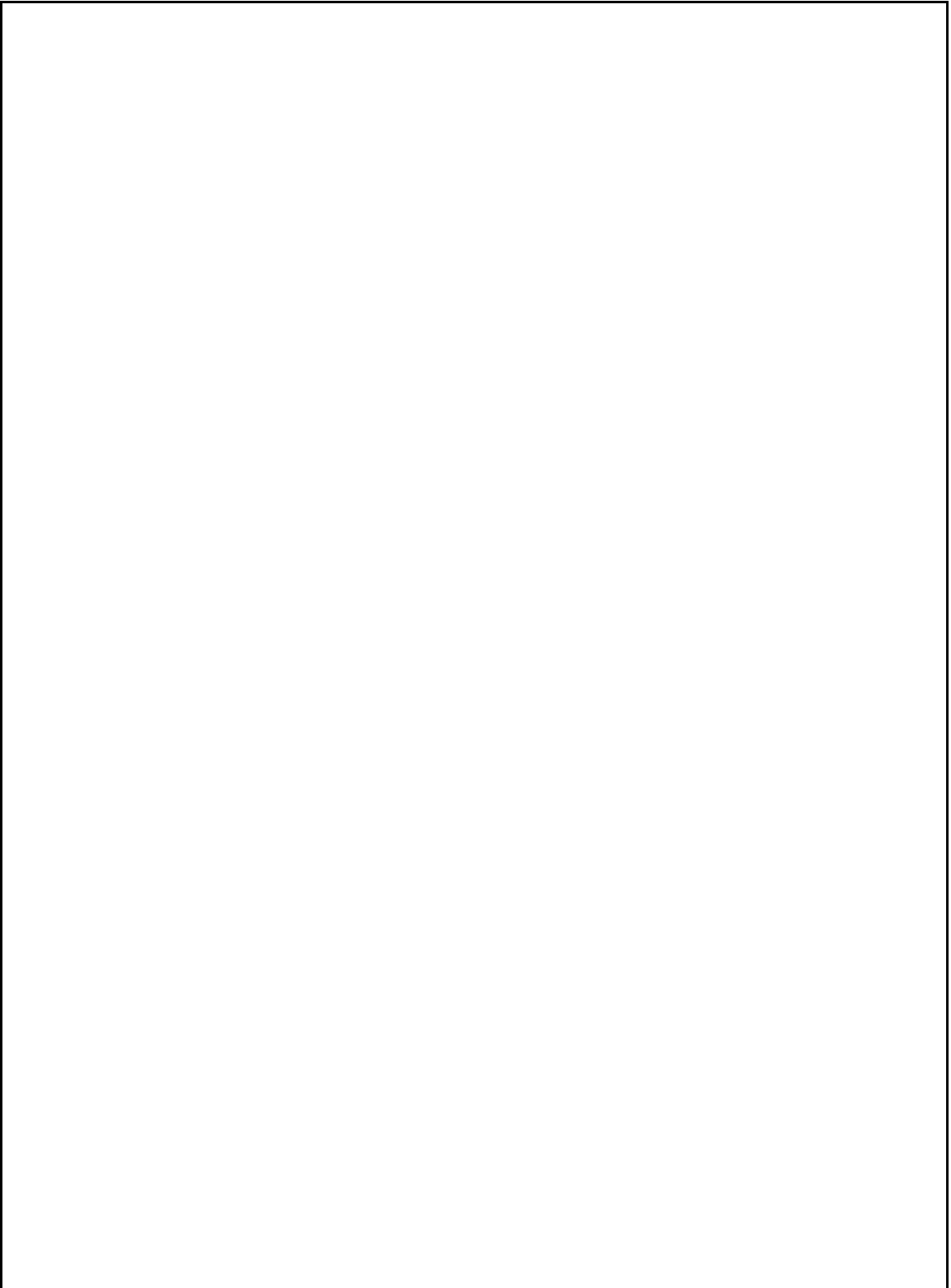


# 36th ANNUAL REPORT

## 2018 - 2019



**SIBAR**  
**AUTOPARTS LIMITED**



**COMPANY INFORMATION**
**BOARD OF DIRECTORS**

Shri. Pemmasani Veerananarayana	-	Managing Director
Shri. Pemmasani Ravichandra	-	Whole-Time Director
Shri. Pemmasani Madhu Pratap	-	Whole-Time Director
Smt. Pemmasani Sugunamma	-	Non-Executive Director
Shri. Ramachandra Chowdary Amineni	-	Independent Director (up to 31.03.2019)
Shri. Narayana Yadla	-	Additional / Independent Director (w.e.f. 14.11.2018)
Shri. Bhuvanagiri Purushotham Jetty	-	Chairman & Independent Director
Shri. Rajesh katragadda	-	Additional/Independent Director (w.e.f. 14.08.2019)

**Chief Financial Officer**

Shri. Pemmasani Madhu Pratap

**Company Secretary & Compliance Officer**

Ms. Sirisha Chintapalli

**Registered Office:**
**CIN: L34201AP1983PLC003817**

D4 &amp; D5, Industrial Estate, Renigunta Road, Tirupati, Andhra Pradesh-517506

Phone: +91 -877-2271355, 2271366

**Corporate Office:**

D4&amp;D5, Industrial Estate, Renigunta Road, Tirupati, Andhra Pradesh - 517506

Phone: +91 -877-2271355, 2271366

**Registrars & Share Transfer Agents:**

M/s. Bigshare Services Private Limited (H.O),

Bharat Tin works Building,

1st Floor, Opp. Vasant Oasis,

Next to Keys Hostel, Marol Maroshi Road,

Andheri (E), Mumbai - 400 059.

**Auditors:**

M/s. SPC &amp; Associates,

Chartered Accountants

Plot No.252A, 2nd Floor,

MLA Colony, Near Lotus Pond,

Road No.12, Banjara Hills, Hyderabad - 500 034.

**Secretarial Auditors:**

M /s. P. S. Rao &amp; Associates,

Company Secretaries

Flat No.10, 4th Floor, D. No.6-3-347/22/2

Ishwarya Nilayam, Opp: Sai Baba Temple,

Dwarakapuri Colony, Punjagutta,

Hyderabad- 500 082, Telangana, India

**M/s. Bigshare Services (P) Ltd (B.O.)**

306, 3rd Floor, Right Wing, Amrutha Villae,

Opp. Yasoda Hospital, Somajiguda,

Raj Bhavan Road, Hyderabad - 500 082

Phones: 040-23374967

040-23370295

Email: bsshyd@bigshareonline.com

**BOARD COMMITTEES**
**Audit Committee**

Shri. B.P.Jetty - Chairman

Shri. Y Narayana - Member

Shri. K Rajesh - Member

Smt. P. Sugunamma - Member

**Nomination and Remuneration Committee**

Shri. Y Narayana - Chairman

Shri. B.P.Jetty - Member

Shri. K Rajesh - Member

Smt. P. Sugunamma - Member

**Stakeholders Relationship Committee:**

Shri. Y Narayana - Chairman

Shri. B.P.Jetty - Member

Shri. P. Madhu Pratap - Member

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**NOTICE**

Notice is hereby given that the 36th Annual General Meeting of the Members of Sibar Auto Parts Limited will be held on Monday, the 30th day of September, 2019 at 3:30 p.m. at the registered office of the company situated at D4 & D5, Industrial Estate, Renigunta Road, Tirupati, Andhra Pradesh-517506 to transact the following items of business:

**ORDINARY BUSINESS:**

1. To consider and adopt the Audited Financial Statements of the Company for the Financial Year 2018-2019 together with the Report of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri. P Ravichandra (DIN: 00627413), who retires by rotation and being eligible, offers himself for re-appointment as Director.
3. **Appointment of Statutory Auditors of the Company**

To consider and, if thought fit, to pass the following resolution as Ordinary Resolution:

**"RESOLVED THAT** pursuant to Sections 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and Companies (Audit and Auditors) Rules, 2014 made thereunder and other applicable rules, if any, under the Act and pursuant to the SEBI (listing Obligations and Disclosure requirements) Regulations 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force) M/s. M M G S & Associates, Chartered Accountants (FRN: 010613S), be and are hereby appointed as the Statutory Auditors of the Company commencing from the conclusion of this Annual General Meeting till the conclusion of forty first Annual General Meeting at a remuneration of Rs. 2,00,000 (Two Lakhs Only) Per annum in addition to the re-imbursement of applicable taxes and actual out of pocket and travelling expenses incurred in connection with the audit and billed progressively."

**SPECIAL BUSINESS:****4 TO CONSIDER AND APPROVE THE RE-APPOINTMENT OF SHRI. PEMMASANI VEERANARAYANA (DIN: 00644259) AS A MANAGING DIRECTOR OF THE COMPANY**

To consider and if, thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to the provisions of sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013, read with Schedule V of the said act and Companies (Appointment and Remuneration of Managerial Personal) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the recommendations of Nomination & Remuneration Committee and the Board of Directors, the consent of the members of the Company be and is hereby accorded for the re-appointment of Shri. Pemmasani Veerananarayana (DIN: 00644259) as a Managing Director of the Company for another term of three years effective from 5th Day of March, 2019."

**"FURTHER RESOLVED THAT** pursuant to the provisions of Section 197 and other applicable provisions, if any, of the Companies Act, 2013, read with Schedule V of the said act and Companies (Appointment and Remuneration of Managerial Personal) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the recommendations of Nomination & Remuneration Committee and the Board of Directors, the consent of the members of the Company be and is hereby accorded to increase the remuneration of Shri. Pemmasani Veerananarayana (DIN: 00644259), Managing Director to Rs. Rs. 36,00,000/- (Rupees Thirty-six Lakhs only) per annum and other superannuation benefits as per service rules of the Company, and such perquisites as approved by the Nomination and Remuneration Committee, with effective from 1st Day of April, 2019."

**"FURTHER RESOLVED THAT** Shri. Pemmasani Veerananarayana in addition to above mentioned Salary is also eligible for a commission of 3% on net profits of the Company arrived in pursuance of Section 198 of the Companies Act, 2013."

**"FURTHER RESOLVED THAT** the overall amount of remuneration payable to Shri. Pemmasani Veerananarayana shall not exceed 5% of net profits of the Company arrived in pursuance of Section 198 of the Companies Act, 2013."

**"FURTHER RESOLVED THAT** in the event the Company does not have profits or the profit of the Company is inadequate in any financial year during his tenure as referred above, the amount of Salary and perquisites referred above shall be paid as minimum remuneration in terms of Section II of Part II of Schedule V to the Companies Act, 2013."

**5. TO CONSIDER AND APPROVE THE RE-APPOINTMENT OF SHRI. PEMMASANI MADHU PRATAP (DIN: 00644254) AS A WHOLE-TIME DIRECTOR OF THE COMPANY**

To consider and if, thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to the provisions of sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013, read with Schedule V of the said act and Companies (Appointment and Remuneration of Managerial Personal) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the recommendations of Nomination & Remuneration Committee and the Board of Directors, the consent of the members of the Company be and is hereby accorded for the re-appointment of Shri. Pemmasani Madhu Pratap (DIN: 00644254) as a Whole-Time Director of the Company for another term of three years effective from 1st Day of August, 2019."

**"FURTHER RESOLVED THAT** pursuant to the provisions of Section 197 and other applicable provisions, if any, of the Companies Act, 2013, read with Schedule V of the said act and Companies (Appointment and Remuneration of Managerial Personal) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the recommendations of Nomination & Remuneration Committee and the Board of Directors, the consent of the members of the Company be and is hereby accorded to increase the remuneration of Shri. Pemmasani Madhu Pratap (DIN: 00644254), Whole Time Director to Rs. 33,00,000/- (Rupees Thirty-Three Lakhs only) per annum and other superannuation

benefits as per service rules of the Company, and such perquisites as approved by the Nomination and Remuneration Committee, with effective from 1st Day of April, 2019."

**"FURTHER RESOLVED THAT** Shri. Pemmasani Madhu Pratap in addition to above mentioned Salary is also eligible for a commission of 3% on net profits of the Company arrived in pursuance of Section 198 of the Companies Act, 2013."

**"FURTHER RESOLVED THAT** the overall amount of remuneration payable to Shri. Pemmasani Madhu Pratap shall not exceed 5% of net profits of the Company arrived in pursuance of Section 198 of the Companies Act, 2013."

**"FURTHER RESOLVED THAT** in the event the Company does not have profits or the profit of the Company is inadequate in any financial year during his tenure as referred above, the amount of Salary and perquisites referred above shall be paid as minimum remuneration in terms of Section II of Part II of Schedule V to the Companies Act, 2013."

**6. TO CONSIDER AND APPROVE THE INCREASE IN REMUNERATION OF SHRI. PEMMASANI RAVICHANDRA (DIN: 00627413) WHOLE- TIME DIRECTOR OF THE COMPANY**

To consider and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution

**"RESOLVED THAT** pursuant to the provisions of Section 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof), applicable clauses of the Articles of Association of the Company and recommendation of the Nomination and Remuneration Committee and approval of Board of Directors, approval of the Company be and is hereby accorded to increase the remuneration of Shri. Pemmasani Ravichandra (DIN: 00627413), Whole-Time Director to Rs. 31,20,000 per annum (Rupees Thirty-One Lakhs Twenty Thousand only) and other superannuation benefits as per service rules of the Company, and such perquisites as approved by the Nomination and Remuneration Committee, with effective from 1st Day of April, 2019."

**"FURTHER RESOLVED THAT** Shri. Pemmasani Ravichandra in addition to above mentioned Salary is also eligible for a commission of 3% on net profits of the Company arrived in pursuance of Section 198 of the Companies Act, 2013."

**"FURTHER RESOLVED THAT** the overall amount of remuneration payable to Shri. Pemmasani Ravichandra shall not exceed 5% of net profits of the Company arrived in pursuance of Section 198 of the Companies Act, 2013."

**"FURTHER RESOLVED THAT** in the event the Company does not have profits or the profit of the Company is inadequate in any financial year during his tenure as referred above, the amount of Salary and perquisites referred above shall be paid as minimum remuneration in terms of Section II of Part II of Schedule V to the Companies Act, 2013."

**7. TO CONSIDER AND APPROVE THE APPOINTMENT OF SHRI. NARAYANA YADLA (DIN: 02596053) AS AN INDEPENDENT DIRECTOR OF THE COMPANY:**

To Consider and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152, 160 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder, read with Schedule IV to the Companies Act, 2013 and Regulation 16(1)(b) & 17(1A) and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), Shri Narayana Yadla (DIN: 02596053), who was appointed as an Additional Director of the Company by the Board of Directors in their meeting held on 14<sup>th</sup> November, 2018 as per Section 161(1) of the Companies Act, 2013 and who holds his office as such upto the date of this ensuing Annual General Meeting and who attains the age of 75 years as on 01.06.2020 and in respect of whom the Company has received a notice in writing from a member under Section 160(1) of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company, for a period of five consecutive years commencing from 14<sup>th</sup> November, 2018."

**8. TO CONSIDER AND APPROVE THE APPOINTMENT OF SHRI. RAJESH KATRAGADDA (DIN: 02727491) AS AN INDEPENDENT DIRECTOR OF THE COMPANY**

To consider and if, thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152, 160 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder, read with Schedule IV to the Companies Act, 2013 and Regulation 16(1)(b) and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), Rajesh Katragadda (DIN: 02727491), who was appointed as an Additional Director of the Company by the Board of Directors in their meeting held on 14<sup>th</sup> August, 2019 as per Section 161(1) of the Companies Act, 2013 and who holds his office as such upto the date of this ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under Section 160(1) of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company, for a period of five consecutive years commencing from 14<sup>th</sup> August, 2019."

**By order of the Board of Directors  
For Sibar Auto Parts Ltd**

**Sd/-  
Pemmasani Veerananarayana  
Managing Director  
DIN: 00644259**

**Place: Tirupati  
Date: 26.08.2019**

**NOTES:**

- 1 Explanatory statement pursuant to Section 102 of the Companies Act, 2013, setting out the material facts concerning each item of Special Business is annexed hereto.
- 2 A member entitled to attend and vote at the meeting is entitled to appoint one or more proxy to attend and, on a poll, to vote instead of himself. A proxy need not be a member of the company. The instrument appointing the proxy should be deposited at the registered office of the company not less than 48 hours before the commencement of the meeting.  
A person can act as a 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 and such person shall not act as a proxy for any other person or shareholder.
- 3 Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
- 4 Corporate Members intending to send their authorised representative to attend the Meeting are requested to send to the company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
- 5 In case of joint holders attending the Meeting, only such joint holders who are higher in the order of names will be entitled to vote.
- 6 The Register of Members and Share Transfer Books will remain closed from Tuesday, September 24, 2019 to Monday, September 30, 2019 (both days inclusive).
- 7 Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered Office of the Company on all working days, during business hours upto the date of the Annual General Meeting.
- 8 Members holding shares in Physical form are requested to advise any change of address immediately to the Company/ Registrar and Share Transfer Agent M/s. Bigshare Services Pvt. Ltd, Hyderabad Branch.
- 9 The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their Demat accounts. Members holding shares in physical form may submit their PAN to the M/s. Bigshare Services Pvt. Ltd, Hyderabad Branch.
- 10 Members desirous of receiving any information on the accounts or operations of the company are requested to forward his/her queries to the company at least seven working days prior to the meeting, so that the required information can be made available at the meeting.
- 11 Members who are holding Physical Shares in identical order of names in more than one folio are requested to send to the Company or to the Company's Share Transfer agent, the details of such folios together with the Share Certificates for consolidating their holding into single folio. The Share Certificates will be returned to the members after making requisite changes thereon.
- 12 Members are requested to mandatorily quote their Registered Folio No. or Demat Account No. and Depository Participant Identification Number (DPID No) on all correspondence with the company.
- 13 Securities and Exchange Board of India [SEBI] vide PR No. 51/2018, except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository. Hence, the Company is hereby request all the members who were held shares in the physical form are convert their shares into dematerialized mode.
- 14 Members are advised to update their email IDs with Company's RTA and/or concerned Depository participants as soon as possible.

**Remote E-Voting**

1. The items of business as set out in the Notice may be transacted through electronic voting system. Therefore, the Company is providing facility for voting by electronic means. Pursuant to Section 108 of the Companies Act 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time and in force as on date and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to offer remote e-voting facility, as an alternate, to its members in respect of the business to be transacted at the AGM.
2. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Monday, September 23, 2019, are entitled to vote on the resolutions set forth in this Notice. Eligible members who have acquired shares after the dispatch of the Annual Report may approach the Company for required assistance in connection with generation of the User ID / Password in order to exercise their right to vote by electronic means. The remote e-voting period will commence at 9.00 A.M. on Friday, September 27, 2019 and will end at 5.00 P.M. on Sunday, September 29, 2019. The members will not be able to cast their votes electronically beyond the date and time mentioned above.
3. The Company has appointed Mr. M B Suneel, Practicing Company Secretary (Membership No. 31197 and CP No. 14449) to act as the Scrutinizer to conduct and scrutinize the voting process in a fair and transparent manner. The Members desiring to vote through electronic mode may refer to the detailed procedure on remote e-voting given hereunder:

**PROCEDURE FOR REMOTE E-VOTING:**

The remote e voting period begins at 9.00 A.M. on Friday, September 27, 2019 and will end at 5.00 P.M. on Sunday, September 29, 2019. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. September 20, 2019, may cast their vote electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter.

