cyclical count performed by the management through the year and have obtained sufficient appropriate audit evidence to issue our unmodified opinion on these Standalone Financial Results. Our report on the Financial Statement is not modified in respect of this matter.

**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. The 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, I am 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 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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2020 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)  
UDIN :20107067AAAABF7349

Rajkot, Dated 25<sup>th</sup> June, 2020

**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, certain fixed assets which were required could not be fully verified as per the programme amidst lockdown due to COVID-19 pandemic. However 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 which are freehold 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. The yearend verification could not be carried out due to lockdown amidst COVID-19 pandemic. The inventories as on that date have been arrived at by rolling back the receipt and issues with respect to verification carried out on a subsequent date by the management.
- (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 of grant of loans. The company has not made any investments nor given any guarantees and security to parties covered 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. There are no undisputed statutory dues outstanding as at 31<sup>st</sup> March 2020, 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 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 25<sup>th</sup> June, 2020

**"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 31<sup>st</sup> March, 2020 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, 2020, 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 25<sup>th</sup> June, 2020

**SAR AUTO PRODUCTS LIMITED**  
**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2020**

[Amount in Rs.]

| Particulars                                       | Note No. | As at 31 <sup>st</sup> March, 2020 | As at 31 <sup>st</sup> March, 2019 |
|---|----------|------------------------------------|------------------------------------|
| <b>ASSETS</b>                                     |          |                                    |                                    |
| <b>NON-CURRENT ASSETS</b>                         |          |                                    |                                    |
| Property, Plant and Equipment                     | 3        | 5,13,84,820                        | 6,15,69,687                        |
| Financial Assets                                  |          |                                    |                                    |
| Investments                                       | 4        | 3,050                              | 3,050                              |
| Other financial assets                            | 5        | 23,70,806                          | 5,39,412                           |
| Deferred tax assets (Net)                         |          | 36,77,837                          | 32,30,255                          |
| Other non-current assets                          | 6        | 26,54,176                          | 10,76,176                          |
|   |          | <b>6,00,90,689</b>                 | <b>6,64,18,580</b>                 |
| <b>CURRENT ASSETS</b>                             |          |                                    |                                    |
| Inventories                                       | 7        | 42,72,193                          | 68,91,287                          |
| Financial Assets                                  |          |                                    |                                    |
| Investments                                       | 8        | 2,22,028                           | 80,826                             |
| Trade receivables                                 | 9        | 2,66,63,777                        | 2,56,29,604                        |
| Cash and cash equivalents                         | 10       | 4,39,44,321                        | 4,24,68,767                        |
| Bank Balance other than Cash and Cash equivalents | 11       | 97,21,159                          | 75,96,119                          |
| Other financial assets                            | 12       | 47,80,986                          | 35,94,332                          |
| Current tax asset                                 | 13       | 4,44,929                           | 1,52,198                           |
| Other current assets                              | 14       | 24,16,089                          | 11,47,987                          |
|   |          | <b>9,24,65,483</b>                 | <b>8,75,61,120</b>                 |
| <b>Total Assets</b>                               |          | <b>15,25,56,172</b>                | <b>15,39,79,700</b>                |
| <b>EQUITY AND LIABILITIES</b>                     |          |                                    |                                    |
| <b>EQUITY</b>                                     |          |                                    |                                    |
| Equity share capital                              | 15       | 4,76,47,400                        | 4,76,47,400                        |
| Other Equity                                      | 16       | 8,71,00,512                        | 8,39,85,558                        |
|   |          | <b>13,47,47,912</b>                | <b>13,16,32,958</b>                |
| <b>LIABILITIES</b>                                |          |                                    |                                    |
| <b>NON-CURRENT LIABILITIES</b>                    |          |                                    |                                    |
| Financial liabilities                             |          |                                    |                                    |
| Borrowings  | 17       | 14,29,750                          | 14,29,750                          |
| Provisions  | 18       | 5,41,239                           | 4,49,605                           |
|   |          | <b>19,70,989</b>                   | <b>18,79,355</b>                   |
| <b>CURRENT LIABILITIES</b>                        |          |                                    |                                    |
| Financial liabilities                             |          |                                    |                                    |
| Borrowings  | 19       | 73,60,900                          | 69,14,688                          |
| Trade payables                                    | 20       |                                    |                                    |
| -Micro & Small enterprises*                       |          | *                                  | *                                  |
| -Other than Micro & Small enterprises             |          | 65,15,583                          | 1,13,52,086                        |
| Other financial liabilities                       | 21       | 96,788                             | 96,788                             |
| Other current liabilities                         | 22       | 12,60,076                          | 12,99,748                          |
| Provisions  | 23       | 6,03,924                           | 5,60,056                           |
| Current tax liability                             | 24       | -                                  | 2,44,021                           |
|   |          | <b>1,58,37,271</b>                 | <b>2,04,67,387</b>                 |
| <b>Total Equity and Liabilities</b>               |          | <b>15,25,56,172</b>                | <b>15,39,79,700</b>                |

\* Refer Note No. 20 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)  
UDIN: 20107067AAAABF7349

Rajkot, Dated 25<sup>th</sup> June, 2020

For & on behalf of Board of Directors,

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

Sd/-  
Issachthomas C.  
Kavunkal  
Director  
(DIN: 02995332)

Sd/-  
Zalak K. Upadhyay  
Company Secretary  
Membership No. 44319

Rajkot, Dated 25<sup>th</sup> June, 2020



# SAR AUTO PRODUCTS LIMITED

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDING ON 31<sup>ST</sup> MARCH, 2020

[Amount in Rs.]

| Particulars   | Note No. | Year ended<br>31 <sup>st</sup> March, 2020 | Year ended<br>31 <sup>st</sup> March, 2019 |
|---|----------|--|--|
| <b>INCOME</b>   |          |  |  |
| Revenue from operations   | 25       | 6,79,81,270                                | 9,83,05,285                                |
| Other income  | 26       | 31,31,049                                  | 31,88,489                                  |
| <b>Total Income</b>   |          | <b>7,11,12,319</b>                         | <b>10,14,93,774</b>                        |
| <b>EXPENSES</b>   |          |  |  |
| Cost of material consumed   | 27       | 2,68,78,235                                | 3,63,87,883                                |
| Changes in inventories of finished goods, Stock-in-Trade and work-in progress | 28       | 4,63,900                                   | 84,03,836                                  |
| Changes in inventories of Constructed Properties                              |          | 20,30,706                                  | -  |
| Employee benefits expense   | 29       | 31,56,518                                  | 31,51,881                                  |
| Finance costs   | 30       | 6,52,809                                   | 12,04,017                                  |
| Depreciation and amortization expense   | 3        | 1,27,19,008                                | 1,41,40,339                                |
| Other expenses  | 31       | 2,27,21,110                                | 3,55,05,243                                |
| <b>Total Expenses</b>   |          | <b>6,86,22,286</b>                         | <b>9,87,93,199</b>                         |
| <b>EBDIT</b>  |          | 1,38,61,850                                | 1,80,44,932                                |
| <b>Profit/(loss) before tax</b>   |          | <b>24,90,033</b>                           | <b>27,00,575</b>                           |
| Tax expenses  |          |  |  |
| Current tax   |          | -  | 5,19,835                                   |
| Deferred tax  |          | (4,47,582)                                 | (5,92,686)                                 |
| MAT Credit Entitlement  |          | -  | (5,25,000)                                 |
| <b>Profit/(loss) for the period</b>   |          | <b>29,37,615</b>                           | <b>32,98,426</b>                           |
| <b>Other Comprehensive Income</b>   |          |  |  |
| Items that will not be reclassified to profit or loss                         |          |  |  |
| Equity instruments through other comprehensive income                         |          | 1,41,203                                   | (89,435)                                   |
| Remeasurement of Defined benefit Plans  |          | 36,136                                     | 67,385                                     |
| <b>Total other comprehensive income</b>                                       |          | <b>1,77,339</b>                            | <b>(22,050)</b>                            |
| <b>Total comprehensive income</b>   |          | <b>31,14,954</b>                           | <b>32,76,376</b>                           |
| <b>Earning per share (for continuing operations)</b>                          |          |  |  |
| Basic   |          | 0.62                                       | 0.69                                       |
| Diluted   |          | 0.62                                       | 0.69                                       |

### 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)  
UDIN: 20107067AAAABF7349

For & on behalf of the Board of Directors,

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

Sd/-  
Issacthomas C.  
Kavunkal  
Director  
(DIN: 02995332)

Sd/-  
Zalak K. Upadhyay  
Company Secretary  
Membership No. 44319

Rajkot, Dated 25<sup>th</sup> June, 2020

Rajkot, Dated 25<sup>th</sup> June, 2020

**SAR AUTO PRODUCTS LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020**

[Amount in Rs.]

| Particulars  |  | As at<br>31 <sup>st</sup> March, 2020 | As at<br>31 <sup>st</sup> March, 2019 |
|--|--|---------------------------------------|---------------------------------------|
| <b>A. Cash Flow From Operating Activities</b>                        |  |                                       |                                       |
| <b>Profit / (Loss) Before Tax</b>                                    |  | 24,90,033                             | 27,00,575                             |
| <b>Adjustments for:</b>  |  |                                       |                                       |
| Depreciation and Amortization Expenses                               |  | 1,27,19,008                           | 1,41,40,339                           |
| Finance Costs  |  | 6,52,809                              | 12,04,017                             |
| Interest Income  |  | (29,44,265)                           | (27,44,520)                           |
| Dividend Income  |  | (8)                                   | (4)                                   |
| Net (Gain)/Loss arising on financial asset designated as at FVTPL    |  | -                                     | (77,979)                              |
| Remeasurement of Defined benefit Plans                               |  | 36,136                                | 67,385                                |
| Profit or Loss on Sale of Assets                                     |  | -                                     | (1,00,000)                            |
| <b>Operating Profit/ (Loss) before Working Capital Changes</b>       |  | <b>1,29,53,713</b>                    | <b>1,51,89,814</b>                    |
| <b>Changes In:</b>   |  |                                       |                                       |
| Movement in Trade Receivables  |  | (10,34,174)                           | (72,46,859)                           |
| Movement in Loans  |  | -                                     | 8,52,830                              |
| Movement in Inventories  |  | 26,19,094                             | 83,75,604                             |
| Movement in Other Current Asset and Other Financial Asset            |  | (24,54,756)                           | 39,75,728                             |
| Movement in Trade Payable  |  | (48,36,503)                           | (74,88,828)                           |
| Movement in Other Current Liability                                  |  | (39,672)                              | 1,92,240                              |
| Movement in Provision  |  | 1,35,502                              | 1,03,426                              |
| <b>Cash Generated From Operations</b>                                |  | <b>73,43,205</b>                      | <b>1,39,53,955</b>                    |
| Direct Taxes Paid (Net of Refunds)                                   |  | (5,36,751)                            | (4,85,739)                            |
| <b>Net Cash flow from Operating Activities [A]</b>                   |  | <b>68,06,454</b>                      | <b>1,34,68,216</b>                    |
| <b>B. Cash Flow from Investing Activities</b>                        |  |                                       |                                       |
| Movement in Current Investments                                      |  | -                                     | 17,36,675                             |
| Purchase of Fixed Assets   |  | (25,34,141)                           | (61,50,173)                           |
| Sale of Fixed Assets   |  | -                                     | 1,00,000                              |
| Dividend Income  |  | 8                                     | 4                                     |
| Movement in Other Non Current Asset                                  |  | (15,78,000)                           | (4,41,825)                            |
| Movement in Fixed Deposits   |  | (39,56,435)                           | 52,91,203                             |
| <b>Net Cash flow from Investing Activities [B]</b>                   |  | <b>(80,68,568)</b>                    | <b>5,35,884</b>                       |
| <b>C. Cash Flow from Financing Activities</b>                        |  |                                       |                                       |
| Movement in Short Term Borrowings                                    |  | 4,46,212                              | (27,63,604)                           |
| Finance Costs Paid   |  | (6,52,809)                            | (12,04,017)                           |
| Interest Received  |  | 29,44,265                             | 27,44,520                             |
| <b>Net Cash flow from Financing Activities [C]</b>                   |  | <b>27,37,668</b>                      | <b>(12,23,101)</b>                    |
| <b>Net Increase/ (Decrease) in Cash and Cash Equivalents [A+B+C]</b> |  | <b>14,75,554</b>                      | <b>1,27,80,999</b>                    |
| <b>Opening Balance of Cash and Cash Equivalents</b>                  |  | <b>4,24,68,767</b>                    | <b>2,96,87,768</b>                    |
| <b>Closing Balance of Cash and Cash Equivalents</b>                  |  | <b>4,39,44,321</b>                    | <b>4,24,68,767</b>                    |

**Note:** 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 & on behalf of the Board of Directors,

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

Sd/-  
Jingal A. Sheth  
Proprietor  
(Membership No.107067)  
UDIN: 20107067AAAABF7349

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

Sd/-  
Issacthomas C.  
Kavunkal  
Director  
(DIN: 02995332)

Sd/-  
Zalak K. Upadhyay  
Company Secretary  
Membership No. 44319

Rajkot, Dated 25<sup>th</sup> June, 2020

Rajkot, Dated 25<sup>th</sup> June, 2020

# SAR AUTO PRODUCTS LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31<sup>ST</sup> MARCH, 2020

[Amount in Rs.]

### A EQUITY SHARE CAPITAL

| Particulars                                       | In No.           | In Rs.             |
|---|------------------|--------------------|
| <b>Balances as at 31<sup>st</sup> March, 2018</b> | <b>47,64,740</b> | <b>4,76,47,400</b> |
| Changes in equity share capital during 2018-19    | -                | -                  |
| <b>Balances as at 31<sup>st</sup> March, 2019</b> | <b>47,64,740</b> | <b>4,76,47,400</b> |
| Changes in equity share capital during 2019-20    | -                | -                  |
| <b>Balances as at 31<sup>st</sup> March, 2020</b> | <b>47,64,740</b> | <b>4,76,47,400</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 31<sup>st</sup> March, 2018</b>          | <b>1,49,96,000</b>   | <b>7,32,787</b> | <b>6,49,08,865</b> | <b>1,38,368</b>                        | <b>(66,838)</b>                | <b>8,07,09,182</b> |
| Profit for the year  | -                    | -               | 32,98,426          | -                                      | -                              | 32,98,426          |
| 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>1,49,96,000</b>   | <b>7,32,787</b> | <b>6,82,07,291</b> | <b>2,05,753</b>                        | <b>(1,56,273)</b>              | <b>8,39,85,558</b> |
| Profit for the year  | -                    | -               | 29,37,615          | -                                      | -                              | 29,37,615          |
| Other Comprehensive Income for the year, net of Income Tax | -                    | -               | -                  | 36,136                                 | 1,41,203                       | 1,77,339           |
| <b>Balances as at 31<sup>st</sup> March, 2020</b>          | <b>1,49,96,000</b>   | <b>7,32,787</b> | <b>7,11,44,907</b> | <b>2,41,889</b>                        | <b>(15,070)</b>                | <b>8,71,00,513</b> |

As per our Report of even date

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

For & on behalf of the Board of Directors,

Sd/-  
Jingal A. Sheth  
Proprietor  
(Membership No.107067)  
UDIN: 20107067AAAABF7349

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

Sd/-  
Issacthomas C. Kavunkal  
Director  
(DIN: 02995332)

Sd/-  
Zalak K. Upadhyay  
Company Secretary  
Membership No. 44319  
Rajkot, Dated 25<sup>th</sup> June, 2020

Rajkot, Dated 25<sup>th</sup> June, 2020

# **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, 2020 were authorised for issue in accordance with a resolution of the Board of Directors on 25<sup>th</sup> June, 2020.

#### **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.

## **SAR AUTO PRODUCTS LIMITED**

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

#### **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.

##### **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.

## **SAR AUTO PRODUCTS LIMITED**

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

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.

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:**

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 area 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.

### **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.

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

## **SAR AUTO PRODUCTS LIMITED**

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

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.