- A. **In case of members receiving e-mail (for members whose e-mail address are registered with the Company/Depositories)(i)** The shareholders should log on to the remote e-voting website [www.evotingindia.com](http://www.evotingindia.com).

- (ii) Click on "Shareholders" tab.
- (iii) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) 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.
- (vi) If you are a first time user follow the steps given below:

For Members holding shares in Demat/ Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>▪ Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Attendance Slip indicated in the PAN field</li> </ul>
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> <li>▪ Please enter the DOB or Dividend Bank Details in order to login. If 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 (iii).</li> </ul>

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then directly reach 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 remote 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.
- (ix) For Members holding shares in physical form, the details can be used only for remote e-voting on the resolutions contained in this Notice.
- (x) Click on the **EVSN** for the relevant **<SIBAR AUTO PARTS LTD>** on which you choose to vote.
- (xi) 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.
- (xii) Click on the "**RESOLUTIONS FILE LINK**" if you wish to view the entire Resolution details.
- (xiii) 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.
- (xiv) Once you "**CONFIRM**" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvi) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvii) 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. iPhone 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.
- (xviii) Note for Non – Individual Shareholders and Custodians
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporate.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for 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.



- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xviii) In case you have any queries or issues regarding remote 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).

**B. In case of members receiving the physical copy of Notice of AGM (for members whose e-mail ids are not registered with the Company/Depositories):**

Please follow all the steps from Sl. No. (i) to Sl. No. (xviii) to cast vote

- A. Copy of the Notice together with Annual Report 2018-19 are being sent by to those Members whose names appear in the Register of Members / statements of beneficial ownership maintained by the Depositories as on the close of business hours on Friday, the 30<sup>th</sup> day of August, 2019. Any person who becomes a member of the Company after the said date and holding shares as on the cut-off date i.e. Monday, the 23<sup>rd</sup> day of September 2019 may obtain user ID and Password by sending an email request to [ibsshyd@bigshareonline.com](mailto:ibsshyd@bigshareonline.com). Members may also send a request to the Company Secretary by writing to him at the registered office of the Company.
- B. The Chairman shall, at the general meeting, at the end of discussion on the resolutions on which voting is to be held, allow voting, with the assistance of scrutinizer, by use of ballot or polling paper or by using an electronic voting system for all those members who are present at the general meeting but have not cast their votes by availing the remote e-voting facility.
- C. The Scrutinizer shall immediately after the conclusion of voting at the AGM, first count the votes cast at the Meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least 2 witnesses not in the employment of the Company and make not later than 48 hours of conclusion of the Meeting a consolidated Scrutiniser's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same and declare the result of voting forthwith.

A member can opt for only one mode of voting, i.e., either through remote e-voting or by Ballot. If a member casts votes by both modes, then voting done through remote e-voting shall prevail and Ballot shall be treated as invalid.

The results declared along with the Scrutinizer's Report will be posted on the Company's website and communicated to the Stock Exchange.

**Annexure to the Notice****Explanatory Statement pursuant to Section 102 of the Companies Act, 2013****Item No.3:**

In terms of Section 139 of the Companies Act, 2013 ("the Act"), and the Companies (Audit and Auditors) Rules, 2014, made thereunder, the term of the present Statutory Auditors of the Company, M/s. SPC & Associates, Chartered Accountants (FRN: 005685S), will be expiring at the conclusion of the thirty six Annual General Meeting.

The Board of Directors at its meeting held on 14<sup>th</sup> day of August, 2019 after considering the recommendations of the Audit Committee, had recommended the appointment of M/s. M M G S & Associates, Chartered Accountants, as the Statutory Auditors of the Company for approval of the members. The proposed Auditors shall hold office for a period of five consecutive years from the conclusion of the thirty sixth Annual General Meeting till the conclusion of forty first Annual General Meeting of the Company.

M/s. M M G S & Associates is a Chartered Accountancy Firm registered with Institute of Chartered Accountants of India with Firm Registration No.010613S. The Firm provides range of services which include Audit & Assurance, Taxation, Accounting and Risk Advisory.

M/s. M M G S & Associates, Chartered Accountants, have consented to the aforesaid appointment and confirmed that their appointment, if made, will be within the limits specified under Section 141(3)(g) of the Companies Act, 2013. They have further confirmed that they are not disqualified to be appointed as the Statutory Auditors in terms of the Companies Act, 2013 and the rules made thereunder. Pursuant to Section 139 of the Companies Act, 2013, approval of the members is required for appointment of the Statutory Auditors and fixing their remuneration by means of an ordinary resolution.

Accordingly, approval of the members is sought for appointment of M/s. M M G S & Associates, Chartered Accountants as the Statutory Auditors of the Company and to authorise the Board of Directors, on the recommendation of the Audit Committee, to determine the remuneration payable to them.

None of the Directors, Key Managerial Personnel of the Company and their respective relatives is concerned or interested in the Resolution. The Board of Directors recommend the resolution for

**Item No. 4**

Shri. P. Veeranarayana, is a founder Promoter and Managing Director of the Company and has more than Four decades of Experience In the field of Automobile Engineering. His current term of appointment as a Managing Director of the Company has expired on 04.03. 2019. In view of the rich experience and expertise knowledge the Board of Directors at their meeting held on 14<sup>th</sup> February, 2019 considered that for smooth and efficient running of the business, the company should hire the services of Shri. P. Veeranarayana and has reappointed him as the Managing Director of the company for a further period of 3 years with effect from 05.03.2019 at a remuneration of Rs.36,00,000 (Rupees Thirty-Six Lakhs only) per annum as set out in the resolution. In addition to the above, he shall be entitled to receive the following:

1. Residential Accommodation (Furnished or Otherwise) or House Rent Allowances in lieu thereof.
2. Allowances for utilities such as gas, electricity, water, furnishings
3. Reimbursement of Medical expenses for self and family not exceeding one-month salary in a year
4. Club fees and leave travel concession for himself and his family and such other perquisites and allowances in accordance with the rules of the Company or as may be agreed to by the Board of Directors. Such perquisites and allowances shall be restricted to an amount equal to the annual salary. For the purpose of calculating the said ceiling, perquisites shall be evaluated as per Income-tax Rules wherever applicable. In the absence of any such Rules, perquisites shall be evaluated at actual cost.
5. Company's contribution to Provident Fund and Superannuation or Annuity Fund, to the extent these either singly or together are not taxable under the Income-tax Act.
6. Gratuity and Encashment of leave at the end of tenure shall not be included in the computation of limits for the remuneration or perquisites thereof
7. Provision of Car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and the use of car for private purpose shall be billed by the Company.
8. For the above purpose family means spouse dependent children and dependent parents.

None of the other Directors of the Company is in any way concerned or interested except Shri. P.Veeranarayana, Shri. P. Madhu Pratap, Shri. Ravichandra and Smt. P. Sugunamma.

The following is the additional information as per Section II of Part II of Schedule V of the Companies Act, 2013:

### I General Information

- (1) Nature of industry:  
The company is specialized in Gravity Die Casting, Low Pressure Die Casting, Centrifugal Casting and Electro Plating. Apart from the above, the company is strong in producing the cylinder heads and blocks which are mainly used for motor vehicles
- (2) Date or expected date of commercial production:  
The company was incorporated in the year 1983 and the commercial production commenced simultaneously.
- (3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not Applicable
- (4) Financial performance based on given indicators: (Rs. In Lakhs)

PARTICULARS	Financial Year 2018-19	Financial Year 2017-18
Total Revenue	2816.49	2437.32
Net Profit / Loss Before Tax (PBT)	(360.09)	(159.21)
Net Profit (PAT)	(361.44)	(161.86)

- (5) Foreign investments or collaborations, if any. The company entered technical collaboration with an Italian Firm

### (II) Information about the appointee

- (1) Back ground details:  
Shri. P. Veeranarayana, aged 69 years is a Promoter and Managing Director of the Company and having than three decades of Industry Experience In the field of manufacturing.
- (2) Past remuneration:  
Shri. P. Veeranarayan was drawing a remuneration of Rs. 15,00,000 per annum in the previous financial year.
- (3) Recognition or awards: Nil
- (4) Job profile and his suitability:  
Shri. P. Veeranarayan is a dedicated and committed personality with rich experience of more than Four decades of Industry Experience In the field of manufacturing of Cylinders for two wheeler. During his tenure as Managing director he made significant contributions to the company.  
Keeping in view that Shri. P. Veeranarayana has rich and varied experience in the Industry and has been involved in the operations of the Company over a long period of time it would be in the interest of the Company, the resolution commended for your approval.
- (5) Remuneration proposed:  
The board has recommended for a remuneration of Rs.36,00,000 per annum (Rupees Thirty-Six Lakhs Only) along with the superannuation benefits as per the service rules of the company and perquisites as mentioned in the terms of appointment.
- (6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin):  
The proposed remuneration of Shri. P. Veeranarayan is in line with the remuneration being paid to Managing Director in the relevant industry.  
Considering the background, competence and experience of Shri. P. Veeranarayana the proposed remuneration as set out in the resolution are considered to be fair, just and reasonable.
- (7) Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel, if any.  
As on 31.03.2019 Shri. P. Veeranarayan holds 7,47,850 (Seven Lakhs Forty-Seven Thousand Eight Hundred and Fifty) equity shares constituting 4.79% of total equity share capital of the Company. He does not have any directorship or membership of committee of the Board in any other listed Company. Further, the following are the details of the relationship with the managerial personal of the company:

S.No	Name of the Person	Relationship
1.	Pemmasani Madhu Pratap	Son
2.	Pemmasani Ravichandra	Son
3.	Pemmasani Sugunamma	Wife

### III. Other information:

1. Reasons of loss or inadequate profits:  
Due to the crisis in automobile industry it is difficult to get the orders from the manufacturers of these products.
2. Steps taken or proposed to be taken for improvement  
The operations of the company are being scaled up to increase to revenues.

## 3. Expected increase in productivity and profits in measurable terms

We expect a substantial increase in approval and implementation of various government projects leading to good improvement in operating margins.

**Item No. 5**

Shri. P. Madhu Pratap, aged about 45 years is Director of the Company and having over 22 years of Technical Experience and Administrative affairs of the Company. He is a Post-graduate in Industrial Engineering and Management from PSG, Coimbatore. He has a good exposure in management and promotion of business. His current term of appointment as a Director of the Company has expired on 31.07.2019. The Board of Directors at their meeting held on 30.05.2019 considers that for smooth and efficient running of the Technical as well as Administrative affairs of the Company, the services of Shri. P. Madhu Pratap should be available for a further period of three years with effect from 01.08.2019. In terms of the provisions of the Companies Act and the Articles of Association of the Company, the Board of Directors have reappointed him as Director of the Company for a further period of three years on the remuneration of Rs. 33,00,000 (Rupees Thirty-Three Lakhs only) per annum as set out in the resolution. In addition to the above, he shall be entitled to receive the following: -

1. Residential Accommodation (Furnished or Otherwise) or House Rent Allowances in lieu thereof.
2. Allowances for utilities such as gas, electricity, water, furnishings
3. Reimbursement of Medical expenses for self and family not exceeding one-month salary in a year
4. Club fees and leave travel concession for himself and his family and such other perquisites and allowances in accordance with the rules of the Company or as may be agreed to by the Board of Directors. Such perquisites and allowances shall be restricted to an amount equal to the annual salary. For the purpose of calculating the said ceiling, perquisites shall be evaluated as per Income-tax Rules wherever applicable. In the absence of any such Rules, perquisites shall be evaluated at actual cost.
5. Company's contribution to Provident Fund and Superannuation or Annuity Fund, to the extent these either singly or together are not taxable under the Income-tax Act.
6. Gratuity and Encashment of leave at the end of tenure shall not be included in the computation of limits for the remuneration or perquisites thereof
7. Provision of Car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and the use of car for private purpose shall be billed by the Company.
8. For the above purpose family means spouse dependent children and dependent parents.

None of the other Directors of the Company is in any way concerned or interested except Shri. P. Veerananarayana, Shri. P. Madhu Pratap, Shri. Ravichandra and Smt. P. Sugunamma.

The following is the additional information as per Section II of Part II of Schedule V of the Companies Act, 2013:

**(I) General Information**

## (1) Nature of industry:

The company is specialized in Gravity Die Casting, Low Pressure Die Casting, Centrifugal Casting and Electro Plating. Apart from the above, the company is strong in producing the cylinder heads and blocks which are mainly used for motor vehicles

## (2) Date or expected date of commercial production:

The company was incorporated in the year 1983 and the commercial production commenced simultaneously.

## (3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not Applicable

## (4) Financial performance based on given indicators:

(Rs. In Lakhs)

PARTICULARS	Financial Year 2018-19	Financial Year 2017-18
Total Revenue	2816.49	2437.32
Net Profit / Loss Before Tax (PBT)	(360.09)	(159.21)
Net Profit (PAT)	(361.44)	(161.86)

## (5) Foreign investments or collaborations, if any. The company entered technical

collaboration with an Italian Firm

**(II) Information about the appointee**

## 1. Background details:

Shri. P. Madhu Pratap, aged about 45 years is Director of the Company and having over 22 years of Technical Experience and Administrative affairs of the Company. He is a Post-graduate in Industrial Engineering and Management from PSG, Coimbatore. He has a good exposure in management and promotion of business.

## 2. Past remuneration:

Shri. P. Madhu Pratap was drawing a remuneration of Rs. 13,80,000 per annum in the previous financial year.

## 3. Recognition or awards: Nil

4. Job profile and his suitability:  
 Shri. P. Madhu Pratap is a dedicated and committed personality with rich experience of more than two decades of Industry Experience In the field of manufacturing, management and administration. During his tenure as Whole-Time Director & CFO he made significant contributions to the company.  
 Keeping in view that Shri. Shri. P. Madhu Pratap has rich and varied experience in the Industry and has been involved in the operations of the Company over a long period of time it would be in the interest of the Company, the resolution commended for your approval.
5. Remuneration proposed:  
 The board has recommended for a remuneration of Rs. 33,00,000 per annum (Rupees Thirty Three Lakhs Only) along with the superannuation benefits as per the service rules of the company and a perquisites as mentioned in the terms of appointment.
6. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin):  
 The proposed remuneration of Shri. P. Madhu Pratap is in line with the remuneration being paid to Whole-Time Director in the relevant industry.  
 Considering the background, competence and experience of Shri. P. Madhu Pratap the proposed remuneration as set out in the resolution are considered to be fair, just and reasonable.
7. Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel, if any.  
 As on 31.03.2019 Shri. P. Madhupratap holds 30,47,100 (Thirty Lakhs Forty-Seven Thousand One Hundred) equity shares constituting 19.53% of total equity share capital of the Company. He does not have any directorship or membership of committee of the Board in any other listed Company. Further, the following are the details of the relationship with the managerial personal of the company:

S.No	Name of the Person	Relationship
1.	Pemmasani Veeramarayana	Father
2.	Pemmasani Ravichandra	Brother
3.	Pemmasani Sugunamma	Mother

### III. Other information:

1. Reasons of loss or inadequate profits:  
 Due to the crisis in automobile industry it is difficult to get the orders from the manufacturers of these products.
2. Steps taken or proposed to be taken for improvement  
 The operations of the company are being scaled up to increase to revenues.
3. Expected increase in productivity and profits in measurable terms  
 We expect a substantial increase in approval and implementation of various government projects leading to good improvement in operating margins.

### Item No. 6

The members may note that based on the recommendations of the Nomination and Remuneration committee, the Board of Directors of the company at their meeting held on 31<sup>st</sup> August, 2019, approved the increase in remuneration of Shri. Pemmasani Ravichandra, Whole-Time Director of the company from the existing one i.e Rs.13,20,000 (Rupees Thirteen Lakhs Twenty Thousand Only) to Rs. 31,20,000 (Rupees Thirty-One Lakhs Twenty Thousand Only) from 1<sup>st</sup> April, 2019. In addition to the above, he shall be entitled to receive the following: -

1. Residential Accommodation (Furnished or Otherwise) or House Rent Allowances in lieu thereof.
2. Allowances for utilities such as gas, electricity, water, furnishings
3. Reimbursement of Medical expenses for self and family not exceeding one-month salary in a year
4. Club fees and leave travel concession for himself and his family and such other perquisites and allowances in accordance with the rules of the Company or as may be agreed to by the Board of Directors. Such perquisites and allowances shall be restricted to an amount equal to the annual salary. For the purpose of calculating the said ceiling, perquisites shall be evaluated as per Income-tax Rules wherever applicable. In the absence of any such Rules, perquisites shall be evaluated at actual cost.
5. Company's contribution to Provident Fund and Superannuation or Annuity Fund, to the extent these either singly or together are not taxable under the Income-tax Act.
6. Gratuity and Encashment of leave at the end of tenure shall not be included in the computation of limits for the remuneration or perquisites thereof
7. Provision of Car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and the use of car for private purpose shall be billed by the Company.
8. For the above purpose family means spouse dependent children and dependent parents.

None of the other Directors of the Company is in any way concerned or interested except Shri. P. Veeramarayana, Shri. P. Madhu Pratap, Shri. Ravichandra and Smt. P. Sugunamma.

The following is the additional information as per Section II of Part II of Schedule V of the Companies Act, 2013:

**(I) General Information**

(1) Nature of industry:

The company is specialized in Gravity Die Casting, Low Pressure Die Casting, Centrifugal Casting and Electro Plating. Apart from the above, the company is strong in producing the cylinder heads and blocks which are mainly used for motor vehicles

(2) Date or expected date of commercial production:

The company was incorporated in the year 1983 and the commercial production commenced simultaneously.

(3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not Applicable

(4) Financial performance based on given indicators:

(Rs. In Lakhs)

PARTICULARS	Financial Year 2018-19	Financial Year 2017-18
Total Revenue	2816.49	2437.32
Net Profit / Loss Before Tax (PBT)	(360.09)	(159.21)
Net Profit (PAT)	(361.44)	(161.86)

(5) Foreign investments or collaborations, if any. The company entered technical collaboration with an Italian Firm

**(II) Information about the appointee**

(1) Background details:

Shri. P. Ravichandra, aged about 42 years is a Director of the Company and having over 19 years of experience in production, marketing and nickel-plating technology. He is a B.Tech Graduate in Chemical Engineering from SRM University, Chennai. He has expertise in nickel plating technology. He is overseeing the automation and process up gradation in all processes of manufacturing activity.

(2) Past remuneration:

Shri. P. Ravichandra was drawing a remuneration of Rs. 13,20,000 per annum in the previous financial year.

(3) Recognition or awards: Nil

(4) Job profile and his suitability:

Shri. P. Ravichandra is a dedicated and committed personality with rich experience of more than 19 years of Industry Experience In the field of Planning, Production, and project execution of the Company. Besides this he has expertise in nickel plating technology. He is overseeing the automation and process up gradation in all processes of manufacturing activity. During his tenure as Whole-Time Director, he made significant contributions to the company.