#### **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.

## **SAR AUTO PRODUCTS LIMITED**

### **NOTES FORMING PART OF 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.

##### **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.

## **SAR AUTO PRODUCTS LIMITED**

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

#### **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>      |                  |                    |                  |                     |                      |                 |                         |                  |                      |
| As at 31 <sup>st</sup> March, 2018 | 8,93,205         | 8,47,19,669        | 24,19,711        | 1,32,086            | 11,88,215            | 84,487          | 76,783                  | 29,87,176        | <b>9,25,01,332</b>   |
| Additions                          | -                | 37,36,402          | -                | -                   | -                    | 28,347          | 59,564                  | 23,25,860        | <b>61,50,173</b>     |
| Disposals                          | -                | -                  | -                | -                   | -                    | -               | -                       | -                | <b>-</b>             |
| As at 31 <sup>st</sup> March, 2019 | <b>8,93,205</b>  | <b>8,84,56,071</b> | <b>24,19,711</b> | <b>1,32,086</b>     | <b>11,88,215</b>     | <b>1,12,834</b> | <b>1,36,347</b>         | <b>53,13,036</b> | <b>9,86,51,505</b>   |
| Additions                          | -                | 25,00,000          | -                | -                   | -                    | -               | 34,141                  | -                | <b>25,34,141</b>     |
| Disposals                          | -                | -                  | -                | -                   | -                    | -               | -                       | -                | <b>-</b>             |
| As at 31 <sup>st</sup> March, 2020 | <b>8,93,205</b>  | <b>9,09,56,071</b> | <b>24,19,711</b> | <b>1,32,086</b>     | <b>11,88,215</b>     | <b>1,12,834</b> | <b>1,70,488</b>         | <b>53,13,036</b> | <b>10,11,85,646</b>  |
| <b>Accumulated depreciation:</b>   |                  |                    |                  |                     |                      |                 |                         |                  |                      |
| As at 31 <sup>st</sup> March, 2018 | 2,01,355         | 1,96,58,298        | 11,29,085        | 8,588               | 2,12,331             | 50,792          | 54,904                  | 16,26,126        | <b>2,29,41,479</b>   |
| Depreciation for the year          | 82,915           | 1,29,18,596        | 3,47,659         | 7,591               | 2,54,497             | 28,408          | 27,010                  | 4,73,663         | <b>1,41,40,339</b>   |
| Depreciation on disposals          | -                | -                  | -                | -                   | -                    | -               | -                       | -                | <b>-</b>             |
| As at 31 <sup>st</sup> March, 2019 | <b>2,84,270</b>  | <b>3,25,76,894</b> | <b>14,76,744</b> | <b>16,179</b>       | <b>4,66,828</b>      | <b>79,200</b>   | <b>81,914</b>           | <b>20,99,789</b> | <b>3,70,81,818</b>   |
| Depreciation for the year          | 72,956           | 1,11,50,260        | 2,53,824         | 1,888               | 1,86,596             | 15,370          | 28,650                  | 10,09,464        | <b>1,27,19,008</b>   |
| Depreciation on disposals          | -                | -                  | -                | -                   | -                    | -               | -                       | -                | <b>-</b>             |
| As at 31 <sup>st</sup> March, 2020 | <b>3,57,226</b>  | <b>4,37,27,154</b> | <b>17,30,568</b> | <b>18,067</b>       | <b>6,53,424</b>      | <b>94,570</b>   | <b>1,10,564</b>         | <b>31,09,253</b> | <b>4,98,00,826</b>   |
| <b>Net Carrying amount</b>         |                  |                    |                  |                     |                      |                 |                         |                  |                      |
| As at 31 <sup>st</sup> March, 2019 | <b>5,35,979</b>  | <b>4,72,28,917</b> | <b>6,89,143</b>  | <b>1,14,019</b>     | <b>5,34,791</b>      | <b>18,264</b>   | <b>59,924</b>           | <b>22,03,783</b> | <b>5,13,84,820</b>   |
| As at 31 <sup>st</sup> March, 2020 | <b>6,08,935</b>  | <b>5,58,79,177</b> | <b>9,42,967</b>  | <b>1,15,907</b>     | <b>7,21,387</b>      | <b>33,634</b>   | <b>54,433</b>           | <b>32,13,247</b> | <b>6,15,69,687</b>   |

33,634

# SAR AUTO PRODUCTS LIMITED

## NOTES FORMING PART OF FINANCIAL STATEMENTS

[Amount in Rs.]

### 4 Non Current Investments

| Particulars  | As at<br>31 <sup>st</sup> March, 2020 | As at<br>31 <sup>st</sup> March, 2019 |
|--|---------------------------------------|---------------------------------------|
| <b>Investments at fair value through other comprehensive income</b>      |                                       |                                       |
| Investments in Equity Instruments Unquoted<br>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 Other Non Current Financial Assets

| Particulars   | As at<br>31 <sup>st</sup> March, 2020 | As at<br>31 <sup>st</sup> March, 2019 |
|---|---------------------------------------|---------------------------------------|
| <b>( Unsecured, considered good unless otherwise stated )</b>         |                                       |                                       |
| Banks Term Deposits with original maturity period more than 12 months | 23,70,806                             | 5,39,412                              |
| <b>Total</b>  | <b>23,70,806</b>                      | <b>5,39,412</b>                       |

### 6 Other Non Current Assets

| Particulars                           | As at<br>31 <sup>st</sup> March, 2020 | As at<br>31 <sup>st</sup> March, 2019 |
|---------------------------------------|---------------------------------------|---------------------------------------|
| <b>( Unsecured, considered good )</b> |                                       |                                       |
| Security Deposits                     | 26,54,176                             | 10,76,176                             |
| <b>Total</b>                          | <b>26,54,176</b>                      | <b>10,76,176</b>                      |

### 7 Inventories

| Particulars                            | As at<br>31 <sup>st</sup> March, 2020 | As at<br>31 <sup>st</sup> March, 2019 |
|--|---------------------------------------|---------------------------------------|
| Work-in-progress - Machining Component | 15,42,500                             | 20,06,400                             |
| Completed Unit at - Business Park 1    | -                                     | 20,30,706                             |
| Stores & Spares                        | 24,56,599                             | 26,32,530                             |
| Packing Material                       | 2,73,094                              | 2,21,651                              |
| <b>Total</b>                           | <b>42,72,193</b>                      | <b>68,91,287</b>                      |

**SAR AUTO PRODUCTS LIMITED**

**NOTES FORMING PART OF FINANCIAL STATEMENTS**

**8 Current Investments**

| Particulars   | As at<br>31 <sup>st</sup> March, 2020 |                 | As at<br>31 <sup>st</sup> March, 2019 |               |
|---|---------------------------------------|-----------------|---------------------------------------|---------------|
|   | No. of Shares                         | `               | No. of Shares                         | `             |
| <b>Investments at fair value through other comprehensive income</b> |                                       |                 |                                       |               |
| Investments in Equity Instruments (Quoted)                          |                                       |                 | -                                     | -             |
| Cura Technologies Limited   | 6                                     | 10              | 6                                     | 8             |
| Sanraa Media Ltd  | 1,00,000                              | 5,000           | 1,00,000                              | -             |
| Clarus Finance Securities Ltd                                       | 2                                     | 32              | 2                                     | 76            |
| Prabhav Industries Ltd  | 1,31,073                              | 64,226          | 1,31,073                              | 64,226        |
| Scope Industries India Limited                                      | 5                                     | 8               | 5                                     | -             |
| Cistro Telelink Ltd   | 37,097                                | 7,419           | 37,097                                | 7,790         |
| Jmd Telefilms Industries Ltd  | 2                                     | 9               | 2                                     | 14            |
| Sky Industries Ltd  | 7                                     | 115             | 7                                     | 231           |
| Emporis Projects Limited  | 82,908                                | 1,12,754        | 82,908                                | -             |
| Kgn Industries Ltd  | 40                                    | 64              | 40                                    | 64            |
| Nivvah Infrastructur & Telecom                                      | 9,229                                 | 15,689          | 9,229                                 | -             |
| Rcl Foods Limited   | 1                                     | 14              | 1                                     | -             |
| Aadi Industries Ltd   | 1,062                                 | 1,093           | 1,062                                 | -             |
| Sancia Global Infraprojects Ltd                                     | 100                                   | 30              | 100                                   | -             |
| Acil Cotton Industries Ltd  | 40,000                                | 7,200           | 40,000                                | -             |
| Aadhaar Ventures India Limited                                      | 17,064                                | 8,361           | 17,064                                | 8,361         |
| Mercator Lines  | 8                                     | 4               | 8                                     | 55            |
| <b>Total</b>  |                                       | <b>2,22,028</b> |                                       | <b>80,826</b> |
| <b>Total current investment</b>                                     |                                       | <b>2,22,028</b> |                                       | <b>80,826</b> |
| Aggregate amount of quoted investments                              |                                       |                 |                                       | 3,15,646      |
| Market Value of quoted investments                                  |                                       | 2,22,028        |                                       | 80,826        |
| Aggregate amount of unquoted investments                            |                                       | -               |                                       | -             |
| Aggregate provision for diminution in value of Investments          |                                       |                 |                                       | 2,34,820      |



# SAR AUTO PRODUCTS LIMITED

## NOTES FORMING PART OF FINANCIAL STATEMENTS

[Amount in Rs.]