Keeping in view that Shri. P. Ravichandra has rich and varied experience in the Industry and has been involved in the operations of the Company over a long period of time it would be in the interest of the Company, the resolution commended for your approval.

(5) Remuneration proposed:

The board has recommended for a remuneration of Rs. 31,20,000 per annum (Rupees Thirty One Lakhs Twenty Thousand Only) along with the superannuation benefits as per the service rules of the company and a perquisites as mentioned in the terms of appointment.

(6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin):

The proposed remuneration of Shri. P. Ravichandra is in line with the remuneration being paid to Whole-Time Director in the relevant industry.

Considering the background, competence and experience of Shri. P. Ravichandra the proposed remuneration as set out in the resolution are considered to be fair, just and reasonable.

(7) Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel, if any.

As on 31.03.2019 Shri. P. Ravichandra holds 2,31,000 (Two Lakhs Thirty-One Thousand) equity shares constituting 1.48% of total equity share capital of the Company. He does not have any directorship or membership of committee of the Board in any other listed Company. Further, the following are the details of the relationship with the managerial personal of the company:

S.No	Name of the Person	Relationship
1.	Pemmasani Veeranarayana	Father
2.	Pemmasani Madhu Pratap	Brother
3.	Pemmasani Sugunamma	Mother

**III. Other information:**

1. Reasons of loss or inadequate profits:  
Due to the crisis in automobile industry it is difficult to get the orders from the manufacturers of these products.
2. Steps taken or proposed to be taken for improvement  
The operations of the company are being scaled up to increase to revenues.
3. Expected increase in productivity and profits in measurable terms  
We expect a substantial increase in approval and implementation of various government projects leading to good improvement in operating margins.

**Item No. 7**

The Board of Directors, based on the recommendation of Nomination and Remuneration Committee had appointed Shri. Narayana Yadla (DIN: 02596053) as an Additional Director on 14<sup>th</sup> November 2018, under Non-Executive Independent Director category.

In terms of Section 161 (1) of the Companies Act, 2013, Shri. Narayana Yadla (DIN: 02596053) holds Office as an Additional Director up-to the date of the forthcoming Annual General Meeting. The Nomination and Remuneration Committee and the Board of Directors of the Company has recommended the appointment and the Company received a notice pursuant to Section 160 of the Companies Act, 2013 from a Member signifying his intention to propose the appointment of Shri. Narayana Yadla as a Director.

Shri. Narayana Yadla is proposed to be appointed as an Independent Director for a period of 5 consecutive years from the date of his appointment. He has furnished a declaration pursuant to Section 149 (6) of the Companies Act, 2013 that he meets the criteria of independence and hence eligible for appointment as an Independent Director. In the opinion of the Board, Shri. Narayana Yadla fulfills the conditions specified in the Act and the Rules made there-under and that he is Independent of the Management.

The Board of Directors is of the opinion that his knowledge and experience will be of great value to the Company and hence recommends the Resolution for the approval of the Members.

The notice received under Section 160 of the Companies Act would be available for inspection without any fee by the Members at the Registered Office of the Company during normal business hours on any working day.

Except Shri. Narayana Yadla, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested in the Resolution.

**Item No. 8**

The Board of Directors, based on the recommendation of Nomination and Remuneration Committee had appointed Shri. Rajesh Katragadda (DIN: 02727491) as an Additional Director on 14<sup>th</sup> August, 2019 under Non-Executive Independent Director category.

In terms of Section 161 (1) of the Companies Act, 2013, Shri. Rajesh Katragadda (DIN: 02727491) holds Office as an Additional Director up-to the date of the forthcoming Annual General Meeting. The Nomination and Remuneration Committee and the Board of Directors of the Company has recommended the appointment and the Company received a notice pursuant to Section 160 of the Companies Act, 2013 from a Member signifying his intention to propose the appointment of Shri. Rajesh Katragadda as a Director.

Shri. Rajesh Katragadda is proposed to be appointed as an Independent Director for a period of 5 consecutive years from the date of his appointment. He has furnished a declaration pursuant to Section 149 (6) of the Companies Act, 2013 that he meets the criteria of independence and hence eligible for appointment as an Independent Director. In the opinion of the Board, Shri. Rajesh Katragadda (DIN: 02727491) fulfills the conditions specified in the Act and the Rules made there-under and that he is Independent of the Management.

The Board of Directors is of the opinion that his knowledge and experience will be of great value to the Company and hence recommends the Resolution for the approval of the Members.

The notice received under Section 160 of the Companies Act would be available for inspection without any fee by the Members at the Registered Office of the Company during normal business hours on any working day.

Except Shri. Rajesh Katragadda being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested in the Resolution.

**Information pursuant to the Listing Regulations and Secretarial Standards in respect of Appointment/ Re-appointment of Directors**

Name of the Directors	Shri P. Veerananarayana Managing Director	Shri P. Madhu Pratap Whole-Time Director & CFO	Shri P Ravichandra Whole-Time Director	Smt P Sugunamma Non Executive Women Director	Shri Y Narayana Non Executive Independent Director	Shri Rajesh Katragadda Non Executive Independent Director
Age	69Yrs (Date of birth 01.07.1950)	45 Yrs (Date of birth 29.05.1974)	42 Yrs(Date of birth 20.11.1977)	66 Yrs(Date of birth 01.07.1953)	74 Yrs (Date of birth 01.06.1945)	44 Yrs (Date of Birth 22.08.1975)
Date of First Appointment	19.02.1983	01.04.1997	12.08.2016	30.03.2015	14.11.2018	14.08.2019
Expertise in Specific functional areas	He is founder of Sibar Autoparts Limited, possess over 35 years of experience in the fields of production and overall administration of the company	About 20 years of experience in field management, Administration and Marketing	About 16 years of Experience in Production and Electro Plating and Marketing	Women Entrepreneur	Retd Chief Engg, Worked as Director in APSPDCL Vizak,	18 years' experience in diversified industries like software, Baggage wrapping, Retail design companies. worked as Head Pre sales and Marketing for 3 years and 9 years as Business Analyst, Marketing & sales domain with experiences in working with projects encompassing Banking and Financial service domain.
Qualifications	Diploma in Automobile Engineering	Master of Engineering in Industrial Engineering and Management	B.Tech Chemical Engineering	--	B.Tech in Electrical Engineering	Master's Programme in International Business, International Marketing & Finance
Details of Directorships , membership/ chairmanship of Committees of other Boards	Nil	Nil	Nil	Nil	Nil	1. Athena Global Technologies Limited, Member in Audit, Nomination and Remuneration and stakeholder relationship committee 2. Bodhtree Consulting Limited, Chairman in Audit, Nomination & Remuneration, Stakeholder Relationship and Risk Management Committee
Number of Equity shares held in the company	747850	3047100	231000	2468680	Nil	Nil
Number of Board Meetings attended during the financial year 2018-19	7	7	7	7	3	NA
Relationship with other Directors , Manager and other Key Managerial Personnel of the Company	Mr.P. Madhu Pratap & Mr.P.Ravichandra, sons of Mr.P.Veerananarayana and Mrs. P Sugunamma wife of Mr. P Veerananarayana	Mr.P.Veerananarayana , (Father), Mrs. P Sugunamma (Mother) & Mr.P.Ravichandra (Brother)	Mr.P. Madhu Pratap & Mr.P.Ravichandra, sons of Mr.P.Veerananarayana and Mrs. P Sugunamma	Mr. P.Veerananarayana (Husband), Mr. P.Madhu Pratap(Son), Mr. P.RaviChandra( Son)	No relation with other directors	No relation with other directors



### DIRECTOR'S REPORT

Dear Members,

Your directors have pleasure in presenting the 36<sup>th</sup> Annual Report on the business of your Company together with the Audited Statements of Accounts for the financial year ended 31<sup>st</sup> March, 2019.

#### 1. FINANCIAL SUMMARY:

Your Company's performance during the year ended 31<sup>st</sup> March, 2019, as compared to the previous financial year, is summarized as below:

(Rs. In Lakhs)

PARTICULARS	Financial Year 2018-19	Financial Year 2017-18
Revenue from operation	2741.44	2375.47
Other Income	75.05	61.85
Total income	2816.49	2437.32
Profit/(Loss) before Interest, Depreciation and Tax	(200.72)	(16.20)
Finance Charges	66.01	76.83
Depreciation	93.36	66.18
Net Profit / Loss Before Tax (PBT)	(360.09)	(159.21)
Provision for Tax	-	-
Current Tax	-	-
Provision for earlier years	-	-
Deferred tax	1.35	2.65
Net Profit (PAT)	(361.44)	(161.86)

#### 2. TRANSFER TO RESERVES

The Company did not transfer any amount to the General Reserve for the Financial Year ended March 31, 2019.

#### 3. SHARE CAPITAL

During the year, Company has allotted 43,25,000 equity shares to the promoters and non-promoters. The paid-up equity share capital of the Company has been increased from Rs. 11,27,51,000 to Rs. 15,60,01,000 /-. During the year under review, the Company has not issued shares with differential voting rights, sweat equity shares or Employee Stock Options.

#### 4. DIVIDEND:

On account of the losses, your Directors do not recommend any dividend for the year ended 31<sup>st</sup> March, 2019.

#### 5. DIRECTORS & KEY MANAGERIAL PERSONAL:

In accordance with the provisions of Section 152 of the Companies Act, 2013 Shri. Pemmasani Ravichandra (DIN: 00627413), Director retires by rotation at the forthcoming Annual General Meeting and being eligible offers himself for re-appointment. The Board recommends his reappointment for the consideration of the members of the company at the forthcoming annual general meeting. Brief details of Shri. Pemmasani Ravichandra has been mentioned in the notice convening the Annual General Meeting at "Information pursuant to the Listing Regulations and Secretarial Standards in respect of Appointment/ Re-appointment of Directors".

The tenure of Shri. Pemmasani Veerananarayana (DIN: 00644259), Managing Director expired on 4<sup>th</sup> March, 2019. Taking in to consideration of his rich experience and contribution to the Company, and pursuant to the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company, subject to the approval of the members at the ensuing Annual General Meeting, passed a resolution on 14<sup>th</sup> February, 2019, approving the reappointment of Shri. Pemmasani Veerananarayana (DIN: 00644259) as Managing Director of the Company for a further period of three years with effect from 5<sup>th</sup> March, 2019 to 4<sup>th</sup> March, 2022.

The tenure of Shri. Pemmasani Madhu Pratap (DIN: 00644254), Whole-Time Director expired on 31<sup>st</sup> July, 2019. Taking in to consideration of his rich experience and contribution to the Company, and pursuant to the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company, subject to the approval of the members at the ensuing Annual General Meeting, passed a resolution on 30<sup>th</sup> May, 2019, approving the reappointment of Shri. Pemmasani Madhu Pratap (DIN: 00644254) as Whole-Time Director of the Company for a further period of three years with effect from 01<sup>st</sup> August, 2019 to 31<sup>st</sup> July, 2022.

In accordance with the provisions of Section 152, 160 and other applicable provisions of the Companies Act, 2013, Shri. Narayana Yadla (DIN: 02596053) who was appointed as the Additional Director of the company on 14<sup>th</sup> November, 2018 and whose term of office expires at the ensuing Annual General Meeting, being eligible offers himself for appointment. The Nomination and remuneration Committee and the Board of Directors of the company recommends his appointment as the Independent Director of the company at the ensuing annual general meeting. Brief details of

Shri. Narayana Yadla (DIN: 02596053) has been mentioned in the notice convening the Annual General Meeting at "Information pursuant to the Listing Regulations and Secretarial Standards in respect of Appointment/ Re-appointment of Directors".

In accordance with the provisions of Section 152, 160 and other applicable provisions of the Companies Act, 2013, Shri. Rajesh Katragadda (DIN: 02727491) and whose term of office expires at the ensuing Annual General Meeting, being eligible offers himself for appointment. The Nomination and remuneration Committee and the Board of Directors of the company recommends his appointment as the Independent Director of the company at the ensuing annual general meeting. Brief details of Shri. Rajesh Katragadda (DIN: 02727491) has been mentioned in the notice convening the Annual General Meeting at "Information pursuant to the Listing Regulations and Secretarial Standards in respect of Appointment/ Re-appointment of Directors".

#### **6. DECLARATION BY INDEPENDENT DIRECTORS**

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

#### **7. MEETINGS OF THE BOARD**

The Board met Seven times during the financial year 2018-19 viz., on 04.04.2018, 28.05.2018, 13.08.2018, 14.11.2018, 09.01.2019, 14.02.2019 and 27.03.2019. The maximum interval between any two meetings did not exceed 120 days.

#### **8. STATUTORY AUDITORS:**

In terms of Section 139 of the Companies Act, 2013 ("the Act"), and the Companies (Audit and Auditors) Rules, 2014, made thereunder, the term of the present Statutory Auditors of the Company, M/s. SPC & Associates, Chartered Accountants will be expiring at the conclusion of the 36<sup>th</sup> Annual General Meeting of the Company.

The Board of Directors had at its meeting held on 14<sup>th</sup> August, 2019, upon the recommendation of Audit Committee have appointed of M/s. M M G S & Associates (Firm Registration No: 010613S), Chartered Accountants, as the Statutory Auditors of the Company to hold office from the conclusion of the thirty sixth Annual General Meeting until the conclusion of the forty-first Annual General Meeting. M/s. M M G S & Associates, Chartered Accountants, Hyderabad, have confirmed that the appointment, if made, would be within the prescribed limits under Section 141 of the Companies Act, 2013. Accordingly, the appointment of M/s M M G S & Associates, Chartered Accountants, Hyderabad, as the Statutory Auditors, is being proposed as an Ordinary Resolution.

The financial statements have been audited by M/s. SPC & Associates, Chartered Accountants, Statutory Auditors of the Company. The Board would like to place on record its appreciation to M/s. SPC & Associates, Chartered Accountants, for giving their valuable insights and suggestions for the past five years, and also wishes them all success in their endeavours.

#### **9. AUDITORS' REPORT**

There are no qualifications, reservations or adverse remarks made by M/s. SPC & Associates., Chartered Accountants, Statutory Auditors in their report for the Financial Year ended 31<sup>st</sup> March, 2019.

The Statutory Auditors have not reported any incident of fraud to the Audit Committee of the Company under sub-section (12) of section 143 of the Companies Act, 2013, during the year under review.

#### **10. INTERNAL AUDITORS:**

The Board of Directors based on the recommendation of the Audit Committee has appointed M/s. Y C Narayana & Co., Chartered Accountants, Vijayawada, as the Internal Auditors of your Company. The Internal Auditors are submitting their reports on quarterly basis.

#### **11. SECRETARIAL AUDITORS:**

M/s. P. S. Rao & Associates, Practicing Company Secretaries were appointed to conduct the Secretarial Audit of the Company for the financial year 2018-19, as required under Section 204 of the Companies Act, 2013 and Rule 9 there-under. The secretarial audit report for F.Y. 2018-19 forms part of this Report as **Annexure- I**.

#### **12. SECRETARIAL AUDIT REPORT**

There are no qualifications, reservations or adverse remarks made by M/s. P. S. Rao & Associates, Practicing Company Secretaries in their report for the Financial Year ended 31<sup>st</sup> March, 2019 except those stated below:

Qualification: There was a delay in appointment of Company Secretary pursuant to the provisions of Section 203 of the Companies read with The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 6 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Reply: Despite the best efforts the management of the company was unable to appoint a Company Secretary within the time limits as prescribed under Section 203 of the Companies Act, 2013.

#### **13. RISK MANAGEMENT POLICY**

The Company has developed and implementing a risk management policy which includes the identification therein of elements of risk, which in the opinion of the board may threaten the existence of the Company.

#### **14. CORPORATE SOCIAL RESPONSIBILITY (CSR):**

The Company has not developed and implemented any Corporate Social Responsibility initiatives as the said provisions are not applicable.

**15. COMPOSITION OF AUDIT COMMITTEE:**

The Audit Committee of the Company comprises the following Members

Shri. B.P.Jetty	-	Chairman
Shri. Y Narayana	-	Member
Shri. K Rajesh	-	Member
Shri. A.R. Chowdary	-	Member (upto 31.03.2019)
Shri. P. Sugunamma	-	Member

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

**16. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE OUTGO:**

Information required under section 134(3) (m) of the Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules, 2014, is enclosed herewith as **Annexure- II**.

**17. FORMAL ANNUAL EVALUATION OF PERFORMANCE OF THE MEMBERS OF THE BOARD AND COMMITTEES**

One of the key functions of the Board is to monitor and review the board evaluation framework. The Board works with the nomination and remuneration committee to lay down the evaluation criteria for the performance of executive / non-executive / independent directors through a peer-evaluation excluding the director being evaluated through a Board effectiveness survey. The questionnaire of the survey is a key part of the process of reviewing the functioning and effectiveness of the Board and for identifying possible paths for improvement. Each Board member is requested to evaluate the effectiveness of the Board dynamics and relationships, information flow, decision-making of the directors, relationship to stakeholders, company performance, company strategy, and the effectiveness of the whole Board and its various committees on a scale of one to five. Feedback on each director is encouraged to be provided as part of the survey.

Independent directors have three key roles – governance, control and guidance. Some of the performance indicators based on which the independent directors are evaluated include:

- Ability to contribute by introducing international best practices to address top-management issues
- Active participation in long-term strategic planning
- Commitment to the fulfillment of a director's obligations and fiduciary responsibilities; these include participation in Board and committee meetings.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Secretarial Department. The Directors expressed their satisfaction with the evaluation process.

**18. ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS:**

The Company has in place an Internal Control System, commensurate with the size, scale and complexity of its operations. During the year, such controls were tested and no reportable material weaknesses in the design or operation were observed.

**19. SUBSIDIARIES:**

The Company has no subsidiaries as on 31<sup>st</sup> March, 2019.

**20. NOMINATION AND REMUNERATION POLICY:**

A committee of the Board named as "Nomination and Remuneration Committee" has been constituted to comply with the provisions of section 178 of Companies Act, 2013 and to recommend a policy of the Company on directors' appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of a director and other matters and to frame proper systems for identification, appointment of Directors & KMPs, Payment of Remuneration to them and Evaluation of their performance and to recommend the same to the Board from time to time. The policy is also posted in the investors section of the company's website.

**21. FIXED DEPOSITS:**

Your Company has not accepted any fixed deposits and as such no principal or interest was outstanding as on the date of the Balance sheet.

**22. PARTICULARS OF LOANS, GUARANTEES, OR INVESTMENTS:**

Details of the Loans, guarantees and investments covered under Section 186 of the Companies Act, 2013, if any, are given in the notes to the financial statements pertaining to the year under review.

**23. POLICY ON SEXUAL HARASSMENT:**

The company has adopted policy on prevention of sexual harassment of women at workplace in accordance with The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During the financial year ended March 31, 2019, the company has not received any complaints pertaining to sexual harassment.

**24. DIRECTORS RESPONSIBILITY STATEMENT:**

Pursuant to Section 134 (5) of the Companies Act, 2013 Your Directors' confirm that:

- i) In preparation of annual accounts for the financial year ended 31<sup>st</sup> March, 2019, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year ended 31<sup>st</sup> March, 2019 and of the profit and loss of the Company for the year;
- iii) The Directors have taken proper and sufficient care for their maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) The Directors had prepared the annual accounts on a 'going concern' basis;
- v) 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; and
- vi) 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.

**25. VIGIL MECHANISM:**

The Company has a Whistle Blower Policy framed to deal with instance of fraud and mismanagement, if any in the Company. The details of the Policy are posted on the website of the Company [www.sibarauto.com](http://www.sibarauto.com)

**26. RELATED PARTY TRANSACTIONS:**

Related party transactions entered during the financial year under review are disclosed in Note No.34 of the Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2019. These transactions entered were at an arm's length basis and in the ordinary course of business. There were no materially significant related party transactions with the Company's Promoters, Directors, Management or their relatives, which could have had a potential conflict with the interests of the Company. Form AOC-2, containing the note on the aforesaid related party transactions is enclosed herewith as **Annexure – III**.

The Policy on the Related Party Transactions as approved by the Board is uploaded on the website of the Company.

**27. EXTRACT OF ANNUAL RETURN:**

The details forming part of the extract of the Annual Return in Form MGT-9 is annexed herewith as **Annexure -IV**. The annual return of the Company would be placed on the website of the Company i.e. [www.sibarauto.com](http://www.sibarauto.com).

**28. STATE OF AFFAIRS OF THE COMPANY**

The State of Affairs of the Company is presented as part of Management Discussion and Analysis Report forming part of this Report.

**29. MANAGEMENT DISCUSSION AND ANALYSIS:**

Pursuant to Regulation 34 (2) (e) of SEBI (LODR) Regulations, 2015, a report on Management Discussion & Analysis is herewith annexed as **Annexure-V**.

**30. CORPORATE GOVERNANCE REPORT:**

Pursuant to Regulation 34 read with Schedule V of SEBI (LODR) Regulations, 2015, a report on Corporate Governance is herewith annexed as **Annexure-VI**.

**31. PARTICULARS OF EMPLOYEES:**

The information required pursuant to Section 197 (12) read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, in respect of employees of the Company is herewith annexed as **Annexure- VII**.

In terms of Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company does not have any employee who is employed throughout the financial year and in receipt of remuneration of Rs. 120 Lakhs or more, or employees who are employed for part of the year and in receipt of Rs. 8.50 Lakhs or more per month.

The Company does not have any employee who is employed throughout financial year or part thereof, who was in receipt of remuneration in financial year under review which in aggregate, or as the case may be, at a rate which in the aggregate is in excess of that drawn by the Managing Director or Whole time director and holds by himself or along with his spouse and dependent children not less than 2% of the equity shares of the Company.

**32. HUMAN RESOURCES:**

Your Company considers its Human Resources as the key to achieve its objectives. Keeping this in view, your Company takes utmost care to attract and retain quality employees. The employees are sufficiently empowered and such work environment propels them to achieve higher levels of performance. The unflinching commitment of the employees is the driving force behind the Company's vision. Your Company appreciates the spirit of its dedicated employees.

**33. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS:**

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

**34. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY**

There were no Material Changes and Commitments Affecting the Financial Position of the Company.

**35. ACKNOWLEDGMENT AND APPRECIATION:**

Your Directors take this opportunity to thank the customers, shareholders, suppliers, bankers, business associates for their consistent support and continued encouragement to the Company.

Further your Directors convey their appreciation for the whole hearted and committed efforts by all its employees.

Your Directors gratefully acknowledge the ongoing co-operation and support provided by the Central and State Governments, Stock Exchanges, SEBI, RBI and other Regulatory Bodies.

**By order of the Board of Directors  
For Sibar Auto Parts Ltd**

Place: Tirupati  
Date; 26.08.2019

**Sd/-**  
**Pemmasani Veerananarayana**  
Managing Director  
DIN: 00644259

**Sd/-**  
**Pemmasani Madhu Pratap**  
Whole-Time Director  
DIN: 00644254

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**

for the Financial Year ended March 31, 2019

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

To

The Members

**Sibar Auto Parts Ltd**

D4D5, Industrial Estate,  
Renigunta Road, Tirupati,  
Andhra Pradesh-517506

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Sibar Auto Parts Ltd.**, (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 Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2019 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder.
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996/ 2018 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment. **(Not applicable to the company during the audit period).**
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009/2018.;
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. **(Not applicable to the Company during the audit period);**
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the audit period)**
  - (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 to the Company during the audit period);** and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998/ 2018;**(Not applicable to the Company during the audit period)**
  - (i) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- vi. Other specifically applicable laws to the Company:
  - \* Factories Act, 1948
  - \* Industrial Disputes Act 1947
  - \* Electricity Act 2003
  - \* Air (Prevention & control of pollution) Act 1981 and water (Prevention & control of Pollution) Act 1974.

We have also examined compliance with the applicable clauses Secretarial Standards issued by the institute of Company Secretaries of India.

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

a. There was a delay in appointment of Company Secretary pursuant to the provisions of Section 203 of the Companies read with The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 6 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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. There were no changes in the composition of the Board of Directors during the period under review were carried out in compliance with the provisions of the Act.
- \* Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- \* All the decisions at the 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.

We further report that:

- \* there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
- \* there were no such specific events/ actions in pursuance of the above referred laws, rules, regulations, etc., having a major bearing on the company's affairs.

For P S Rao & Associates  
Company Secretaries

Sd/-

**MB Suneel**  
Company Secretary  
C.P. No.: 14449

Place: Hyderabad  
Date: 17.08.2019

## 'Annexure A'

To  
The Members  
Sibar Auto Parts Limited  
D4 & D5, Industrial Estate, Renigunta Road  
Tirupati-517506

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 an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on 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 P S Rao & Associates  
Company Secretaries

Sd/-  
**MB Suneel**  
Company Secretary  
C.P. No.: 14449

Place: Hyderabad  
Date: 17.08.2019



## ANNEXURE- II

**PARTICULARS OF ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO AS REQUIRED UNDER SECTION 134 (3) (M) READ WITH RULE 8 (3) OF THE COMPANIES (ACCOUNTS) RULES, 2014**

**A. CONSERVATION OF ENERGY:**

(i)	The steps taken or impact on conservation of energy	Electrical Energy saving was achieved by installation of energy efficient motors, the production processes by eliminating high power consuming machines/equipments, Optimization of plant , providing for automatic switch off, illumination systems, transparent roof sheets and use of LED lamps in installation of natural draft air exhaust ventilators.
(ii)	The steps taken by the company for utilizing alternate sources of energy	-----
(iii)	The capital investment on energy conservation equipments.	No capital investment was incurred on energy conservation equipments

**B. TECHNOLOGY ABSORPTION**

(i)	The efforts made towards technology absorption.	The company continues to use latest technology is for improving productivity and quality of its product.
(ii)	The benefits derived like production improvement, cost reduction, product development or import substitution.	Producing better quality products that meet the expectations of customers.
(iii)	In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-	NIL
(iv)	(a) The details of technology imported	NIL
	(b) The year of import	NIL
	(c) Whether the technology been fully absorbed	NIL
	(d) If not fully absorbed, areas where absorption has not taken place and the reasons thereof	NIL
	The expenditure incurred on Research and Development	NIL

**C. Foreign Exchange Earnings and Outgo:**

The foreign exchange earnings and outgo during the year under review are as follows:

Foreign exchange earnings : NIL

Foreign exchange outgo : NIL

 Place: Tirupati  
 Date: 26.08.2019

 By order of the Board of Directors  
 For Sibar Auto Parts Ltd

 Sd/-  
**Pemmasani Veerananarayana**  
 Managing Director  
 DIN: 00644259

 Sd/-  
**Pemmasani Madhu Pratap**  
 Whole-Time Director  
 DIN: 00644254

## ANNEXURE – III

## FORM NO. AOC-2

## Particulars of Contracts / Arrangements made with related parties

[Pursuant to clause (h) of sub-section (3) of section 134 of the act and rule 8(2) of the Companies (Accounts) Rules, 2014]

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

## 1. Details of contracts or arrangements or transactions not at arm's length basis:

The Company has not entered into any contract or arrangement or transaction which is not at arm's length basis during the year under review.

## 2. Details of contracts or arrangements 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, if any:	Amount in Rs.
P VEERANARAYANA Managing Director	Vehicle Hire Charges	Every year	N.A	30.05.2019	3,10,000
P MadhuPratap Whole-Time Director	Vehicle Hire Charges	Every year	N.A	30.05.2019	10,76,400
P Sugunamma Non-Executive Director	Vehicle Hire Charges	Every year	N.A.	30.05.2019	4,89,000

By order of the Board of Directors  
For Sibar Auto Parts Ltd

Sd/-  
PemmasaniVeeranarayana  
Managing Director  
DIN: 00644259

Sd/-  
PemmasaniMadhuPratap  
Whole-Time Director  
DIN: 00644254

Place: Tirupati  
Date: 26.08.2019





i) Indian	125460	359300	484760	4.30	151298	2514701	2665999	17.09	12.79
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
I) Individual shareholders holding nominal share capital upto Rs. 2 lakh	1125441	1481300	2606741	23.12	668300	1949857	2618157	16.78	(6.34)
II) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	732935	675000	1407935	12.49	1963093	965336	2928429	18.77	6.28
c) Others									
Clearing Member	7732	-	7732	0.07	666	7374	8040	0.05	(0.02)
Foreign Nationals									
i) Non Resident Indians	14605	156000	171605	1.51	12205	2200	14405	0.09	(1.42)
ii) HUF	-	-	-	-	17504	28206	45710	0.29	0.29
<b>Sub-total (B)(2):-</b>	<b>2006173</b>	<b>2671600</b>	<b>4677773</b>	<b>41.49</b>	<b>2813066</b>	<b>5467674</b>	<b>8280740</b>	<b>53.08</b>	<b>10.90</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>2006173</b>	<b>2671600</b>	<b>4677773</b>	<b>41.49</b>	<b>2813066</b>	<b>5467674</b>	<b>8280740</b>	<b>53.08</b>	<b>10.90</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand Total (A+B+C)</b>	<b>7788500</b>	<b>3486600</b>	<b>11275100</b>	<b>100.00</b>	<b>10132426</b>	<b>5467674</b>	<b>15600100</b>	<b>100.00</b>	<b>-</b>

**ii) Shareholding of Promoter's**

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Sugunamma Pemmasani	2378680	21.10	-	2468680	15.82	-	-
2	Pemmasani Madhuratap	1697100	15.05	-	3047100	19.53	-	-
3	Pemmasani Veera Narayana	572850	5.08	-	747850	4.79	-	-
4	P Annapurna	500000	4.43	-	500000	3.21	-	-
5	P Ravichandra	231000	2.05	-	231000	1.48	-	-
6	P Charitha	140000	1.24	-	140000	0.90	-	-
7	Chenna Krishnaiah Annaluru	99320	0.88	-	99320	0.64	-	-
8	Annaluru Usha	42790	0.38	-	42790	0.27	-	-
9	Aruna Annaluru	4260	0.38	-	42620	0.27	-	-
10	P Madhu Pratap & P Ravichandra	815000	7.23	-	-	-	-	-
<b>TOTAL</b>		<b>6519360</b>	<b>57.82</b>	<b>-</b>	<b>7319360</b>	<b>46.92</b>	<b>-</b>	<b>-</b>

**iii) Change in Promoters' Shareholding**

S. No.	Shareholder's Name	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	<b>Sugunamma Pemmasani</b>				
	At the beginning of the year	2378680	21.10	2378680	21.10
	Allotment on 27.03.2019	90000	0.58	2468680	15.82
	At the end of the year	2468680	15.82	2468680	15.82
2	<b>Pemmasani Madhuratap</b>				
	At the beginning of the year	1697100	15.05	1697100	15.05
	Allotment on Allotment on 27.03.2019	1350000	8.65	3047100	19.53
	At the end of the year	3047100	19.53	3047100	19.53
3	<b>Pemmasani Veera Narayana</b>				
	At the beginning of the year	572850	5.08	572850	5.08
	Allotment on Allotment on 27.03.2019	175000	1.12	747850	4.79
	At the end of the year	747850	4.79	747850	4.79

Further, there were no changes in the shareholding of the promoters except the mentioned above.

**iv) Shareholding Pattern of top ten Shareholders: (other than Directors, Promoters and Holders of GDRs and ADRs):**

S. No.	For Each of the Top 10 Shareholders	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	<b>Tathastu Advisors LLP.</b>				
	At the beginning of the year	0	0	0	0
	Allotment on 04.04.2018	2475000	16.87	2475000	15.87
	At the end of the year	2475000	15.87	2475000	15.87
2	<b>SIDHANT KHANNA</b>				
	At the beginning of the year	500000	4.43	500000	4.43
	At the end of the year	500000	3.21	500000	3.21
3	<b>NARESH JALAN</b>				
	At the beginning of the year	0	0	0	0
	Allotment on 04.04.2018	500000	3.41	500000	3.41
	At the end of the year	500000	3.21	500000	3.21
4	<b>MEENAKSHI SANJAY KOTHARI</b>				
	At the beginning of the year	0	0	0	0
	Allotment on 04.04.2018	375000	2.56	375000	2.56
	At the end of the year	375000	2.40	375000	2.40
5	<b>SIVANA INVESTECH</b>				
	At the beginning of the year	300000	2.66	300000	2.66
	At the end of the year	300000	1.92	300000	1.92
6	<b>RAGHU VEMULAPALLI</b>				
	At the beginning of the year	222933	1.98	222933	1.98
	Transfer	(22933)	(0.16)	200000	1.36
	At the end of the year	200000	1.28	200000	1.28
7	<b>AMIT MAFATLAL SHAH</b>				
	At the beginning of the year	125000	1.11	125000	1.11
	At the end of the year	125000	0.80	125000	0.80
8	<b>NIKHIL R JAIN</b>				
	At the beginning of the year	0	0	0	0
	Transfer	125000	0.80	125000	0.80
	At the end of the year	125000	0.80	125000	0.80
9	<b>AMREX MARKETING PVT LTD</b>				
	At the beginning of the year	78330	0.69	78330	0.69
	Transfer	6163	0.04	72167	0.46
	At the end of the year	72167	0.46	72167	0.46
10	<b>K AJAYA KUMAR</b>				
	At the beginning of the year	57700	0.51	57700	0.51
	At the end of the year	57700	0.37	57700	0.37

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

S. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	<b>Sugunamma Pemmasani</b>				
	At the beginning of the year	2378680	21.10	2378680	21.10
	Allotment on 27.03.2019	90000	0.58	2468680	15.82
	At the end of the year	2468680	15.82	2468680	15.82
2	<b>Pemmasani Madhupratap</b>				
	At the beginning of the year	1697100	15.05	1697100	15.05
	Allotment on Allotment on 27.03.2019	1350000	8.65	3047100	19.53
	At the end of the year	3047100	19.53	3047100	19.53
3	<b>Pemmasani Veera Narayana</b>				
	At the beginning of the year	572850	5.08	572850	5.08
	Allotment on Allotment on 27.03.2019	175000	1.12	747850	4.79
	At the end of the year	747850	4.79	747850	4.79
4	<b>P. Ravichandra</b>				
	At the beginning of the year	231000	2.05	231000	2.05
	At the end of the year	231000	1.48	231000	1.48

No other Directors and Key Managerial Personnel holding any shares in the Company

**V. INDEBTEDNESS -**

Indebtedness of the Company including interest outstanding/accrued but not due for payment. (In Rs.)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	52672630	12907966	-	65580596
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	692247	-	-	692247
<b>Total (i+ii+iii)</b>	<b>53364877</b>	<b>12907966</b>	<b>-</b>	<b>66272843</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	9141410	3950000	0.00	13091410
* Reduction	24025241	16134888	0.00	40160129
<b>Net Change</b>	<b>(14883831)</b>	<b>(12184888)</b>	<b>0.00</b>	<b>(27068719)</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	38016707	723078	0.00	38739785
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	464339	0.00	0.00	464339
<b>Total (i+ii+iii)</b>	<b>38481046</b>	<b>723078</b>	<b>0.00</b>	<b>39204124</b>



**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**
**A. Remuneration to Managing Director, Whole- Time Directors and/ or Manager :**

(Amount in Rs.)

S. No.	Particulars of Remuneration	Name of the Managing Director, Whole- Time Directors and/ or Manager			Total Amount
		P Veeranananara Managing Director	P. Madhu Pratap Whole-Time Director	P. Ravichandra Whole-Time Director	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1500000	1380000	1320000	4200000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	263377	667533	332493	1263403
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission - as % of profit - others	-	-	-	-
5	Others – Allowances	-	-	-	-
	Total (A)	1763377	2047533	1652493	5463403

**B. Remuneration to Other Directors**

(In Rs.)

S. No.	Particulars of Remuneration	Name of the Directors				Total Amount
		A R Chowdary	B.P.Jetty	P Sugunamma	Y. Narayana	
	Independent Directors	-	-	-	-	-
	Fee for attending board committee meetings	60,000	75,000	-	15,000	1,50,000
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)	60,000	75,000	-	15,000	1,50,000
2	Other Non-Executive Directors	-	-	-	-	-
	Fee for attending board committee meetings	-	-	1,05,000	-	1,05,000
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2)	-	-	1,05,000	-	1,05,000
	Total (B)=(1+2)	60,000	75,000	1,05,000	15,000	2,55,000
	<b>Total Managerial Remuneration</b>	-	-	-	-	<b>5718403</b>
	Overall Ceiling as per the Act	Not Exceeding Rs. 1 Lakh per Meeting	Not Exceeding Rs. 1 Lakh per Meeting	Not Exceeding Rs. 1 Lakh per Meeting	Not Exceeding Rs. 1 Lakh per Meeting	-

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTd (In Rs.)**

S. No	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary	-	-	-	-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	90000	1380000	1470000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	667533	667533
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	-	90000	2047533	2137533

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

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. DIRECTORS</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

By order of the Board of Directors  
For Sibar Auto Parts Ltd

Sd/-  
Pemmasani Veerananarayana  
Managing Director  
DIN: 00644259

Sd/-  
Pemmasani Madhu Pratap  
Whole-Time Director  
DIN: 00644254

Place: Tirupati  
Date: 26.08.2019

## ANNEXURE – V

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

[Pursuant to Regulation 34 (2) (e) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

**(A) Business Overview:****Review of Operations:**

Your Directors wish to present the details of Business operations done during the year under review:

During the year under review your company reported growth in revenue from operations of 15.41% over the previous year. The Revenue from operations stood at Rs. 2741.44 lakhs compared with Rs.2375.47 lakhs in the previous year. However the operations resulted in Net Loss of Rs. 361.44 lakhs against previous year net loss of Rs.161.86 lakhs. The main contributing factors are increase in Operating costs and Depreciation. Effective steps are being taken to reduce operating cost by adding new machines and modifications to existing manufacturing facility so as to improve profitability.

Your directors are hopeful of better results with increase turnover in the coming years.

**INDUSTRY STRUCTURE AND DEVELOPMENTS****AUTO COMPONENTS INDUSTRY IN INDIA IN THE YEAR 2018-19**

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

**Market Size**

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

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

**Outlook for the next year**

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

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

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

**Risks and Concerns:****RISKS:****Financial Risk Management:**

The Company's activities expose to a variety of financial risks viz., market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Company is credit risk and liquidity risk. The Company's exposure to credit risk is influenced mainly by Government Orders.