### 9 Trade receivables

| Particulars   | As at<br>31 <sup>st</sup> March, 2020 | As at<br>31 <sup>st</sup> March, 2019 |
|---|---------------------------------------|---------------------------------------|
| Unsecured, considered good*   | 2,66,63,777                           | 2,56,29,604                           |
| Unsecured, considered Doubtful                                      | -                                     | 8,52,830                              |
|   | <b>2,66,63,777</b>                    | <b>2,64,82,434</b>                    |
| Less: Allowance for doubtful debts (Expected credit loss allowance) | -                                     | (8,52,830)                            |
| <b>Total</b>  | <b>2,66,63,777</b>                    | <b>2,56,29,604</b>                    |

(\* For Related Party Transactions Refer Note No. 34 )

### 10 Cash and Cash Equivalents

| Particulars                                | As at<br>31 <sup>st</sup> March, 2020 | As at<br>31 <sup>st</sup> March, 2019 |
|--|---------------------------------------|---------------------------------------|
| <b>Cash and cash equivalents</b>           |                                       |                                       |
| Balances with banks                        | 1,23,57,495                           | 93,99,319                             |
| Cash on hand                               | 1,49,534                              | 80,613                                |
| Balances with bank in Term Deposit account | 3,14,37,292                           | 3,29,88,835                           |
| <b>Total</b>                               | <b>4,39,44,321</b>                    | <b>4,24,68,767</b>                    |

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

| Particulars   | As at<br>31 <sup>st</sup> March, 2020 | As at<br>31 <sup>st</sup> March, 2019 |
|---|---------------------------------------|---------------------------------------|
| <b>Bank balances other than cash and cash equivalents</b> |                                       |                                       |
| Fixed Deposit   | 97,21,159                             | 75,96,119                             |
| <b>Total</b>  | <b>97,21,159</b>                      | <b>75,96,119</b>                      |

### 12 Other Current Financial assets

| Particulars                   | As at<br>31 <sup>st</sup> March, 2020 | As at<br>31 <sup>st</sup> March, 2019 |
|-------------------------------|---------------------------------------|---------------------------------------|
| <b>Other financial assets</b> |                                       |                                       |
| Others                        | 47,80,986                             | 35,94,332                             |
| <b>Total</b>                  | <b>47,80,986</b>                      | <b>35,94,332</b>                      |

# SAR AUTO PRODUCTS LIMITED

## NOTES FORMING PART OF FINANCIAL STATEMENTS

[Amount in Rs.]

### 13 Current tax asset

| Particulars           | As at<br>31 <sup>st</sup> March, 2020 | As at<br>31 <sup>st</sup> March, 2019 |
|-----------------------|---------------------------------------|---------------------------------------|
| Income Tax Refund due | 4,44,929                              | 1,52,198                              |
| <b>Total</b>          | <b>4,44,929</b>                       | <b>1,52,198</b>                       |

### 14 Other Current Assets

| Particulars                         | As at<br>31 <sup>st</sup> March, 2020 | As at<br>31 <sup>st</sup> March, 2019 |
|-------------------------------------|---------------------------------------|---------------------------------------|
| ( Unsecured, considered good )      |                                       |                                       |
| Balance With Government Authorities | 1,66,160                              | 7,16,563                              |
| Advance to Suppliers                | 21,74,929                             | 56,425                                |
| Prepaid Expenses                    | 75,000                                | 3,75,000                              |
| <b>Total</b>                        | <b>24,16,089</b>                      | <b>11,47,987</b>                      |

# SAR AUTO PRODUCTS LIMITED

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### 15 Equity Share capital

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

| Particulars                                | As at 31 <sup>st</sup> March, 2020 |                    | As at 31 <sup>st</sup> March, 2019 |                    |
|--|------------------------------------|--------------------|------------------------------------|--------------------|
|  | No. of shares                      | Amount             | No. of shares                      | Amount             |
| <b>Authorised Share capital</b>            |                                    |                    |                                    |                    |
| Equity shares of Rs.10 each                | 1,00,00,000                        | 10,00,00,000       | 1,00,00,000                        | 10,00,00,000       |
| <b>Issued, subscribed and paid up</b>      |                                    |                    |                                    |                    |
| Equity shares of Rs. 10 each fully paid up | <b>47,64,740</b>                   | <b>4,76,47,400</b> | <b>47,64,740</b>                   | <b>4,76,47,400</b> |

**15.2** 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.

#### 15.3 Reconciliation of number of shares outstanding is set out below:

| Particulars                                   | As at 31 <sup>st</sup> March, 2020 |             | As at 31 <sup>st</sup> March, 2019 |             |
|---|------------------------------------|-------------|------------------------------------|-------------|
|   | No. of Share                       | Amount      | No. of Share                       | Amount      |
| Number of Shares at the beginning of the year | 47,64,740                          | 4,76,47,400 | 47,64,740                          | 4,76,47,400 |
| Shares Issued during the year                 | -                                  | -           | -                                  | -           |
| Issue of Bonus Shares                         | -                                  | -           | -                                  | -           |
| Number of Shares at the end of the year       | 47,64,740                          | 4,76,47,400 | 47,64,740                          | 4,76,47,400 |

#### 15.4 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, 2020 |                | As at 31 <sup>st</sup> March, 2019 |                |
|--|------------------------------------|----------------|------------------------------------|----------------|
|  | No. of shares                      | % of holding   | No. of shares                      | % of holding   |
| Rameshbhai D. Virani                                 | 10,94,480                          | 22.97%         | 10,94,480                          | 22.97%         |
| Rajshreeben R. Virani                                | 8,72,510                           | 18.31%         | 8,72,510                           | 18.31%         |
| Shreyasbhai R. Virani                                | 5,55,045                           | 11.65%         | 5,63,645                           | 11.83%         |
| Urviben S. Virani                                    | 10,26,231                          | 21.54%         | 10,26,231                          | 21.54%         |
| <b>Total no. of shares held by such shareholders</b> | <b>35,48,266</b>                   | <b>74.47%</b>  | <b>35,56,866</b>                   | <b>74.65%</b>  |
| <b>Total no. of shares of the company</b>            | <b>47,64,740</b>                   | <b>100.00%</b> | <b>47,64,740</b>                   | <b>100.00%</b> |

# SAR AUTO PRODUCTS LIMITED

## NOTES FORMING PART OF FINANCIAL STATEMENTS

[Amount in Rs.]

### 16 Other Equity

| Particulars  | As at<br>31 <sup>st</sup> March, 2020 | As at<br>31 <sup>st</sup> March, 2019 |
|--|---------------------------------------|---------------------------------------|
| <b>Reserves and surplus</b>                          |                                       |                                       |
| Securities Premium                                   | 1,49,96,000                           | 1,49,96,000                           |
| General Reserve                                      | 7,32,787                              | 7,32,787                              |
| Retained Earnings                                    | 7,11,44,907                           | 6,82,07,291                           |
| <b>Other Comprehensive Income</b>                    |                                       |                                       |
| Equity Instrument through Other Comprehensive Income | (15,070)                              | (1,56,273)                            |
| Remeasurement of Defined Benefit Plans               | 2,41,889                              | 2,05,753                              |
| <b>Total</b>   | <b>8,71,00,513</b>                    | <b>8,39,85,558</b>                    |

### 16.1 Retained earnings

| Particulars  | As at<br>31 <sup>st</sup> March, 2020 | As at<br>31 <sup>st</sup> March, 2019 |
|--|---------------------------------------|---------------------------------------|
| Opening Balance  | 6,82,07,291                           | 6,49,08,865                           |
| Add: Profit for the year as per Statement of Profit & Loss | 29,37,615                             | 32,98,426                             |
| <b>Total</b>   | <b>7,11,44,907</b>                    | <b>6,82,07,291</b>                    |

# SAR AUTO PRODUCTS LIMITED

## NOTES FORMING PART OF FINANCIAL STATEMENTS

[Amount in Rs.]