**Management of Market Risk:**

Market risks comprises of Price risk and Interest rate risk. The Company does not designate any fixed rate financial assets as fair value through Profit and Loss nor at fair value through OCI. Therefore, the Company is not exposed to any interest rate risk. Similarly, the Company does not have any Financial Instrument which is exposed to change in price.

**Foreign Currency Risks:**

The Company is exposed to foreign exchange risk arising from various Currency exposures primarily with respect to the US Dollars (USD), for the imports being made by the Company. The Company exposure to foreign currency risk as at the end of the reporting period March 31 2019 is INR Nil (March 31 2018 INR NIL & March 31 2017 INR NIL )

**Credit Risk:**

Credit risk is the risk of financial loss to the Company if a customer fails to meet its contractual obligations. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables. The company operations are with parent companies and hence no issues credit worthiness. The company considers that, all the financial assets that are not impaired and past due as on each reporting dates under review are considered credit worthy.

**RISK MITIGATION:**

There is a comprehensive 'Risk Management Framework' established in your company which takes care of emerging risks and their mitigation. As part of the diversification process, you will be glad to know that your company has forayed into HF communications and is on the look out to expand to other areas akin to the company's core competencies for sustainable growth ahead.

**(B) Opportunities And Threats:****Opportunities:**

The Company is carrying on the business of manufacturing of auto components such as Cylinder Heads, Crankcases for Three Wheelers, Aluminum parts for CAC tanks, Aluminium Parts in Electrical Segments such as Connectors, Core boxes etc.

We have given Nickel Silicon Coated Electro Plated Cylinder blocks for trails for two wheeler manufacturer and discussion are going on with various two wheeler manufacturers.

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

**THREATS:**

Your Company regularly monitors the various risks associated with its business. The Company is identifying, minimizing and mitigating the risks and the same are reviewed periodically. There are various Risk factors such as Changes in Government Policies and Regulations, Fluctuation in Foreign Exchange Rates, Prices of Raw materials, Competition, Volatile in Automobile Industry, Manpower. The Company is trying to overcome/minimize it by taking certain steps, which are in hand of company. Besides this, Companies Internal Risk, Credit Risk, Liquidity Risk, Maturities of Financial Liabilities, Interest rate risk and the details of the same has been given in Notes Forming Part of Financial Statements

**(C) Internal Control Systems:**

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations.

**(D) Cautionary Statement:**

Statements in the management discussion analysis describing the Company's objectives, projections, estimates, expectations are forward looking within the meaning of applicable security-laws and regulations. Forward-looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realised. Actual results may differ materially from these expressed in the statement. Important factors that could make difference to Company's operations include economic conditions, changes in the Government priorities/policies/ regulations, tax laws and other statutes and other incidental factors affecting the business environment. The Company assumes no responsibility to publicly amend, modify or revise forward-looking statements on the basis of any subsequent developments, information or events.

By order of the Board of Directors  
For Sibar Auto Parts Ltd

Sd/-  
**Pemmasani Veeramarayana**  
Managing Director  
DIN: 00644259

Sd/-  
**Pemmasani Madhu Pratap**  
Whole-Time Director  
DIN: 00644254

Place: Tirupati  
Date: 26.08.2019

**REPORT ON CORPORATE GOVERNANCE**
**Company's philosophy on Code of Governance:**

Corporate Governance is based on the Principles of equity, fairness, integrity, transparency, accountability and commitment to values. Sibar Auto Parts Ltd adopts a business process which is aimed at enhancing an organization's wealth while being committed to high ethical values and conduct.

At Sibar Auto Parts Ltd, we believe in complying with the spirit of the law and not just the letter of the law. We follow the policy of continual disclosure of accurate financial and governance information on our website to ensure investors awareness and protection. Our Board consists of experienced and participative independent directors which ensure independent and unbiased decision-making process.

At Sibar Auto Parts Ltd, we ensure application of best governance practices, adherence to high ethical values, healthy stakeholder relations and achievement of our objectives while meeting the stakeholder's needs

The Company has also adopted Code of Conduct for the Board of Directors and other Senior Level Management and also Whistle Blower Policy to enable the employees and directors to report their concerns directly to the Chairman of the Audit Committee.

At Sibar Auto Parts Ltd we have always sought to be a value driven organization, where our growth and success is directed by our values. A report on Corporate Governance as required by the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is as under:

**BOARD OF DIRECTORS**
**SIZE OF THE BOARD:**

The composition of Board is in consonance with the requirements of Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. As on 31st March, 2019, Sibar's Board consisted of 7 Members. The Company has Three Executive Directors, One Non-Executive Director and Three Non-Executive Independent Directors.

**COMPOSITION AND CATEGORY OF DIRECTORS**

Name of Director	Category	Designation	No. of shares held in the Company (%)
Sri P. Veeranarayana	Promoter & executive chairman	Managing Director	747850
Sri P. Madhu Pratap	Promoter, Executive Director & CFO	Whole-Time Director	3047100
Sri A.R. Chowdary	Independent & Non-Executive	Non-Executive Director	Nil
Sri B.P. Jetty	Independent & Non-Executive	Non-Executive Director	Nil
Smt. Sugunamma	Non-Executive Women Director	Non-Executive Director	2468680
Sri P. Ravichandra	Promoter, Technical Director & CFO	Non-Executive Director	231000
Sri. Narayana Yadla	Non-Executive Director	Non-Executive Director	Nil

**Relationship among Directors**

P Veeranarayana	a. P Madhu Pratap – Son b. P Ravichandra – Son C. P Sugunamma – Wife
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Further, none of the directors were related to each other.

**Details of attendance of Directors at the AGM, Board Meetings with particulars of their Directorship and Chairmanship /Membership of Board /Committees in other Companies are as under:**

Name	Attendance in the Board meetings		Attendance at AGM held on 27 <sup>th</sup> September 2018	Other		
	Held	Present		Directorships	Committee Memberships	Committee Chairmanships
Pemmasani Ravichandra	7	7	Yes	Nil	Nil	Nil
Pemmasani Madhu Pratap	7	7	Yes	Nil	Nil	Nil
Pemmasani Veeranarayana	7	7	Yes	Nil	Nil	Nil
Ramachandra Chowdary Amineni	7	5	Yes	Nil	Nil	Nil

Narayana Yadla	7	2	NA	Nil	Nil	Nil
Bhuvanagiri Purushotham Jetty	7	6	Yes	Nil	Nil	Nil
Pemmasani Sugunamma	7	7	Yes	Nil	Nil	Nil

The Directorships held by Directors in other Companies, as mentioned above do not include Directorships in Foreign Companies, Companies registered under Section 8 of the Companies Act, 2013 and Private Limited Companies.

None of the Directors on the Board is a member on more than 10 Committees and Chairman of more than 5 Committees across all the companies in which they are directors.

None of the Directors serve as Independent Director in more than seven listed companies.

#### **DATES OF BOARD MEETINGS:**

The Board met 6 times in the financial year 2018-19 on the following dates, with a gap not exceeding one hundred and twenty days between any two meetings:

Date	Board Strength	No. of Directors Present
04.04.2018	6	4
28.05.2018	6	6
13.08.2018	6	6
14.11.2018	6	6
09.01.2019	7	7
14.02.2019	7	7
27.03.2019	7	5

#### **COMMITTEES OF THE BOARD:**

Currently, there are 3 Board Committees – The Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee. The terms of reference of the Board Committees are determined by the Board from time to time. Meetings of each Board, Committee are convened by the Chairman of the respective Committees.

The role and composition of these Committees, including the number of meetings held during the financial year and the related attendance are provided below:

#### **Audit Committee:**

As on 31.03.2019, the Company has a qualified and Independent Audit Committee comprising of 3 Independent Directors constituted in accordance with Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013. The Committee is empowered with the powers as prescribed under the said Regulation 18 and Section 177 of the Companies Act, 2013. The Committee also acts in terms of reference and directions if any, given by the Board from time to time.

#### **Details on composition of the Audit Committee and the attendance by each Member of the Audit Committee are as under:**

Name of the Director	Category	No. of Meetings held during the Year	No. of meetings Attended
Sri B.P.Jetty	Chairman	4	4
Sri A.R. Chowdary	Member	4	4
Sri Yadla Narayana	Member	4	1

All the members of the Audit Committee are financially literate and have expertise in accounting/ financial management. The Company Secretary of the Company acts as the Secretary of the said Committee. Chief Financial Officer of the Company, Internal Auditors and Statutory Auditors are invitees to the meetings of the Audit Committee.

#### **Meetings of Audit Committee:**

The Audit Committee met 4 times during the previous year, with a gap not exceeding one hundred and twenty days between any two meetings. All members were present at the meetings of Audit Committees. The said committee met at the following dates.

Date	Committee Strength	No. of Directors Present
28.05.2018	4	4
13.08.2018	3	3
14.11.2018	3	3
14.02.2019	3	3

**Terms of reference of Audit Committee:**

The terms of reference of the Audit Committee are as per Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 177 of the Companies Act, 2013 and includes such other functions as may be assigned to it by the Board from time to time.

**Powers of the Audit Committee includes:**

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

**Role of the Audit Committee includes:**

1. Oversight of Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and if required, the replacement or removal of auditors and fixation of audit fee.
3. Approval of payment to statutory auditors for any other services rendered by them.
4. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
  - i) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013.
  - ii) Changes, if any, in accounting policies and practices and reasons for the same.
  - iii) Major accounting entries involving estimates based on the exercise of judgment by management.
  - iv) Significant adjustments made in the financial statements arising out of audit findings.
  - v) Compliance with listing and other legal requirements relating to financial statements.
  - vi) Disclosure of any related party transactions.
  - vii) Review of draft Auditors Report, in particular qualifications / remarks / observations made by the Auditors on the financial statements.
  - viii) Management Discussion and Analysis of financial conditions and result of operations.
5. Review of Statement of significant related party transactions submitted by the management.
6. Review of management letters/letters of internal control weaknesses issued by the statutory auditors.
7. Review of internal audit reports relating to internal control weaknesses.
8. Review of appointment, removal and terms of remuneration of the Chief Internal Auditor.
9. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
10. Review of the financial statements of subsidiary Companies.
11. Review and monitor the auditor's independence and performance and effectiveness of audit process.
12. Approval or any subsequent modification of transactions of the company with related parties.
13. Scrutiny of inter-corporate loans and investments.
14. Valuation of undertakings or assets of the Company, wherever it is necessary.
15. Evaluation of internal financial controls and risk management systems.
16. To look into the reasons for substantial defaults in the payment to the shareholders (in case of non-payment of declared dividends) and creditors.
17. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter.
18. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
19. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
20. Discussion with internal auditors of any significant findings and follow up there on.
21. Reviewing the risk management policies, practices and the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
22. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.

23. To review the functioning of the Whistle Blower Mechanism.
24. Approval of appointment / reappointment / remuneration of CFO (or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background etc. of the candidate.
25. Carrying out any other function as may be mentioned in the terms of reference of the Audit Committee.
26. Quarterly statements of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
27. Annual statements of funds utilized for purposes other than those stated in the offer document/ prospectus/notice in terms of Regulation 32(7).

The Audit Committee discharges its functions and obligations on regular basis and on the occurrence of the events.

#### **Nomination and Remuneration Committee:**

As on 31.03.2019, the Nomination and Remuneration Committee has been formed in compliance of Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to Section 178 of the Companies Act, 2013 comprising of 3 Independent Non-Executive Directors.

#### **Details on composition of the Nomination and Remuneration Committee and the attendance by each Member of the Committee are as under:**

Name of the Director	Category	No. of Meetings held during the Year	No. of meetings Attended
Sri A.R. Chowdary	Chairman	3	3
Sri B.P. Jetty	Member	3	3
Sri Yadla Narayana	Member	3	1

#### **Meetings of Nomination and Remuneration Committee:**

The Committee met thrice during the previous year. The said committee met on the following dates:

Date	Committee Strength	No. of Directors Present
13.08.2018	3	3
14.11.2018	3	3
09.01.2019	3	3

The main object of this Committee is to identify persons who are qualified to become directors and who may be appointed in senior management of the Company, recommend to the Board their appointment and removal and shall carry out evaluation of every Director's performance, recommend the remuneration package of both the Executive and the Non-Executive Directors on the Board and also the remuneration of Senior Management, one level below the Board. The Committee reviews the remuneration package payable to Executive Director(s) and recommends to the Board the same and acts in terms of reference of the Board from time to time.

#### **Terms of reference:**

The terms of reference of the Nomination and Remuneration Committee are as under:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key Managerial Personnel and other employees.
2. Formulation of criteria for evaluation of Independent Directors and the Board.
3. Devising a policy on Board diversity.
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
5. To recommend/review remuneration of Key Managerial Personnel based on their performance and defined assessment criteria.
6. To decide on the elements of remuneration package of all the Key Managerial Personnel i.e. salary, benefits, bonus, stock options, pensions etc.
7. Recommendation of fee / compensation if any, to be paid to Non-Executive Directors, including Independent Directors of the Board.
8. Payment / revision of remuneration payable to Managerial Personnel.
9. While approving the remuneration, the committee shall take into account financial position of the Company, trend in the industry, qualification, experience and past performance of the appointee.
10. The Committee shall be in a position to bring about objectivity in determining the remuneration package while striking the balance between the interest of the Company and shareholders.
11. Any other functions / powers / duties as may be entrusted by the Board from time to time.

The Company has adopted a policy relating to the remuneration for Directors, Key Managerial Personnel and other employees of the Company which is disclosed on the website of the Company [www.sibarauto.com](http://www.sibarauto.com)



The Company has paid Remuneration and Sitting Fee during the Financial Year 2018-19.

**All pecuniary relationship or transactions of the Non-Executive Directors:**

The Company has not entered into any pecuniary transactions with the Non-Executive Directors. During the year, the Company has paid sitting fee to the Non-Executive and Independent Directors.

**Criteria of making payments to Non-Executive Directors:**

The Company has paid only sitting fee to the Non-Executive Directors and Independent Directors. The details of which are detailed below.

Particulars	Nature of Transaction	2018-2019
Sri A R Chowdary	Sitting Fee	60,000
Sri B.P.Jetty	Sitting Fee	75,000
Sri P Sugunamma	Sitting Fee	1,05,000
Sri Y. Narayana	Sitting Fee	15,000
<b>Total</b>		<b>2,55,000</b>

**Disclosure with respect to remuneration:**

Directors remuneration:		
Particulars	Nature of Transaction	2018-2019
P Veerananayana	Remuneration	17,63,377
P. Madhu Pratap	Remuneration	20,47,533
P. Ravichandra	Remuneration	16,52,493
<b>Total</b>		<b>54,63,403</b>

**Stakeholders Relationship Committee:**

As on 31.03.2019, the Stakeholders Relationship Committee has been formed in compliance of Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to Section 178 of the Companies Act, 2013 comprising of 2 Independent Non-Executive Directors and 1 Executive Director. The composition of the Stakeholders Relationship Committee and the attendance of each Member of the said Committee are as under:

Name of the Director	Category	No. of Meetings held during the Year	No. of meetings Attended
Sri P Madhu Pratap	Chairman	4	4
Sri. A.R.Chowdary	Member	4	4
Sri B.P.Jetty	Member	4	4

The Committee reviews the security transfers/transmissions, process of dematerialization and the Investor's grievances and the systems dealing with these issues. Mrs. Sirisha Chintapalli, Company Secretary is appointed as the Compliance Officer of the Company. The Board has authorized the Company Secretary, who is also the Compliance Officer, to approve share transfers/transmission and comply with other formalities in relation thereto. All investor complaints, which cannot be settled at the level of the Compliance Officer, will be placed before the Committee for final settlement. There were no pending complaints and transfers as on 31st March, 2019.

**Terms of reference:**

The terms of reference of the Stakeholders Relationship Committee are as under:

- Redressal of grievances of shareholders, debenture holders and other security holders.
- Transfer and transmission of securities.
- Dealing with complaints related to transfer of shares, non-receipt of declared dividend, non-receipt of Balance Sheet etc.
- Issuance of duplicate shares certificates.
- Review of dematerialization of shares and related matters.
- Performing various functions relating to the interests of shareholders/investors of the Company as may be required under the provisions of the Companies Act, 2013, SEBI (LODR) Regulations, 2015 with the Stock Exchanges and regulations/guidelines issued by the SEBI or any other regulatory authority In order to expedite the process and for effective resolution of grievances/complaints, the Committee has delegated powers to the Registrar and Share Transfer Agents i.e., M/s. Bigshare Services Pvt. Ltd., to redress all complaints/grievances/enquiries of the shareholders/investors. It redresses the grievances/ complaints of shareholders/investors under the supervision of Company Secretary & Compliance Officer of the Company.

The Committee, along with the Registrars and Share Transfer Agents of the Company follows the policy of attending to the complaints, if any, within seven days from the date of its receipt.

As mandated by SEBI, the Quarterly Reconciliation of Share Capital Audit, highlighting the reconciliation of total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) vis-à-vis the total issued and listed capital is being carried out by a Practicing Company Secretary. This Audit confirms that the total issued and paid up capital is in agreement with the total number of shares held in physical and dematerialized form with NSDL and CDSL.

**Risk Management Committee:**

The Company is not required to constitute Risk Management Committee pursuant to Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**CODE OF CONDUCT:**

All the Directors and senior management confirmed the compliance of code of conduct. The Company has posted the Code of Conduct for Directors and Senior Management on the website [http:// www.sibarauto.com](http://www.sibarauto.com)

**MEETING OF INDEPENDENT DIRECTORS**

During the year under review, the Independent Directors met on 14<sup>th</sup> February, 2019, inter alia, to discuss:

Evaluation of the performance of Non-Independent Directors and the Board of Directors as a whole;

Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors.

Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

Majority of the Independent Directors were present at the Meeting.

**FAMILIARIZATION PROGRAMME FOR BOARD MEMBERS:**

A formal familiarization Programme was conducted about the amendments in the Companies Act, 2013, Rules prescribed thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and all other applicable laws of the Company.

It is the general practice of the Company to notify the changes in all the applicable laws from time to time in every Board Meeting conducted.

The details of such familiarization programs for Independent Directors are posted on the website of the Company [http:// www.sibarauto.com](http://www.sibarauto.com)

**PERFORMANCE EVALUATION:**

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit and other Committees.

A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Secretarial Department. The Directors expressed their satisfaction with the evaluation process.

**GENERAL BODY MEETINGS:**

Details of Last 3 Annual General Meetings (AGMs) were as under:

Financial Year ended	Date, Day and Time of AGM	Venue	Special Resolutions passed at the AGM by the Shareholders
31 <sup>st</sup> March, 2018	Thursday, the 27 <sup>th</sup> Day of September, 2018 03.30 P.M.	D4 & D5, Industrial Estate, Renigunta Road, Tirupati, Andhra Pradesh-517506	Nil
31 <sup>st</sup> March, 2017	Wednesday, the 27 <sup>th</sup> day of September, 2017 02.00 P.M.	D4 & D5, Industrial Estate, Renigunta Road, Tirupati, Andhra Pradesh-517506	Nil
31 <sup>st</sup> March, 2016	Monday, the 19 <sup>th</sup> day of September, 2016 03.00 P.M.	D4 & D5, Industrial Estate, Renigunta Road, Tirupati, Andhra Pradesh-517506	Nil

Mr. M. M. Gopalachari, Practicing Chartered Accountant (M/s. M M G S & Associates), conducted the e-voting process and the Poll during the previous Annual General Meeting.

The Company had not conducted any postal ballot during the previous financial year.

4 Special Resolution is proposed to be conducted through postal ballot at the AGM to be held on 30<sup>th</sup> September, 2019.

**DISCLOSURES:**

- a. The particulars of transactions between the Company and its related parties are set out at Notes to financial statements. However these transactions are not likely to have any conflict with the Company's interest.  
The Policy on Related Party Transactions as approved by the Board is uploaded on the website of the Company [www.sibarauto.com](http://www.sibarauto.com)
- b. During the Financial Year 2018-19 BSE Limited had levied a penalty for non-compliance of the provisions of Regulation 6 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with respect to the appointment of Company Secretary as the Compliance Officer of the company. Subsequently, the company has paid the fine and had appointed a Company Secretary as the Compliance Officer of the company. Further, there were no penalties imposed nor strictures passed on the Company by any Stock Exchange, SEBI or any other Statutory Authority except mentioned above.
- c. The Whistle Blower (Vigil) mechanism provides a channel to the employees to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the Codes of Conduct or policy and also provides for adequate safeguards against victimization of employees by giving them direct access to the Chairman of the Audit Committee in exceptional cases. No person has been denied access to the Chairman of the Audit Committee.  
The Policy covers malpractices and events which have taken place / suspected to have taken place, misuse or abuse of authority, fraud or suspected fraud, violation of Company rules, manipulations, negligence causing danger to public health and safety, misappropriation of monies, and other matters or activity on account of which the interest of the Company is affected and formally reported by whistle blowers concerning its employees. The Whistle Blower Policy of the Company is also posted on the website of the Company <http://www.sibarauto.com>
- d. The Company does not have any Material Subsidiary.  
The Policy on Material Subsidiaries as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as approved by the Board is uploaded on the website of the Company <http://www.sibarauto.com>
- e. The Managing Director and the Chief Financial Officer have certified to the Board in accordance with Regulation 33(2)(a) of SEBI Listing Regulations pertaining to CEO/CFO certification for the Financial Year ended 31st March, 2019.
- f. The Company has complied with the mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has complied with the Discretionary Requirements as specified by Regulation 27(1) of SEBI Listing Regulations which are as under:  
\* Reporting of the Internal Auditor: The internal auditor of the company reports directly to the audit committee.
- g. There are no Shares lying in Demat Suspense Account.

**MEANS OF COMMUNICATION:**

The Quarterly/Half-yearly/Annual Financial results of the Company are published in the newspapers within 48 hours from the conclusion of the Board meeting. The Results are generally published in Financial Express, Andhraprba and Such other News Papers from time to time within 48 Hours from time of Board Meeting.

Financial results and other information are displayed in the Investor Relations section on the company's Website <http://www.sibarauto.com>.

No presentations were made to the Institutional Investors or to Analysts.

**GENERAL SHAREHOLDER INFORMATION:**

The 36<sup>th</sup> Annual General Meeting of the company will be held on Monday, the 30<sup>th</sup> day of September, 2019 at 03.30 P.M at the Registered Office of the Company situated at D4D5, Industrial Estate, Renigunta Road, Tirupati, Andhra Pradesh-517506

Financial Calendar: The Company follows April to March as its financial year.

**Results for the quarter ending:**

30<sup>th</sup> June 2019: On or before 14<sup>th</sup> August, 2019.

30<sup>th</sup> Sep, 2019: On or before 14<sup>th</sup> November, 2019.

31<sup>st</sup> Dec, 2019: On or before 14<sup>th</sup> February, 2020.

31<sup>st</sup> Mar, 2020: On or before 30<sup>th</sup> May, 2020.

Date of Book closure: 24<sup>th</sup> day of September, 2019 to 30<sup>th</sup> day of September 2019 (both days inclusive).

Listing on Stock Exchanges: BSE Ltd, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001.

Stock Code (BSE Ltd): 532406

ISIN: INE441C01014

The Annual Listing fees for the year 2019-20 has been paid to the Stock Exchange.

**MARKET PRICE DATA**

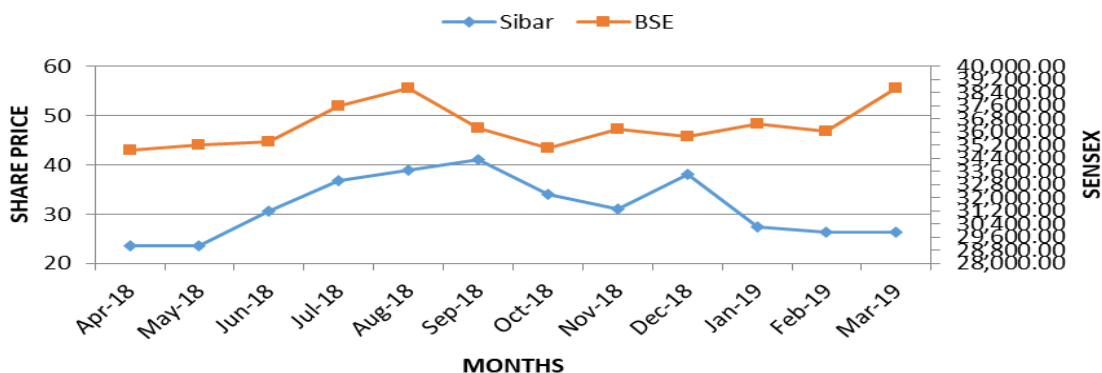
High, low during each month and trading volumes of the Company's Equity Shares during the last financial year 2018-19 at The BSE Limited (BSE) areas under:

Month	BSE		
	High	Low	Traded Quantity
April, 2018	35.05	25.30	9174
May, 2018	23.6	23.6	7610
June, 2018	30.65	22.45	58038
July, 2018	36.75	32.15	202306
August, 2018	39.8	36.45	71216
September, 2018	41.8	37.6	31155
October, 2018	41.15	33.35	9638
November, 2018	35.1	30.75	15290
December, 2018	45.8	27.55	8467
January, 2019	39	26.2	4956
February, 2019	35.05	26.25	9174
March, 2019	30.7	24.25	16900

The securities of the Company are not suspended from trading during the financial year ended March 31, 2019.

#### Share Price Performance:

#### COMPARISON OF MONTHLY CLOSING PRICE VS SENSEX



#### DISTRIBUTION OF SHAREHOLDING:

Nominal Value	Holders		Amount	
	Number	% To Total	In Rs	% To Total
Upto - 5000	8074	90.78	11338050	7.27
5001 - 10000	456	5.13	3887790	2.49
10001 - 20000	145	1.63	2325900	1.49
20001 - 30000	67	0.75	1704880	1.09
30001 - 40000	27	0.30	975320	0.63
40001 - 50000	31	0.35	1480560	0.95
50001 - 100000	34	0.38	2485850	1.59
100001 and above	60	0.66	131802650	84.49
<b>Total</b>	<b>8894</b>	<b>100.00</b>	<b>1560001000</b>	<b>100.00</b>

**CATEGORIES OF SHAREHOLDERS AS ON 31<sup>ST</sup> MARCH, 2018:**

Sl.No	Category of Shareholders	No. of Shares	Percentage %
1	Promoter & Promoter Group	7319360	46.92
2	Mutual Funds	-	-
3	Alternate Investment Funds	-	-
4	Foreign Portfolio Investors	-	-
5	Financial Institutions & Banks	-	-
6	Other Bodies Corporate	2665999	17.10
7	Resident Individuals	5546586	35.55
8	HUF	45710	0.29
8	Non-Resident Individuals	14405	0.09
9	Clearing Members	8040	0.05
	<b>Total</b>	<b>15600100</b>	<b>100</b>

**Dematerialization of shares and liquidity:**

The shares of the Company are under compulsory demat trading. The Company has made necessary arrangements with NSDL and CDSL for demat facility. As on 31st March, 2019, 80.81% of the Company's Shares are dematerialized.

Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion and likely impact on equity: Nil

Plant Location: D4D5, Industrial Estate, Renigunta Road, Tirupati, Andhra Pradesh-517506

Address for Correspondence &  
any query on Annual Report

Mr. E Prudhvi Babu  
Accounts Manager  
Sibar Auto Parts Ltd  
D4 & D5, Industrial Estate, Renigunta Road, Tirupati, Andhra  
Pradesh-517506  
E-mail: sibarauto77@yahoo.com  
Phone: +91-877-2271355

Registrar and Transfer Agents:

Bigshare Services Pvt. Ltd  
306, Right Wing, 3rd Floor, Amrutha Ville,  
Opp.Yashoda Hospital, Rajbhavan Road, Somajiguda  
Hyderabad – 500082

Contact Person:

M M N Mohan  
040-40144582  
Bsshyd1@bigshareonline.com

Share Transfer System:

delivered

The Share transfers are affected within one month from the date of lodgment for transfer, transmission, Sub-division, consolidation, renewal etc. Such modified Share certificates are to the shareholders immediately.

Compliance Certificate:

Certificate from P S Rao & Associates, Company Secretaries, confirming compliance with the conditions of Corporate Governance as stipulated

Under

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached to the Directors' Report and forms part of this 26<sup>th</sup> Annual Report.

**Secretarial Audit:**

1. M/s. P. S Rao & Associates, Practicing Company Secretaries have conducted Secretarial Audit of the Company for the year 2018-19. Their Audit Report confirms that the Company has complied with the applicable provisions of the Companies Act and the Rules made there under, SEBI Listing Regulations and other laws applicable to the Company. The Secretarial Audit Report forms part of the Director's Report.

2. Pursuant to Regulation 40(9) of the SEBI Listing Regulations, certificates have been issued on a half-yearly basis, by M/s. P. S. Rao & Associates, Practicing Company Secretaries, certifying due compliance of share transfer formalities by the Company.
3. M/s. P. S. Rao & Associates, Practicing Company Secretaries carry out a quarterly Reconciliation of Share Capital Audit, to reconcile the total admitted capital with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) and the total issued and listed capital. The audit confirms that the total issued/ paid-up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialized form (held with NSDL and CDSL).
4. Compliance under SEBI Listing Regulations pertaining to mandatory requirements and Practicing Company Secretaries Certificate on Corporate Governance is attached herewith.

**DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT:**

In terms of SEBI (LODR) Regulations, 2015, I hereby confirm that all the Board members and Senior Management Personnel of the Company have affirmed compliance with the respective Code of Conduct, as applicable to them for the year ended 31<sup>st</sup> March, 2019.

For **Sibar Auto Parts Ltd**

Place: Tirupati,  
Date: 26.08.2019

Sd/-  
**Pemmasani Veerananarayana**  
Managing Director

**CEO/CFO CERTIFICATION**

We, Pemmasani Veerananarayana, Managing Director and Pemmasani Madhu Pratap, Chief Financial Officer of the Company, to the best of our knowledge and belief, certify that:

- a. We have reviewed the financial statements including cash flow statement (standalone and consolidated) for the financial year ended 31<sup>st</sup> March, 2019 and to the best of our knowledge and belief :
  - I. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - II. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to address these deficiencies.
- d. We have indicated to the auditors and the Audit Committee:
  - I. that there are no significant changes in the internal control over financial reporting during the year;
  - II. that there are no significant changes in the accounting policies during the year and
  - III. that there are no instances of significant fraud of which they have become aware of and which involve management or other employees who have significant role in the Company's internal control system over financial reporting.

Place: Tirupati

Date: 26.08.2019

**By order of the Board of Directors  
For Sibar Auto Parts Ltd**

Sd/-  
**Pemmasani Veerananarayana**  
Managing Director  
DIN: 00644259

Sd/-  
**Pemmasani Madhu Pratap**  
Whole-Time Director  
DIN: 00644254

**CERTIFICATE ON CORPORATE GOVERNANCE**

To  
The Members,  
Sibar Auto Parts Limited.

We have examined the compliance of conditions of Corporate Governance by Sibar Auto Parts Limited ('the Company') for the year ended 31<sup>st</sup> March, 2019 as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as referred to in Regulation 15 (2) of the Listing Regulations. The compliance of conditions of Corporate Governance is the responsibility of management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations.

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

**For P.S. Rao & Associates**  
Company Secretaries

Sd/-  
**M B Suneel**  
Company Secretary  
C.P No.: 14449

Place: Tirupati  
Date: 26.08.2019



**CERTIFICATE**

*(Pursuant to Schedule V(C)(10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)*

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by M/s. Sibar Auto Parts Limited, having its Registered office at D4D5, Industrial Estate, Renigunta Road, Tirupati, Andhra Pradesh-517506 and also the information provided by the Company, its officers, agents and authorized representatives, we hereby report that during the Financial Year ended on March 31, 2019, in our opinion, none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as director of Company by the Board/Ministry of Corporate Affairs or any such Statutory authority.

**For P.S. Rao & Associates**  
Company Secretaries

Sd/-

**M B Suneel**  
Company Secretary  
C.P No.: 14449

Place: Tirupati  
Date: 26.08.2019

## ANNEXURE – VII

Details pertaining to Employees as required under Section 197(12) of the Companies Act, 2013

Statement of Particulars of Employees Pursuant to Provisions of Section 197(12) of the Companies Act 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

i. The ratio of the remuneration of the each Director to the median remuneration of the employees of the Company for the financial year :

S No.	Name of Director	Designation	Ratio of the remuneration of each Director to the median remuneration of employees
1	Shri P Veerananarayana	Managing Director	8.52:1
2	Shri P Madhu Pratap	Whole-Time Director	9.89:1
3	Shri P Ravichandra	Whole-Time Director	7.98:1

ii. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2018-19:

S No.	Name of Director/KMP and Designation	Designation	% increase in Remuneration in the Financial year 2018-19
1	Shri P Veerananarayana	Managing Director	72.42
2	Shri P Madhu Pratap	Whole-Time Director	66.06
3	Shri P Ravichandra	Whole-Time Director	103
4	Ms. Sirisha Chintapalli	Company Secretary	NA

iii. The percentage increase in the median remuneration of employees in the financial year: 19.63%

iv. The number of permanent employees on the rolls of Company as at March 31, 2019:

There were 108 permanent employees on the rolls of Company as on March 31, 2019

v. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

20.63% Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year. There was no increase in the managerial remuneration.

vi. We herewith affirm that remuneration to the Directors and Key Managerial Personnel is as per the remuneration policy of the Company.

## A. Top 10 Employees in terms of remuneration:

Name	Age	Qualification And Experience of employee in Sibar Auto Parts Limited	Designation	Date of commencement of employment	Nature of employment	Remuneration in (Rs. In Lacs) Per Annum	Previous Employment	Relative of Director If any	% of Share holding
D.Krishnan	64	DIP(Mech),DQM, DPM & 2 Years	PLANT HEAD	01-05-2017	Permanent	7.8	Greaves Cotton limited	NO	Nil
T.Venu	46	DIP(Mech) & 11 Years	QUALITY MANAGER	01-08-2008	Permanent	6.29	NO	NO	0.00

B.Kirankumar	46	B.Tech & 12 Years	PRODUCTION MANAGER	01-06-2007	Permanent	5.63	No	NO	0.00
M.Krishna Mohan	51	DIP(Mech) & 14 years	MAINTANENCE MANAGER	01-01-2005	Permanent	5.36	TMT -India Limited	NO	0.00
K.Mohan Achary	65	ITI(Fitter) & 5 Years	TOOL ROOM MANAGER	05-03-2014	Permanent	4.43	MOPEDS INDIA LTD	NO	NIL
P.Charitha	42	B.Tech & 11 Years	ENGINEER	01-04-2008	Permanent	4.20	NO	YES	0.90
P.Annapurna	43	Degree & 11 Years	CANTEEN&AD MIN INCHARGE	01-04-2008	Permanent	4.20	NO	YES	3.21
E.Prudvi Babu	37	M.Com & 7 Years	ACCOUNTS MANAGER	28-05-2012	Permanent	4.08	GVK - NOVOPAN INDUSTRIES LTD	NO	0.00
K.C.Seshadri	27	B.Tech & 2 Years	ELECTRICAL MANAGER	01-10-2017	Permanent	3.68	SBQ STEEL LTD	NO	NIL
S.Damodharam	44	ITI & 14 Years	SHELLCORE MANAGER	01-01-2005	Permanent	3.59	NO	NO	0.00

By order of the Board of Directors  
For Sibar Auto Parts Ltd

Sd/-  
Pemmasani Veeranarayana  
Managing Director  
DIN: 00644259

Sd/-  
Pemmasani Madhu Pratap  
Whole-Time Director  
DIN: 00644254

Place: Tirupati  
Date: 26.08.2019

**INDEPENDENT AUDITOR'S REPORT**
**To the Members**
**Sibar Auto Parts Limited**
**Report on the Audit of Financial Statements**
**Opinion**

We have audited the financial statements of Sibar Auto Parts Limited ("the Company"), which comprise the balance sheet as at 31st March 2019, and the statement of profit and loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its profit, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

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

**Key Audit Matters**

Key audit matters (KAM) are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period; and

These matters were addressed in the context of the audit of the financial statements as a whole, and in forming the auditor's opinion thereon, and we do not provide a separate opinion on these matters.

The Key Audit Matters	How our audit addressed the key audit matter
<p>During the year under audit, the company adjusted the sales returns of a previous month, as a reduction in the invoice of the following month.</p> <p>An amount of Rs.91,59,846/- of sales returns was adjusted in the subsequent invoice values; and an amount of Rs.45,81,601/- of sales returns was unaccounted for. The total of these two items, Rs.1,37,41,447/- constitutes to nearly 5.01% of total sales.</p> <p>The accounting for the sales returns during the year was not as per accounting principles, and not as per the provisions of the GST Act, 2017.</p>	<p>We have brought our observation to the notice of the management and the management has rectified the observation in the GSTR 1 filing done for the month of July 2019 by raising credit notes for the sales returns done during the period under audit.</p>
<p>During the year under audit, the company has paid some Legal expenses. GST amounting to Rs.4,74,300/- has to be paid by the Company on such legal charges under Reverse Charge Mechanism as per GST Act. However the same has not been paid by the Company in the period under audit.</p>	<p>We have brought our observation to the notice of the management and the management has rectified the observation by making the payment of GST under Reverse Charge Mechanism as per GST Act in the GST returns filed for the month of July 2019.</p>

**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, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. 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 concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

We also:

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

We 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.

#### **Other Matters**

There were no inconsistencies noted by us and our opinion in so far as it relates to the amounts and disclosures included in annual report for the year 2018-19

#### **Report on Other Legal and Regulatory Requirements**

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.