### 16.2 Equity Instrument through Other Comprehensive Income

| Particulars                     | As at<br>31 <sup>st</sup> March, 2020 | As at<br>31 <sup>st</sup> March, 2019 |
|---------------------------------|---------------------------------------|---------------------------------------|
| Opening Balance                 | (1,56,273)                            | (66,838)                              |
| Less: Movements during the Year | 1,41,203                              | (89,435)                              |
| <b>Total</b>                    | <b>(15,070)</b>                       | <b>(1,56,273)</b>                     |

### 16.3 Remeasurement of Defined benefit Plans

| Particulars                    | As at<br>31 <sup>st</sup> March, 2020 | As at<br>31 <sup>st</sup> March, 2019 |
|--------------------------------|---------------------------------------|---------------------------------------|
| Opening Balance                | 2,05,753                              | 1,38,368                              |
| Add: Movements during the Year | 36,136                                | 67,385                                |
| <b>Total</b>                   | <b>2,41,889</b>                       | <b>2,05,753</b>                       |

### 17 Non Current Borrowings

| Particulars  | As at<br>31 <sup>st</sup> March, 2020 | As at<br>31 <sup>st</sup> March, 2019 |
|--|---------------------------------------|---------------------------------------|
| <b>Secured</b>   |                                       |                                       |
| Loan from LIC of India<br>(Secured against Keyman Insurance Policy of Key<br>Management Personnel)<br>Terms of Repayment: Total amount repayable in the<br>year 2026<br>Rate of Interest is 9% per annum | 14,29,750                             | 14,29,750                             |
| <b>Total</b>   | <b>14,29,750</b>                      | <b>14,29,750</b>                      |

### 18 Non Current Provisions

| Particulars   | As at<br>31 <sup>st</sup> March, 2020 | As at<br>31 <sup>st</sup> March, 2019 |
|---|---------------------------------------|---------------------------------------|
| <b>Provision for Employee benefits</b>              |                                       |                                       |
| Provision for Defined Benefit Obligation - Gratuity | 5,41,239                              | 4,49,605                              |
| <b>Total</b>  | <b>5,41,239</b>                       | <b>4,49,605</b>                       |

# SAR AUTO PRODUCTS LIMITED

## NOTES FORMING PART OF FINANCIAL STATEMENTS

[Amount in Rs.]

### 19 Current Borrowings

| Particulars  | As at<br>31 <sup>st</sup> March, 2020 | As at<br>31 <sup>st</sup> March, 2019 |
|--|---------------------------------------|---------------------------------------|
| <b>Unsecured</b><br>From Bank  | 46,20,900                             | 34,73,688                             |
| <b>Unsecured</b><br>From Director<br>[The loans are interest free and repayable on demand] | 27,40,000                             | 34,41,000                             |
| <b>Total</b>   | <b>73,60,900</b>                      | <b>69,14,688</b>                      |

### 20 Trade payables

| Particulars                                 | As at<br>31 <sup>st</sup> March, 2020 | As at<br>31 <sup>st</sup> March, 2019 |
|---|---------------------------------------|---------------------------------------|
| Trade payable - Micro and small enterprise* | *                                     | *                                     |
| Trade payable - Other than Micro and small  | 65,15,583                             | 1,13,52,086                           |
| <b>Total</b>                                | <b>65,15,583</b>                      | <b>1,13,52,086</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.

### 21 Other financial liabilities

| Particulars                                | As at<br>31 <sup>st</sup> March, 2020 | As at<br>31 <sup>st</sup> March, 2019 |
|--|---------------------------------------|---------------------------------------|
| Interest accrued but not due on borrowings | 96,788                                | 96,788                                |
| <b>Total</b>                               | <b>96,788</b>                         | <b>96,788</b>                         |

### 22 Other Current liabilities

| Particulars          | As at<br>31 <sup>st</sup> March, 2020 | As at<br>31 <sup>st</sup> March, 2019 |
|----------------------|---------------------------------------|---------------------------------------|
| Statutory dues       | 2,12,668                              | 1,84,115                              |
| Others               |                                       |                                       |
| Salary Payable       | 6,47,474                              | 6,46,185                              |
| Bonus Payable        | 2,44,666                              | 2,89,066                              |
| Leave Salary Payable | 1,55,268                              | 1,80,382                              |
| <b>Total</b>         | <b>12,60,076</b>                      | <b>12,99,748</b>                      |

# SAR AUTO PRODUCTS LIMITED

## NOTES FORMING PART OF FINANCIAL STATEMENTS

[Amount in Rs.]

### 23 Current Provisions

| Particulars   | As at<br>31 <sup>st</sup> March, 2020 | As at<br>31 <sup>st</sup> March, 2019 |
|---|---------------------------------------|---------------------------------------|
| <b>Provision for Employee benefits</b>              |                                       |                                       |
| Provision for Defined Benefit Obligation - Gratuity | 5,98,924                              | 5,52,556                              |
| Other provisions                                    | 5,000                                 | 7,500                                 |
| <b>Total</b>  | <b>6,03,924</b>                       | <b>5,60,056</b>                       |

### 24 Current Tax Liability

| Particulars   | As at<br>31 <sup>st</sup> March, 2020 | As at<br>31 <sup>st</sup> March, 2019 |
|---|---------------------------------------|---------------------------------------|
| <b>Current Tax Liability</b>                        |                                       |                                       |
| Provision for Tax ( Net of TDS and TCS receivables) | -                                     | 2,44,021                              |
| <b>Total</b>  | <b>-</b>                              | <b>2,44,021</b>                       |

# SAR AUTO PRODUCTS LIMITED

## NOTES FORMING PART OF FINANCIAL STATEMENTS

[Amount in Rs.]

### 25 Revenue from operations

| Particulars            | Year ended<br>31 <sup>st</sup> March, 2020 | Year ended<br>31 <sup>st</sup> March, 2019 |
|------------------------|--|--|
| Sale of product*       | 6,59,81,270                                | 9,80,22,825                                |
| Other operating income | 20,00,000                                  | 2,82,460                                   |
| <b>Total</b>           | <b>6,79,81,270</b>                         | <b>9,83,05,285</b>                         |

(\*For Related Party Transactions Refer Note No. 34 )

### 26 Other Income

| Particulars                                  | Year ended<br>31 <sup>st</sup> March, 2020 | Year ended<br>31 <sup>st</sup> March, 2019 |
|--|--|--|
| Interest Income                              | 29,44,265                                  | 27,44,520                                  |
| Dividend Income                              | 8  | 4  |
| Other non-operating income (net of expenses) | 1,34,248                                   | 1,23,091                                   |
| Profit on sale of Asset                      | -  | 1,00,000                                   |
| Net Gain on Foreign Exchange transaction     | 52,528                                     | 2,20,874                                   |
| <b>Total</b>                                 | <b>31,31,049</b>                           | <b>31,88,489</b>                           |

### 27 Cost of material consumed

| Particulars         | Year ended<br>31 <sup>st</sup> March, 2020 | Year ended<br>31 <sup>st</sup> March, 2019 |
|---------------------|--|--|
| Opening Stock       | 26,32,530                                  | 26,44,444                                  |
| Add: Purchases      | 2,67,02,304                                | 3,63,75,969                                |
| Less: Closing stock | (24,56,599)                                | (26,32,530)                                |
| <b>Total</b>        | <b>2,68,78,235</b>                         | <b>3,63,87,883</b>                         |

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

| Particulars         | Year ended<br>31 <sup>st</sup> March, 2020 | Year ended<br>31 <sup>st</sup> March, 2019 |
|---------------------|--|--|
| Opening stock:      |  |  |
| Work-in-progress    | 20,06,400                                  | 1,04,10,236                                |
|                     | <b>20,06,400</b>                           | <b>1,04,10,236</b>                         |
| Less: Closing stock |  |  |
| Work-in-progress    | 15,42,500                                  | 20,06,400                                  |
|                     | <b>15,42,500</b>                           | <b>20,06,400</b>                           |
| <b>Total</b>        | <b>4,63,900</b>                            | <b>84,03,836</b>                           |



# SAR AUTO PRODUCTS LIMITED

## NOTES FORMING PART OF FINANCIAL STATEMENTS

[Amount in Rs.]