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, the Cash Flow Statement and the statement of changes in equity dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid Ind AS 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 March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS Financial Statements in Note 29 to the Ind AS Financial Statements;
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
  - iii. There has been no delay in transferring the amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For SPC and Associates,  
Chartered Accountants  
FRN: 005685S**

**Sd/-  
CA RLN Murthy  
Partner  
MRN: 217432**

**Place: Tirupathi  
Date: 30-05-2019**

**Annexure - A to the Auditors' Report**

The Annexure referred to in Report on the Audit of Sibar Auto Parts Limited, Ind AS Financial Statements for the year ended 31<sup>st</sup> March 2019, we report that:

- i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company there were no immovable properties are held in the name of the Company.
- ii) The Company is a service company, primarily rendering software services. Accordingly, it does not hold any physical inventories. Thus paragraph 3(ii) is not applicable to the company.
- iii) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Consequently, clauses 3 (iii) (a) and 3 (iii) (b) of the Order are not applicable to the Company.
- iv) The Company has not made any transactions in the nature of loans, investments, guarantees, and security, where provisions of section 185 and 186 of the Companies Act, 2013 are applicable. Thus, paragraph 3(iv) of the order is not applicable to the company.
- v) Company has not accepted any deposits, within the meaning of provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under.
- vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the products of the Company.
- vii) a) According to the information and explanations given to us and on the basis of examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, duty of customs and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. Further according to the information and explanations given to us, no undisputed amounts are payable in respect of income tax, goods and service tax, duty of customs, cess and other material statutory dues which were in arrears as at March 31, 2019, for a period of more than six months from the date they became payable.
- b) According to the information and explanations given to us, there are no material dues of duty of customs, income tax, goods and service tax which have not been deposited with the appropriate authorities on account of any dispute.
- viii) According to the information and explanation given to us, the Company does not have any loans or borrowings from any financial institutions, banks, Government or debenture holders during the year. Accordingly, paragraph 3 (viii) of the order is not applicable.
- ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- x) According to the information and explanations given to us, no material fraud by the company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi) In our opinion and according to the information and explanations given to us and based on examination of the records of the Company, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in Note 27 to the Ind AS Financial Statements as required by the applicable accounting standards;
- xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has made preferential allotment during the year and the details have been disclosed in Note 12 of the Ind AS Financial Statements.
- xv) According to the information and explanations given to us, the Company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934.

**For SPC and Associates,  
Chartered Accountants  
FRN: 005685S**

**Sd/-  
CA RLN Murthy  
Partner  
MRN: 217432**

**Place: Tirupathi  
Date: 30-05-2019**

**Annexure - B to the Auditors' 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 Sibar Auto Parts Limited ("the Company") as of 31 March 2019 in conjunction with our audit of Ind AS Financial Statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 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, both applicable to an audit of Internal Financial Controls and, both 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 Ind AS 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 Ind AS 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 Ind AS 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 Ind AS 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, 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 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For SPC and Associates,  
Chartered Accountants  
FRN: 005685S**

**Sd/-  
CA RLN Murthy  
Partners  
MRN: 217432**

**Place: Tirupathi  
Date: 30-05-2019**



CIN : L34201AP1983PLC003817  
 Balance Sheet as of March 31, 2019

(In Rupees)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, Plant and Equipment	1	124,208,677	127,042,168
(b) Capital work-in-progress	2		
(c) Investment Property			
(d) Other intangible assets			
(e) Financial Assets			
(i) Investments			
(ii) Trade Receivables	3	8,648,142	2,870,706
(iii) Loans			
(iv) Others	4	16,217,084	2,274,051
(f) Deferred tax Assets (net)			
(g) Other non-current Assets			
<b>Current Assets</b>			
(a) Inventories	5	49,474,878	42,190,773
(b) Financial Assets			
(i) Investments			
(ii) Trade Receivables	6	42,858,810	52,126,858
(iii) Cash & Cash Equivalents	7	2,530,474	15,964,892
(iv) Bank Balances other than (iii) above	8		7,831
(v) Loans			
(iv) Others	9		108,722
(c) Current Tax Assets	10	1,444,005	1,351,510
(d) Other Current Assets	11	4,659,376	4,439,699
(e) Assets Classified held for Sale	12	242,799	333,586
<b>Total Assets</b>		<b>250,284,245</b>	<b>248,710,796</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	13	158,313,500	116,751,000
(b) Other Equity	14	(8,475,234)	(11,438,970)
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	15	27,613,653	54,604,948
(ii) Trade Payables	16	1,001,617	2,515,217
(b) Provisions			
(c) Other non-current liabilities			
(d) Deferred Tax liabilities	17	2,183,427	2,048,240

<b>Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	18	929,539	2,480,539
(ii) Trade payables			
-Total outstanding dues of micro enterprises and small enterprises	19	37,104,870	42,954,505
-Total outstanding dues of creditors other than micro enterprises and small enterprises	19	8,181,445	18,915,222
(iii) Other Financial Liabilities	20	22,548,047	19,146,590
(b) Provisions	21	105,321	160,355
(c) Current Tax Liabilities	22		220,000
(d) Other current liabilities	23	778,060	353,150
<b>Total Equity and Liabilities</b>		<b>250,284,245</b>	<b>248,710,796</b>

As per our report of even date

For **SPC & Associates**

Chartered Accountants

FRN: 005685S

Sd/-

**CA RLNMURTHY**

Partner

M. No: 217432

For **Sibar Auto Parts Limited**

Sd/-

**P Veerananarayana**

Managing Director

DIN: 00644259

Sd/-

**P Ravichandra**

Whole-Time Director

DIN: 00627413

Sd/-

**P Madhu Pratap**

Whole-Time Director & CFO

DIN: 00644254

Sd/-

**C Sirisha**

Company Secretary

Place: Tirupati

Date: 30.05.2019

**CIN : L34201AP1983PLC003817**  
**Statement of Profit and Loss for the year ended March 31, 2019**

(In Rupees )

Particulars	Note No.	Year Ended March 31, 2019	Year Ended March 31, 2018
<b>Revenue from Continuing Operations</b>			
i) Revenue From Operations	24	274,144,214	237,546,591
ii) Other Income	25	7,505,464	6,185,123
<b>Total Income</b>		<b>281,649,678</b>	<b>243,731,714</b>
<b>Expenses</b>			
i) Cost of materials consumed	26	207,626,783	163,314,979
Changes in inventories of finished goods, work-in-progress			
ii) and stock-in-trade	27	(8,310,854)	(6,134,272)
iii) Excise duty paid			5,246,536
iv) Employee benefits expense	28	40,284,130	39,719,657
v) Depreciation and amortisation	29	9,335,916	7,683,978
vi) Finance costs	30	6,600,873	6,617,550
vii) Other expenditure	31	62,121,161	43,204,946
<b>Total expenses</b>		<b>317,658,009</b>	<b>259,653,374</b>
<b>Profit/(loss) before exceptional items and tax</b>		<b>(36,008,331)</b>	<b>(15,921,660)</b>
Exceptional Items			-
<b>Profit Before Tax</b>		<b>(36,008,331)</b>	<b>(15,921,660)</b>
Tax Expenses		135,187	265,200
-Current Tax			
-Deferred Tax		135,187	265,200
<b>Profit/(loss) for the period from continuing operations</b>		<b>(36,143,518)</b>	<b>(16,186,860)</b>
Profit/(loss) from discontinued operations			
Tax expense of discontinued operations			
<b>Profit/(loss) from discontinued operations after tax</b>			
<b>I Profit/(loss) for the Period</b>		<b>(36,143,518)</b>	<b>(16,186,860)</b>
<b>II Other Comprehensive Income</b>			
i) <b>Items that will not be reclassified to profit or loss:</b>			
-Impairment of allowances in doubtful debt			
-Remeasurements of the defined benefit plans			
-Equity Instruments through other comprehensive income			
-Income Tax relating to these items			
ii) <b>Items that will be reclassified to profit or loss:</b>			
-Debt Instruments through Other Comprehensive Income			
-The effective portion of gains and loss on hedging			
instruments in a cash flow hedge			
-Income Tax relating to these items			
Other Comprehensive Income			
<b>Total Comprehensive Income for the period</b>		<b>(36,143,518)</b>	<b>(16,186,860)</b>
Earnings per equity share :		(2.35)	(1.69)
(1) Basic		(0.35)	(1.69)
(2) Diluted			

As per our report of even date

For **SPC & Associates**

Chartered Accountants

FRN: 005685S

Sd/-

**CA RLNMURTHY**

Partner

M. No: 217432

Place: Tirupati

Date: 30.05.2019

For **Sibar Auto Parts Limited**

Sd/-

**P Veerananarayana**

Managing Director

DIN: 00644259

Sd/-

**P Madhu Pratap**

Whole-Time Director & CFO

DIN: 00644254

Sd/-

**P Ravichandra**

Whole-Time Director

DIN: 00627413

Sd/-

**C Sirisha**

Company Secretary

CIN : L34201AP1983PLC003817 <b>Cash Flow Statement For The Year Ended March 31, 2019</b> (In Rupees)		
Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Cash flow from operating activities</b>		
Profit before income tax from		
Continuing operations	(36,008,331)	(15,921,660)
Discontinued operations		
Prior period Items	(205,246)	
<b>Profit before income tax including discontinued operations</b>	(36,213,577)	(15,921,660)
Adjustments for		
Depreciation and amortisation expense	9,335,916	7,683,978
Provision for gratuity	(55,034)	(16,655)
Finance costs	6,600,873	6,617,550
Net exchange differences		-
	<b>(20,331,822)</b>	<b>(1,636,787)</b>
<b>Change in operating assets and liabilities, net of effects from purchase of controlled entities and sale of subsidiary:</b>		
(Increase)/Decrease in trade receivables	3,490,612	(5,577,445)
(Increase) in inventories	(7,284,105)	(14,241,543)
Increase in trade payables	(18,097,012)	23,394,335
(Increase) in other financial assets	108,722	897,967
(Increase)/decrease in other non-current assets	(13,943,033)	(53,000)
(Increase)/decrease in other current assets	(221,385)	(2,857,467)
Increase (decrease) in other current liabilities	204,910	(634,688)
Increase ( decrease) in financial liabilities	3,401,457	2,056,902
<b>Cash generated from operations</b>	<b>(52,671,656)</b>	<b>1,348,274</b>
Income taxes paid		-
<b>Net cash inflow from operating activities</b>	<b>(52,671,656)</b>	<b>1,348,274</b>
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment	(6,502,425)	(20,137,684)
Increase in Term deposits	7,831	(7,831)
<b>Net cash outflow from investing activities</b>	<b>(6,494,594)</b>	<b>(20,145,515)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issues of shares	80,875,000	45,050,000
Proceeds from borrowings	(28,542,295)	(5,717,985)
Interest paid	(6,600,873)	(6,617,550)
<b>Net cash inflow (outflow) from financing activities</b>	<b>45,731,832</b>	<b>32,714,465</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(13,434,418)</b>	<b>13,917,224</b>
Cash and cash equivalents at the beginning of the financial year	15,964,893	2,047,669
Effects of exchange rate changes on cash and cash equivalents		-
<b>Cash and cash equivalents at end of the year</b>	<b>2,530,475</b>	<b>15,964,893</b>

As per our report of even date

 For **SPC & Associates**  
 Chartered Accountants  
 FRN: 005685S

 For **Sibar Auto Parts Limited**

 Sd/-  
**CA RLNMURTHY**  
 Partner  
 M. No: 217432

 Sd/-  
**P Veerananarayana**  
 Managing Director  
 DIN: 00644259

 Sd/-  
**P Ravichandra**  
 Whole-Time Director  
 DIN: 00627413

 Sd/-  
**P Madhu Pratap**  
 Whole-Time Director & CFO  
 DIN: 00644254

 Sd/-  
**C Sirisha**  
 Company Secretary

 Place: Tirupati  
 Date: 30.05.2019

**Statement of Changes in Equity for the period ended 31.03.2019**

A	Equity Share Capital	(In Rupees )			
		As at March 31, 2019		As at March 31, 2018	
	Particulars	No of Shares	Amount	No of Shares	Amount
	Opening Equity Shares	11,275,100	116,751,000	9,535,100	95,351,000
	Share Warrants s of Rs.10 each , paid up Rs.2.50 each	925,000	2,312,500	1,600,000	4,000,000
	Share Warrants s of Rs.10 each , paid up Rs.2.50 each Converted into Equity of Rs.10.00 each	(1,600,000)	(4,000,000)		
	Shares issued during the period of Rs 10 each	4,325,000	43,250,000	1,740,000	17,400,000
	<b>Closing balance of Shares</b>	<b>15,600,100</b>	<b>158,313,500</b>	<b>11,275,100</b>	<b>116,751,000</b>

[illegible]

Notes to accounts for the year ended March 31, 2019  
 Note 1: Property, Plant and Equipment

Particulars	Gross carrying value as at April 1, 2018	Additions	Disposal / adjustments	Gross carrying value as at March 31, 2019	Accumulated depreciation as at April 1, 2018	Depreciation for the year	Disposal/ adjustments	Accumulated depreciation as at March 31, 2019	Carrying Value as at March 31, 2019	(In Rupees ) Deemed Cost as at April 1, 2018
Land	52,899,339	-	-	52,899,339	-	-	-	-	52,899,339	52,899,339
Factory Buildings	5,887,198	69,825	-	5,957,023	615,474	316,011	-	931,485	5,025,538	5,271,724
Administrative building	3,800,632	-	-	3,800,632	175,044	87,507	-	262,551	3,538,081	3,625,588
Furniture & Fixtures	90,887	29,237	-	120,124	23,183	12,893	-	35,876	84,248	67,704
Plant and Machinery	57,970,351	3,631,925	-	61,602,276	4,980,608	4,005,727	-	8,986,335	52,615,941	52,989,743
Computers Electrical and office Equipment	1,031,417	19,890	-	1,051,307	802,920	84,154	-	887,074	164,233	228,497
	2,213,981	558,281	-	2,772,262	321,823	151,348	-	473,171	2,299,091	1,892,158
Plating Equipment	73,662	9,000	-	82,662	3,549	4,730	-	8,279	74,383	70,113
Vehicles	1,768,323	1,807,457	-	3,575,780	488,275	339,281	-	827,556	2,748,224	1,280,048
Dies	13,674,978	376,810	-	14,051,788	4,957,724	4,334,465	-	9,292,189	4,759,599	8,717,254
<b>Total</b>	<b>139,410,768</b>	<b>6,502,425</b>	<b>-</b>	<b>145,913,193</b>	<b>12,368,600</b>	<b>9,335,916</b>	<b>-</b>	<b>21,704,516</b>	<b>124,208,677</b>	<b>127,042,168</b>

**Note 2: Capital Work- In- Progress**

Particulars	2018-19			
	Balance as at April 1, 2018	Additions/ Adjustments during the year	Capitalized during the year	Balance as at March 31, 2019
Plant and Machinery	-	-	-	-
Building	-	-	-	-
<b>Total</b>	-	-	-	-

**Note 3: Trade Receivables Non Current**

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Other Trade Receivables other than from Related parties</b>		
Unsecured, considered good	8,648,142	2,870,706
<b>Total</b>	<b>8,648,142</b>	<b>2,870,706</b>

**Note 4: Other Financial Assets Non-Current**

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Unsecured (considered good)</b>		
Deposits	16,217,084	2,274,051
<b>Total</b>	<b>16,217,084</b>	<b>2,274,051</b>

**Note 5: Inventories**

Particulars	As at March 31, 2019	As at March 31, 2018
Finished Goods	7,370,564	824,200
Raw Materials	5,420,570	5,720,564
Semi Finished Stock	30,486,014	28,721,524
Chemical and others	1,677,550	1,255,155
Packing Materials	477,530	462,101
Stores and Spares	4,042,650	3,436,229
Dies	-	1,771,000
<b>Total</b>	<b>49,474,878</b>	<b>42,190,773</b>

**Note 6: Trade Receivables Current**

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Other Trade Receivables other than from Related Parties</b>		
Unsecured, considered good	42,858,810	52,126,858
<b>Total</b>	<b>42,858,810</b>	<b>52,126,858</b>

**Note 7: Cash & Cash Equivalents**

Particulars	As at March 31, 2019	As at March 31, 2018
Cash on hand	14,581	712,665
Balances with Banks (a) in Current Account	2,515,893	15,252,227
<b>Total</b>	<b>2,530,474</b>	<b>15,964,892</b>



**Note 8: Bank Balances other than above**

Particulars	As at March 31, 2019	As at March 31, 2018
As Margin money/under lien		
In term deposit with original maturity more than 3 months but less than 12 months	-	7,831
Others		
<b>Total (A)</b>	<b>-</b>	<b>7,831</b>

**Note 9: Other Financial Assets Current**

Particulars	As at March 31, 2019	As at March 31, 2018
Unsecured (considered good)		
Balances with Excise Department		-
Cash Ledger balance in GST		
Accrued Interest	-	9,732
Rent Receivables	-	98,990
<b>Total</b>	<b>-</b>	<b>108,722</b>

**Note 10: Current tax Assets**

Particulars	As at March 31, 2019	As at March 31, 2018
TDS	1,255,074	1,300,657
Advance tax paid	-	-
MAT Credit	50,853	50,853
GST Reconciliation	138,078	-
<b>Total</b>	<b>1,444,005</b>	<b>1,351,510</b>

**Note 11: Other Assets Current**

Particulars	As at March 31, 2019	As at March 31, 2018
Unsecured (considered good)		
Prepaid Expenses	178,083	528,771
GST balances	350,469	487,400
Power Subsidy Receivable	-	601,624
Other Advances	4,130,824	2,821,904
Unsecured Doubtful		-
Less : Provision for Doubtful Loans		-
<b>Total</b>	<b>4,659,376</b>	<b>4,439,699</b>

**Note 12: Assets Classified held for sale**

Particulars	As at March 31, 2019	As at March 31, 2018
Land	242,799	333,586
<b>Total</b>	<b>242,799</b>	<b>333,586</b>

**Note 13: Equity Share Capital**

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Authorized</b>		
Ordinary shares of par value of Rs. 10/- each		
Number	20,000,000	20,000,000
<b>Amount</b>	200,000,000	200,000,000
<b>Issued, subscribed and fully paid</b>		
Ordinary shares of par value of Rs.10/- each		
Number	15,600,100	11,275,100
<b>Amount</b>	<b>156,001,000</b>	112,751,000
Share Warrants 9,25,000 Share Warrants of Rs.10 each , paid up Rs.2.50 each	2,312,500	4,000,000
<b>Total</b>	<b>158,313,500</b>	<b>116,751,000</b>

**Reconciliation of number of shares:**

Particulars	As at March 31, 2019	As at March 31, 2018
Opening Equity Shares	11,275,100	9,535,100
Add: -No. of Shares, Share Capital issued/ subscribed during the year	4,325,000	1,740,000
Less: Deduction	-	-
<b>Closing balance</b>	<b>15,600,100</b>	<b>11,275,100</b>

**No. of Shares in the company held by shareholder holding more than 5 percent**

Name of the Shareholder	As at March 31, 2019	As at March 31, 2018
Tathastu Advisors	2,475,000	-
Mr P Madhupratap & P Ravichandra	1,350,000	815,000
Mr.P.Veeranarayana	-	571,650
Mr.P.Madhupratap	1,697,100	1,697,100
Mrs. P.Sugunamma	2,468,680	2,378,680

The Company has one class of share capital, comprising ordinary shares of Rs. 10/- each. Subject to the Company's Articles of Association and applicable law, the Company's ordinary shares confer on the holder the right to receive notice of and vote at general meetings of the Company, the right to receive any surplus assets on a winding-up of the Company, and an entitlement to receive any dividend declared on ordinary shares. During year against the unsecured loans of Rs.1,20,00,000 (2018 Rs.24,300,000.) 8,00,000 (2018- 815,000) shares were allotted at a premium of Rs 10 per share..The Company does not have any holding company.