### 29 Employee benefit expenses

| Particulars                               | Year ended<br>31 <sup>st</sup> March, 2020 | Year ended<br>31 <sup>st</sup> March, 2019 |
|---|--|--|
| Salary, wages and bonus*                  | 26,93,874                                  | 26,91,339                                  |
| Contribution to provident and other funds | 4,62,644                                   | 4,60,542                                   |
| <b>Total</b>                              | <b>31,56,518</b>                           | <b>31,51,881</b>                           |

(\*For Related Party Transactions Refer Note No. 34 )

### 30 Finance cost

| Particulars               | Year ended<br>31 <sup>st</sup> March, 2020 | Year ended<br>31 <sup>st</sup> March, 2019 |
|---------------------------|--|--|
| Interest Expenses         |  |  |
| On Borrowing              | 5,33,946                                   | 10,33,085                                  |
| On Tax Deducted at Source | 86   | 495  |
| On Others                 | 6  | -  |
| On Income Tax             | 3,230                                      | 15,747                                     |
| On VAT/CST & Excise       | -  | 8,403                                      |
| Other borrowing costs     |  |  |
| Bank Charges              | 1,15,541                                   | 1,46,287                                   |
| <b>Total</b>              | <b>6,52,809</b>                            | <b>12,04,017</b>                           |

**SAR AUTO PRODUCTS LIMITED**

**NOTES FORMING PART OF FINANCIAL STATEMENTS**

[Amount in Rs.]

**31 Other Expenses**

| Particulars  | Year ended<br>31 <sup>st</sup> March, 2020 | Year ended<br>31 <sup>st</sup> March, 2019 |
|--|--|--|
| <b>Manufacturing Expenses</b>                          |  |  |
| Labour Charges, Loading & Unloading Charges            | -  | 33,100                                     |
| Factory Expenses                                       | 1,05,393                                   | 1,69,604                                   |
| Freight Inward & Goods Import Expenses                 | 4,55,228                                   | 6,18,903                                   |
| Job Work Charges                                       | 96,05,363                                  | 1,69,22,256                                |
| Packing Material Consumed                              | 4,00,738                                   | 8,25,522                                   |
| Power & Fuel Expenses                                  | 16,03,556                                  | 26,09,903                                  |
| Repairs & Maintenance on:<br>Machineries               | 55,93,024                                  | 93,37,837                                  |
|  | <b>1,77,63,301</b>                         | <b>3,05,17,125</b>                         |
| <b>Administrative and Selling Expenses</b>             |  |  |
| Advertisement Expenses                                 | 24,200                                     | 31,927                                     |
| Auditors' Remuneration                                 |  |  |
| Statutory & Tax Audit Fees                             | 2,500                                      | 7,500                                      |
| Bad Debt   | -  | 8,52,830                                   |
| Computer Maintenance & Updation Charges                | 22,848                                     | 9,200                                      |
| Demat Expenses   | 110  | 8,419                                      |
| Discount Expenses                                      | 1,72,994                                   | 1,88,573                                   |
| Donation Expenses                                      | -  | 11,000                                     |
| Freight Outward Expenses                               | 4,82,679                                   | 5,37,397                                   |
| Insurance Expenses                                     | 1,66,346                                   | 2,15,751                                   |
| Legal and Professional charges                         | 10,36,244                                  | 10,69,603                                  |
| Listing and Cetification fees                          | 3,00,000                                   | 2,50,000                                   |
| Loss on sale of financial asset designated as at FVTPL | -  | 11,456                                     |
| NSDL / CDSL Connection Fees                            | 18,000                                     | 18,985                                     |
| Office expenses  | 1,11,885                                   | 82,031                                     |
| Printing & Stationery Expenses                         | 63,958                                     | 54,466                                     |
| Postage, Telegram, Telephone & Interenet Expenses      | 1,90,803                                   | 1,93,091                                   |
| Rent Expenses  | 3,00,000                                   | 3,00,000                                   |
| Sales Commission Expense*                              | 9,45,424                                   | 2,03,179                                   |
| Securities Expenses                                    | 1,40,385                                   | 1,37,520                                   |
| Tender Fees  | 40,930                                     | 19,500                                     |
| Travelling Expenses                                    | 6,56,296                                   | 5,17,861                                   |
| VAT, Excise and Service Tax Expenses                   | 26,367                                     | -  |
| Vehicle Running & Maintanance                          | 2,55,840                                   | 2,67,829                                   |
|  | <b>49,57,809</b>                           | <b>49,88,118</b>                           |
| <b>Total</b>   | <b>2,27,21,110</b>                         | <b>3,55,05,243</b>                         |

(\*For Related Party Transactions Refer Note No. 34 )

# SAR AUTO PRODUCTS LIMITED

## NOTES FORMING PART OF FINANCIAL STATEMENTS

[Amount in Rs.]

### 32 Earning per Share (EPS)

| Particulars  | Year ended<br>31 <sup>st</sup> March, 2020 | Year ended<br>31 <sup>st</sup> March, 2019 |
|--|--|--|
| <b>Basic and Diluted Earning per Share (EPS)</b>                                   |  |  |
| Profit available for Equity Shareholder  | 29,37,615                                  | 32,98,426                                  |
| Weighted Average Number of Equity Shares outstanding at the end of respective year | 47,64,740                                  | 47,64,740                                  |
| <b>Basic and Diluted Earning per Share (EPS)</b>                                   | <b>0.62</b>                                | <b>0.69</b>                                |
|  |  |  |
| <b>Face value of Share</b>   | <b>10.00</b>                               | <b>10.00</b>                               |

### 33. Foreign Exchange:

| Particulars                        | Year ended<br>31 <sup>st</sup> March, 2020 | Year ended<br>31 <sup>st</sup> March, 2019 |
|------------------------------------|--|--|
| <b>Earning In Foreign Exchange</b> |  |  |
| FOB value of exports               | -  | -  |
| <b>Imports</b>                     |  |  |
| CIF Value of Imports               | -  | 27,37,045                                  |

## SAR AUTO PRODUCTS LIMITED

### NOTES FORMING PART OF THE FINANCIAL STATEMENTS

#### 34. 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:

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

| Related Party             | Nature of Relationship  |
|---------------------------|---|
| Mr. Ramesh D. Virani      | Key Management Personnel  |
| Mr. Shreyas R. Virani     | Relative of Key Management Personnel  |
| Mrs. Rajashree R. Virani  |   |
| Mrs. Urviben S. Virani    |   |
| Virani Estate Corporation | Enterprise in which Key Management Personnel are able to exercise significant influence |

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

| Particulars                         | Year ended<br>31 <sup>st</sup> March, 2020 | Year ended<br>31 <sup>st</sup> March, 2019 |
|-------------------------------------|--|--|
| <b><u>Nature of Transaction</u></b> |  |  |
| Directors' Salary & Perks           | 22,17,516                                  | 22,17,516                                  |
| Loans Accepted from KMP             | 73,40,000                                  | 1,25,00,000                                |
| Loans Repaid to KMP                 | 80,41,000                                  | 1,29,00,000                                |
| Sales Commission Expense            | 2,90,280                                   | -  |
| Revenue From Operations             | 61,91,778                                  | -  |

| Particulars                      | As at<br>31 <sup>st</sup> March, 2020 | As at<br>31 <sup>st</sup> March, 2019 |
|----------------------------------|---------------------------------------|---------------------------------------|
| <b><u>Year-end balances</u></b>  |                                       |                                       |
| Loans Accepted from KMP(Payable) | 27,40,000                             | 34,41,000                             |
| Trade Receivables                | 56,44,078                             | -                                     |

# SAR AUTO PRODUCTS LIMITED

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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

#### 35.1 Defined Contribution Plan

The Company has recognized Rs. 1,74,138/- & Rs.1,70,811/- in the Statement of Profit & Loss for the year ended 31<sup>st</sup> March, 2020 & 31<sup>st</sup> March, 2019 respectively under Defined Contribution Plan.

#### 35.2 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.

| <b>[Amount in Rs.]</b>   |  |  |
|--|--|--|
| <b>Particulars</b>   | <b>As At<br/>31<sup>st</sup> March, 2020</b> | <b>As At<br/>31<sup>st</sup> March, 2019</b> |
| <b>Change in Present Value of Defined Benefit Obligations:</b>       |  |  |
| Present Value of Benefit Obligation at beginning of the period       | 10,02,161                                    | 8,98,735                                     |
| Current Service Cost   | 1,05,991                                     | 1,01,620                                     |
| Interest Cost  | 68,147                                       | 69,191                                       |
| Actuarial (Gains)/Losses arising from change in financial assumption | 33,237                                       | -  |
| Actuarial (Gains)/Losses arising from experience adjustments         | (69,373)                                     | (67,385)                                     |
| <b>Present Value of Benefit Obligation at the end of the period</b>  | <b>11,40,163</b>                             | <b>10,02,161</b>                             |
| <b>Amount Recognized in Balance Sheet:</b>                           |  |  |
| Present Value of Benefit Obligation at the end of the period         | 11,40,163                                    | 10,02,161                                    |
| Fair Value of Planed Assets at the end of the period                 | -  | -  |
| <b>Net Liability/(Asset) recognized in Balance Sheet</b>             | <b>11,40,163</b>                             | <b>10,02,161</b>                             |
| <b>Expenses Recognized in Profit and Loss Statement:</b>             |  |  |
| Current Service Cost   | 1,05,991                                     | 1,01,620                                     |
| Net Interest on net Defined Liability/(Asset)                        | 68,147                                       | 69,191                                       |
| <b>Expenses recognized in Statement of Profit and Loss</b>           | <b>1,74,138</b>                              | <b>1,70,811</b>                              |
| <b>Expenses Recognized in Other Comprehensive Income</b>             |  |  |
| <b>Remeasurements:</b>   |  |  |
| Actuarial (Gains)/Losses on Liability                                | (36,136)                                     | (67,385)                                     |
| <b>Total</b>   | <b>(36,136)</b>                              | <b>(67,385)</b>                              |
| <b>Assumption used in accounting for Gratuity Plan:</b>              |  |  |
| Discount Rate  | 6.80%  | 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  | 5,98,924                                     | 5,52,556                                     |
| Non - Current Liability  | 5,41,239                                     | 4,49,605                                     |
| <b>Total</b>   | <b>11,40,163</b>                             | <b>10,02,161</b>                             |

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

# SAR AUTO PRODUCTS LIMITED

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 36. 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, 2020

[Amount in Rs.]

| Particulars |   | BUSINESS SEGMENTS  |                  |                  |                    |
|-------------|---|--------------------|------------------|------------------|--------------------|
|             |   | Manufacturing      | Construction     | Unallocable      | Total              |
| <b>1.</b>   | <b>Segment Revenue</b>                          |                    |                  |                  |                    |
|             | External Turnover                               | 6,59,81,270        | 20,00,000        | -                | 6,79,81,270        |
|             | Inter-Segment Turnover                          | -                  | -                | -                | -                  |
|             | <b>Gross Turnover</b>                           | 6,59,81,270        | 20,00,000        | -                | 6,79,81,270        |
|             | Less: Excise Duty                               | -                  | -                | -                | -                  |
|             | <b>Net Turnover</b>                             | <b>6,59,81,270</b> | <b>20,00,000</b> | <b>-</b>         | <b>6,79,81,270</b> |
| <b>2.</b>   | <b>Segment Result before Interest and Taxes</b> | <b>42,498</b>      | <b>(30,706)</b>  |                  | 11,792             |
|             | Less: Interest Expense                          | -                  | -                | (6,52,809)       | (6,52,809)         |
|             | Add: Other Income                               | -                  | -                | 31,31,049        | 31,31,049          |
|             | <b>Profit Before Tax [PBT]</b>                  | <b>42,498</b>      | <b>(30,706)</b>  | <b>24,78,240</b> | <b>24,90,032</b>   |
|             | Less: Net Current tax                           | -                  | -                | -                | -                  |
|             | Deferred tax                                    | -                  | -                | (4,47,582)       | (4,47,582)         |
|             | Prior Year Tax                                  | -                  | -                | -                | -                  |
|             | <b>Profit After Tax [PAT]</b>                   | <b>42,498</b>      | <b>(30,706)</b>  | <b>29,25,822</b> | <b>29,37,616</b>   |
| <b>3.</b>   | <b>Other Information</b>                        |                    |                  |                  |                    |
|             | Segment Assets                                  | 15,25,56,172       | -                | -                | 15,25,56,172       |
|             | Segment Liabilities                             | 15,25,56,172       | -                | -                | 15,25,56,172       |

**SAR AUTO PRODUCTS LIMITED**

**NOTES FORMING PART OF FINANCIAL STATEMENTS**

[Amount in Rs.]

**37 Fair Value Measurements**

**I. Financial instruments by category**

| Particulars                                       | As at 31 <sup>st</sup> March, 2020 |                 |                    | As at 31 <sup>st</sup> March, 2019 |               |                    |
|---|------------------------------------|-----------------|--------------------|------------------------------------|---------------|--------------------|
|   | FVTPL                              | FVTOCI          | Amortised Cost     | FVTPL                              | FVTOCI        | Amortised Cost     |
| <b>Financial Assets</b>                           |                                    |                 |                    |                                    |               |                    |
| Investments                                       |                                    |                 |                    |                                    |               |                    |
| Equity Instrument                                 | -                                  | 2,25,078        | -                  | -                                  | 83,876        | -                  |
| Mutual Fund                                       | -                                  | -               | -                  | -                                  | -             | -                  |
| Loans   | -                                  | -               | -                  | -                                  | -             | -                  |
| Trade receivables                                 | -                                  | -               | 2,66,63,777        | -                                  | -             | 2,56,29,604        |
| Cash & Cash Equivalents                           | -                                  | -               | 4,39,44,321        | -                                  | -             | 4,24,68,767        |
| Bank Balance other than Cash and Cash equivalents | -                                  | -               | 97,21,159          | -                                  | -             | 75,96,119          |
| Others  | -                                  | -               | 71,51,792          | -                                  | -             | 41,33,744          |
| <b>Total Financial Assets</b>                     | -                                  | <b>2,25,078</b> | <b>8,74,81,049</b> | -                                  | <b>83,876</b> | <b>7,98,28,233</b> |
| <b>Financial Liabilities</b>                      |                                    |                 |                    |                                    |               |                    |
| Borrowings  | -                                  | -               | 87,90,650          | -                                  | -             | 83,44,438          |
| Trade Payables                                    | -                                  | -               | 65,15,583          | -                                  | -             | 1,13,52,086        |
| Other Financial Liabilities                       | -                                  | -               | 96,788             | -                                  | -             | 96,788             |
| <b>Total Financial Liabilities</b>                | -                                  | -               | <b>1,54,03,021</b> | -                                  | -             | <b>1,97,93,312</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.

**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, 2020 |         |              |                 |
|------------------------------|------------------------------------|---------|--------------|-----------------|
|                              | Level 1                            | Level 2 | Level 3      | Total           |
| <b>Financial Assets</b>      |                                    |         |              |                 |
| Investments in Equity Shares | 2,22,028                           | -       | 3,050        | 2,25,078        |
|                              | <b>2,22,028</b>                    | -       | <b>3,050</b> | <b>2,25,078</b> |
| <b>Financial Liabilities</b> |                                    |         |              |                 |
|                              | -                                  | -       | -            | -               |
|                              | -                                  | -       | -            | -               |

[Amount in Rs.]

| Particulars                  | As at 31 <sup>st</sup> March, 2019 |                  |              |                  |
|------------------------------|------------------------------------|------------------|--------------|------------------|
|                              | Level 1                            | Level 2          | Level 3      | Total            |
| <b>Financial Assets</b>      |                                    |                  |              |                  |
| Investments in Equity Shares | 80,826                             | -                | 3,050        | 83,876           |
| Investments in Mutual Funds  | -                                  | 16,47,240        | -            | 16,47,240        |
|                              | <b>80,826</b>                      | <b>16,47,240</b> | <b>3,050</b> | <b>17,31,116</b> |
| <b>Financial Liabilities</b> |                                    |                  |              |                  |
|                              | -                                  | -                | -            | -                |
|                              | -                                  | -                | -            | -                |

**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

#### 38 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.

| <b>[Amount in Rs.]</b>                   |  |  |
|--|--|--|
| <b>Particulars</b>                       | <b>As at<br/>31<sup>st</sup> March, 2020</b> | <b>As at<br/>31<sup>st</sup> March, 2019</b> |
| <b>Total Equity(A)</b>                   | <b>13,47,47,912</b>                          | <b>13,16,32,958</b>                          |
| <b>Gross Debt(B)</b>                     | <b>88,87,438</b>                             | <b>84,41,226</b>                             |
| <b>Gross Debt as above</b>               | 88,87,438                                    | 84,41,226                                    |
| <b>Less: Cash &amp; Cash Equivalents</b> | (4,39,44,321)                                | (4,24,68,767)                                |
| Less: Other Balances with banks          | (97,21,159)                                  | (75,96,119)                                  |
| <b>Net Debt (C)</b>                      | <b>(4,47,78,042)</b>                         | <b>(4,16,23,660)</b>                         |
| <b>Net Debt to Equity (C/A)*</b>         | <b>(0.33)</b>                                | <b>(0.32)</b>                                |

\* Net Debt to Equity ratio as at March 31, 2020 and March 31, 2019 has been computed based on Equity as at year end

#### 39 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:

##### 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 Rs. 8,52,830 as at March 31, 2019.



# SAR AUTO PRODUCTS LIMITED

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### 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<br>Financial Liabilities: | As at 31 <sup>st</sup> March, 2020 |          |           |             |
|--|------------------------------------|----------|-----------|-------------|
|  | < 1 year                           | 1-2 year | >2 year   | Total       |
| Borrowings [including interest]          | 74,57,688                          | -        | 14,29,750 | 88,87,438   |
| Trade Payable                            | 1,13,52,086                        | -        | -         | 1,13,52,086 |

[Amount in Rs.]

| Non-derivative<br>Financial Liabilities: | As at 31 <sup>st</sup> March, 2019 |          |           |             |
|--|------------------------------------|----------|-----------|-------------|
|  | < 1 year                           | 1-2 year | >2 year   | Total       |
| Borrowings [including interest]          | 70,11,476                          | -        | 14,29,750 | 84,41,226   |
| Trade Payable                            | 1,88,40,914                        | -        | -         | 1,88,40,914 |

### 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, 2020, 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-20  | 31-Mar-19 |
|----------------|------------------|------------|-----------|
| Interest Rates | +1.00%           | (1,14,787) | (68,275)  |
| Interest Rates | -1.00%           | 1,14,787   | 68,275    |

\* Holding all other variables constant

## **SAR AUTO PRODUCTS LIMITED**

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

- 40.** Contingent Liabilities not provided for **NIL**
- 41.** Previous year's figure have been regrouped/reclassified wherever necessary to confirm with the current year's presentation.
- 42.** Estimated amount of Contract remaining to be executed on Capital Accounts and not provided for, net of advance is - NIL ( Previous year - NIL)
- 43.** The outstanding balances as at 31.03.2020 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.
- 44.** 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 & on behalf of the Board of Directors,

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

Sd/-  
Jingal A. Sheth  
Proprietor  
(Membership No.107067)  
UDIN: 20107067AAAABF7349

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

Sd/-  
Issachthomas C. Kavunkal  
Director  
(DIN: 02995332)

Sd/-  
Zalak K. Upadhyay  
Company Secretary  
Membership No. 44319  
Rajkot, Dated 25<sup>th</sup> June, 2020

Rajkot, Dated 25<sup>th</sup> June, 2020

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**SAR AUTO PRODUCTS LIMITED**

(CIN: L34100GJ1987PLC010088)

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

Ph: 0281-2374726 Email: [sapl@sarautoproducts.com](mailto:sapl@sarautoproducts.com)

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**ATTENDENCE SLIP FOR 33<sup>RD</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 33<sup>rd</sup> Annual General Meeting of the Company held at Registered office of the Company situated at 50-E, Bhaktinagar, Inds. Estate, Rajkot-360002 at 10:00 A.M. on Wednesday, September 30, 2020.

.....  
(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**

(CIN: L34100GJ1987PLC010088)

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

Ph: 0281-2374726 Email: sapl@sarautoproducts.com

**33<sup>RD</sup> ANNUAL GENERAL MEETING ON 30<sup>TH</sup> SEPTEMBER, 2020****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)<br>(In BLOCK LETTERS) |  |                 |  |
| Registered address<br>(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 |  |
| or failing him |           |  |           |  |

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 33<sup>rd</sup> Annual General Meeting of the company, to be held on Wednesday, September -30, 2020, at 10:00 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)<br>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 31st March, 2020 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. Shreyas Rameshbhai Virani (DIN: 00465240) who retires by rotation and being eligible, offers himself for re-appointment.   |   |         |         |
|                          |  |   |         |         |

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2020.

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

Affix  
Revenue  
Stamp of not  
less than Rs. 1

signature across Revenue stamp

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

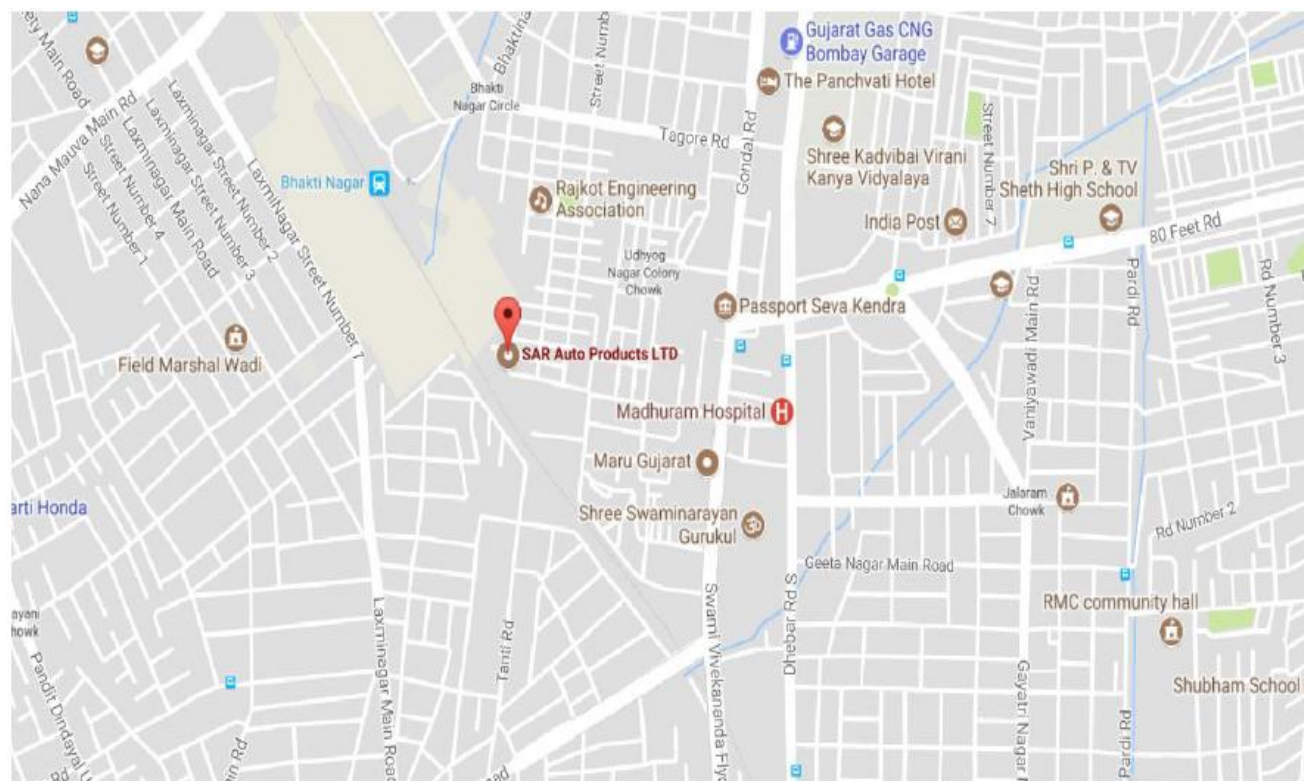
**Note:**

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**  
**(CIN: L34100GJ1987PLC010088)**  
**Registered office Address:**  
**50-E BHAKTINAGAR INDS ESTATE,**  
**RAJKOT - 360002**  
**Email: [sapl@sarautoproducsltd.com](mailto:sapl@sarautoproducsltd.com)**