**Note 14: Other Equity**

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Capital Reserve</b>		
Opening balance	17,633,729	17,633,729
Add: Current Year Transfer	-	-
Less: Written Back in Current Year	-	-
<b>Total</b>	<b>17,633,729</b>	<b>17,633,729</b>
<b>Securities Premium Reserve</b>		
Opening balance	21,400,000	-
Add: Current Year on issue of shares	41,562,500	21,400,000
Less: Written Back in Current Year	-	-
<b>Total</b>	<b>62,962,500</b>	<b>21,400,000</b>
<b>General Reserve</b>		
Opening balance	1,443,799	1,443,799
Add: Current Year Transfer	-	-
Less: Written Back in Current Year	-	-
<b>Total</b>	<b>1,443,799</b>	<b>1,443,799</b>

<b>Surplus in Profit and Loss account</b>		
Opening balance	(54,166,498)	(37,979,638)
Add: Prior period adjustments	(205,246)	
Current Year Transfer		
Profit and loss account	(36,143,518)	(16,186,860)
<b>Total</b>	<b>(90,515,262)</b>	<b>(54,166,498)</b>
Share Application Money	-	2,250,000
<b>Total Other Equity</b>	<b>(8,475,234)</b>	<b>(11,438,970)</b>

**Note 15: Borrowings Non Current**

Particulars	As at March 31, 2019	As at March 31, 2018
<b>(i) Term Loans</b>		
(a) From Banks		
-Secured		
Vehicle Loans		-
(b) From Other parties		
-Secured		
- APSFC**	26,179,864	41,876,630
- ICICI*	710,711	
(i) Deposits		
(ii) Loans from Related Parties Unsecured	723,078	12,728,318
(iii) Deferred Payment Liabilities		
(iv) Other Loans Unsecured		-
<b>Total</b>	<b>27,613,653</b>	<b>54,604,948</b>

\* Loans from other parties. obtained from ICICI secured by hypothecation of Vehicle-Lons

\*\*Term Loan obtained from APSFC secured by hypothecation of Plant and Machinery proposed to purchased out of Finance and Equitable Mortgage of land and buildings located at Shed Nos.D4 & D5 , D11 and C2 in addition to personal guarantee of Directors

**Note 16: Trade Payable Non Current**

Particulars	As at March 31, 2019	As at March 31, 2018
<b>CURRENT</b>		
Other than MSMEs		
-Trade Payables	1,001,617	2,515,217
<b>Total</b>	<b>1,001,617</b>	<b>2,515,217</b>

**Note 17: Deferred tax assets and liabilities**

Deferred tax assets and liabilities are attributable to the following:

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Deferred Tax Liability</b>		
Property, plant and equipment	2,183,427	2,048,240
<b>Sub Total</b>	<b>2,183,427</b>	<b>2,048,240</b>
<b>Deferred tax Assets</b>		
Employee benefits	-	-
<b>Sub Total</b>	<b>-</b>	<b>-</b>
<b>Net Deferred Tax Assets</b>	<b>2,183,427</b>	<b>2,048,240</b>

**Movement in deferred tax balances during the year**

Particulars	Balance As at March 31, 2018	Recognised in Profit and Loss	Recognised in OCI	Balance As at March 31, 2019
Property, plant and equipment	2,048,240	135,187	-	2,183,427
Employee benefits*	-	-	-	-
<b>Total</b>	<b>2,048,240</b>	<b>135,187</b>	<b>-</b>	<b>2,183,427</b>

**Unrecognised Deferred tax assets**

Deffered tax assets have not been recognised in respect of the following items

Particulars	As at March 31, 2019	As at March 31, 2018
Deductible temporary differences	-	-
Tax losses	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**Note 18: Borrowings Current**

Particulars	As at March 31, 2019	As at March 31, 2018
(i) Term Loans		
(ii) Loans from Related Parties	928,404	2,479,404
(iv) Other Loans	1,135	1,135
<b>Total</b>	<b>929,539</b>	<b>2,480,539</b>

**Note 19: Trade Payable Current**

Particulars	As at March 31, 2019	As at March 31, 2018
<b>CURRENT</b>		
Other than MSMEs		
-Trade Payables	8,181,445	18,915,222
MSMEs	37,104,870	42,954,504
<b>Total</b>	<b>45,286,315</b>	<b>61,869,726</b>

**Note 20: Other Financial Liabilities Current**

Particulars	As at March 31, 2019	As at March 31, 2018
Current payables of Long Term Debts	11,126,132	10,796,000
Salaries and other employees payables	4,164,687	3,971,322
Other Expenses payable	7,257,228	4,379,268
<b>Total</b>	<b>22,548,047</b>	<b>19,146,590</b>

**Note 21: Provisions Current**

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for Gratuity	105,321	160,355
<b>Total</b>	<b>105,321</b>	<b>160,355</b>

**Note 22: Current Taxes payable**

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for Income Tax	-	220,000
<b>Total</b>	<b>-</b>	<b>220,000</b>

**Note 23: Other Liabilities Current**

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Non Current</b>		
<b>Current</b>		
Advance Received from Customers		-
Statutory dues Payable	778,060	353,150
Others		
<b>Total</b>	<b>778,060</b>	<b>353,150</b>

**Note 24: Revenue From Operations**

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Sale of Products	69,587,665	230,880,120
Sale of Services	4,556,549	6,666,471
<b>Total</b>	<b>274,144,214</b>	<b>237,546,591</b>

**Note 25: Other Income**

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Interest Income</b>		
- From Fixed Deposits	2,063,707	74,177
- Others(IT refund)	7,792	-
<b>Other Non Operating Revenue (Net of expenses directly attributable to such income)</b>		
- Liabilities Written Back	1,152,264	2,384,068
- Rent Received	-	-
- Power Subsidy	13,184	2,929,469
- Misc. Receipt	4,268,517	797,409
<b>Total</b>	<b>7,505,464</b>	<b>6,185,123</b>

**Note 26: Cost of Materials Consumed**

Particulars	For the year ended	For the year ended March 31,
Stores & Spares		25,353,540
Chemicals		7,829,429
Packing Materials		942,165
Raw Materials		127,966,800
HSD		26,419
Dies		1,196,626
Plating Equipment		-
<b>TOTAL</b>		<b>163,314,979</b>

**Note 27: Changes in Inventory**

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>A. Finished Goods</b>		
Opening Balance	824,200	1,459,292
Closing Balance	7,370,564	824,200
Changes in Inventory of Finished Goods	(6,546,364)	635,092
<b>B. Semi Finished</b>		
Opening Balance	28,721,524	21,952,160
Closing Balance	30,486,014	28,721,524
Changes in Inventory of Stock in Trade	(1,764,490)	(6,769,364)
<b>Net (Increase) /Decrease</b>	<b>(8,310,854)</b>	<b>(6,134,272)</b>

**Note 28: Employees' Benefit Expenses**

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Wages	18,887,605	12,761,534
Labour Contract	-	6,827,562
Directors other Perks	1,263,403	669,092
Directors Remuneration	2,160,000	1,440,000
Employer Contribution to ESI	699,166	540,417
Employer Contribution to Provident Fund	472,991	371,718
House Rent Allowance	1,200,000	600,000
Medical Allowance	840,000	360,000
Medical Expenses	145,693	139,834
Incentives	8,849,468	11,808,633
Salaries	2,284,462	1,366,021
Bonus	1,200,000	1,200,000
Staff Welfare	2,176,021	1,574,491
Gratuity	105,321	60,355
<b>Total</b>	<b>40,284,130</b>	<b>39,719,657</b>

**Note 29: Depreciation And Amortization Expenses**

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Depreciation / Amortisation for the year</b>		
Depreciation	9,335,916	7,683,980
<b>Total</b>	<b>9,335,916</b>	<b>7,683,980</b>

**Note 30: Financial Cost**

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest on Term Loan from A.P.S.F.C	6,565,149	6,105,694
Interest on Vehicle Loans from HDFC	-	13,238
Interest SBI	11,348	498,618
Interest on ICICI	24,376	
<b>Total</b>	<b>6,600,873</b>	<b>6,617,550</b>

**Note 31: Other Expenses**

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Manufacturing Expenses</b>		
Conversion Charges	952,236	804,360
Machining Charges	2,503,417	5,279,749
Power Charges	16,489,002	14,893,772
Repair Maintenance -Building	1,662,551	549,378
Repair Maintenance -Electricals	146,015	162,762
Repair Maintenance -Others	253,602	202,757
Repair Maintenance -Plant & Machinery	1,084,854	416,477
<b>Sub total (a)</b>	<b>23,091,677</b>	<b>22,309,255</b>
<b>Selling &amp; Administrative Expenses :</b>		
Advertisement	20,000	25,224
AG Meeting Expenses	6,661	49,846
Audit Fees	175,000	175,000
Bank Charges	19,586	36,202
Bill Discounting Charges	1,893,000	1,405,673
Calibration & Analysis Charges	236,262	363,997
Cleaning & Loading un Loading Charges	442,890	453,905
Canteen	2,384,908	1,612,467
Commission	-	-
Consultancy	1,423,173	1,307,020
Conveyance Expenses	134,921	411,896
Custody Fees	45,000	60,000
Development Charges	90,000	-
Director Sitting Fees	255,000	285,000
Directors Foreign Travel	-	-
Directors Travelling	1,328,692	728,341
Donations	37,156	5,001
Fees Account	138,725	1,162,532
Filing Charges	18,115	19,300
Freight outward	2,031,030	3,036,663
Helium Leak Testing Charges	121,605	158,655
Income Tax	108,400	-
Insurance	75,130	141,919
Interest on TDS	646	1,538
Journals & Periodicals	7,294	4,320
Internal Audit Fees	60,000	60,000
Krishi Kalyan Cess	-	14,161
Labour Contract	10,356,201	-

Legal and Professional Charges	480,087	137,169
Listing Fees	250,000	250,000
Loading & Unloading	183,550	-
Miscellaneous Expenses	650,192	367,246
Membership Fee	50,000	-
Office Maintenance Expenses	185,600	172,918
Packing Charges	44,930	-
Pooja Expenses	389,684	282,236
Postage & Telegram	89,396	198,015
Powder Coating Expenses	75,956	137,620
Preferential Share Allotment Exp	4,377,592	-
Printing & Stationery	325,642	322,757
Processing and Inspection Charges	6,569	250,000
Professional Tax	2,500	2,500
Rates & Taxes and Fines	181,979	222,692
Repairs & Maintenance office Equipment	297,044	262,156
Revenue South Central Railway	-	-
Sales promotions Expenses	931,903	674,855
Service Charges	1,500	-
Service Tax (CAB)	32,711	19,938
Staff welfare Fund	11,300	-
Subscription	4,310	4,140
Swatch Bharat Cess	-	14,161
Telephone & Fax	179,246	265,248
Travelling Expenses	1,601,213	997,637
Vehicle Maintenance Expenses	4,078,460	2,361,903
Vehicle hire charges	2,148,420	1,714,383
Watch & Ward	1,040,305	719,458
<b>Sub Total (b)</b>	<b>39,029,484</b>	<b>20,895,691</b>
<b>Total (a+b)</b>	<b>62,121,161</b>	<b>43,204,946</b>

**(i) Amount paid to auditors:**

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
As Auditor	175,000	175,000
For Taxation Matters/Tax Audit	-	-
For Other Services	-	-
For Reimbursement of Expenses	-	-
<b>Total</b>	<b>175,000</b>	<b>175,000</b>

**Note 32: Income Tax**

A reconciliation of the Income Tax provision to the amount computed by applying the statutory income tax rate to the profit before tax is summarized as follows:

Particulars	As at March 31, 2019	As at March 31, 2018
Profit before tax	-	-
Enacted Tax rates for the financial year	25.00%	25.00%
Expected tax expense (A)	-	-
Tax affect on allowable items (B)	-	-
Tax affect on disallowable items (C)	-	-
Tax on incomes chargeable under other heads (D)	-	-
Provision for income tax for the current year (A+B+C+D)	-	-
Interest on income tax for the year	-	-
Current tax for the year	-	-
Tax credits allowable	-	-
Deferred tax for the year	135,187	265,200
Tax expense of earlier years adjusted	-	-
<b>Net tax expense for the year</b>	<b>135,187</b>	<b>265,200</b>

**Note 33 Employee Benefits**

**a) Provident Fund:** Company pays fixed contribution to provident fund at predetermined rates to the government authorities. The contribution of Rs.472,991 (Previous year Rs.371,718 ) including administrative charges is recognized as expense and is charged in the Statement of Profit and Loss. The obligation of the Company is to make such fixed contribution and to ensure a minimum rate of return as specified by GOI to the members. The overall interest earnings and cumulative surplus is more than the statutory interest payment requirement during the year.

**b) Gratuity:** Gratuity is a funded Defined Benefit Plan payable to the qualifying employees on separation. It is managed by a Life Assurance Scheme of the Life Insurance Corporation of India.

Company makes annual contribution to the Fund based on the present value of the Defined Benefit obligation and the related current service costs which are measured on actuarial valuation carried out as on Balance Sheet date. The liability has been assessed using Projected Unit Credit Method.

Reconciliation of opening and closing balances of the present value of the defined benefit obligation as at the year ended March 31, 2019 are as follows:

<b>I. Change in Benefit obligation :</b>	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
Present value of obligation as at the beginning	1,052,146	942,551
Interest Cost	84,172	75,404
Current Service Cost	113,658	97,255
Prior Service cost	-	-
Benefits paid	-	-
Actuarial (gain) / loss	41,814	(63,064)
<b>Present value of obligation at the end of the period</b>	<b>1,291,790</b>	<b>1,052,146</b>

<b>II. Change in Fair value of plan assets</b>	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
Fair value of Plan Assets at the beginning of the year	1,114,008	970,309
Expected return on plan assets	91,314	80,678
Contributions	144,498	63,021
Benefits paid	-	-
Premium Expense	-	-
Actuarial gain/loss on plan assets	-	-
<b>Fair value of planned assets at the end of the period</b>	<b>1,349,820</b>	<b>1,114,008</b>

<b>III. Expenses recognized in the Statement of Profit &amp; Loss :</b>	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
Interest Cost	84,172	75,404
Current Service Cost	113,658	97,255
Prior Service cost	-	-
Expected return on Plan Assets	(91,314)	(80,678)
Net Actuarial (gain)/loss recognized in the period	41,814	(63,064)
Premium Expense	-	-
<b>Expenses recognized in the statement of Profit &amp; Loss</b>	<b>148,330</b>	<b>28,917</b>

<b>IV. Amounts recognized in the Balance Sheet</b>	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
Present value of Obligation as at the end of the period	1,291,790	1,052,146
Fair value of Plan Assets at the end of the period	1,349,817	114,005
Funded Status	58,028	61,859
Unrecognised Past Service cost	-	-
<b>Net Asset or Liability recognised in the Balance sheet</b>	<b>58,028</b>	<b>61,859</b>

<b>V. Actual Return of plan assets:</b>	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
Actual Return on Plan Assets	91,314	80,678

<b>VI. Movement in Balance Sheet</b>	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
Opening Liability	160,355	177,010
Expenses as above	148,330	28,917
Contribution paid	-	(45,572)
<b>Closing Liability</b>	<b>308,685</b>	<b>160,355</b>

<b>VII. Principal Assumptions</b>	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
Discounting Rate	8.00%	7.50%
Salary Escalation Rate	7.00%	7.00%
Expected rate of return on plan assets	-	7.25%

The estimates of future salary increase considered in actuarial valuation, have been factored in inflation, seniority, promotion and other relevant factors.



**Note 34: Related Party Disclosures**

List of Related Parties Parties with whom the company has entered into transactions during the year/where control exists

**A. Key Management Personnel**

- i) Mr. P. Ravi Chandra
- ii) Mr. P. Madhu Pratap
- iii) Mr. P. Veerananarayana
- iv) Mr. Ramachandra Chowdary
- v) Mr. B P Jetty
- vi) Ms. P. Sugunamma

**B. Holding and Associate Companies Nil**
**C. Transaction with Related Parties**

Rupees in lakhs

Particulars	Key Management Personnel		Relatives of KMP	
1. Transaction during the Year	2018-19	2017-18	2018-19	2017-18
a. Remuneration Paid	4838554	2196000	793182	374000
b. Vehicle Hire charges	1875400	1578000		-
2. Balances as at 31.03.18				
a. Share capital held by	64946300	56946000	6400000	6400000
b. Share Warrants	2000000	4000000		-
c. Remuneration Payable	38449	97000	66300	66000
d. Vehicle Hire Charges payable	52397	57000		-
e. Unsecured Loans	723078	12903000		-

**Note 35: Earnings per Share**

Particulars		2018-19	2017-2018
Profit/ (Loss) after Tax	Rs	(36,143,518)	(16,186,860)
The weighted average number of ordinary shares for			
Basic EPS	Nos	15,600,100	9,554,168
Diluted EPS	Nos	103,444,023	9,554,168
The nominal value per Ordinary Share	Rs	10	10
Earnings per share Basic		-2.35	-1.69
Diluted		-0.35	-1.69

**Dividend :** The Board of Directors have recommended a dividend at Rs Nil per share of Rs.10 amounting to RsNil for the year 2017-18 excluding dividend distribution tax

Note 36 Contingent liabilities and commitments (to the extent not provided for)	2018-19	2017-18
<b>Contingent liabilities</b>		
Claims against the company not acknowledged as debt	-	-
<b>Total</b>	-	-

**Note 37 Segmental Reporting :**

The entire operations of the company relate to only one segment viz., automobile parts and hence segmental reporting is not given.

**Note 38: Financial Instruments- Fair Values and Risk Management**
**a. Financial Instruments by Categories**

The following tables show the carrying amounts and fair values of financial assets and financial liabilities by categories. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value

Amount in Rs as of March 31, 2019

Particulars	Cost	Financial assets/ liabilities at FVTPL	Financial assets/liabilities at fair value through OCI	Total carrying value	Total fair value
<b>Assets:</b>					
Cash & Cash Equivalents	2,530,474	-	-	2,530,474	2,530,474
Trade Receivable	51,506,952	-	-	51,506,952	51,506,952
Other Financial Assets	22,320,465	-	-	22,320,465	22,320,465
<b>Liabilities:</b>					

Trade Payable	9,183,062	-	-	9,183,062	9,183,062
Borrowings	28,543,192	-	-	28,543,192	28,543,192
Other Financial Liabilities	23,326,107	-	-	23,326,107	23,326,107

**Amount in Rs as of March 31, 2018**

Particulars	Cost	Financial assets/ liabilities at FVTPL	Financial assets/liabilities at fair value through OCI	Total carrying value	Total fair value
<b>Assets:</b>					
Cash & Cash Equivalents	15,964,892	-	-	15,964,892	15,964,892
Trade Receivable	54,997,564	-	-	54,997,564	54,997,564
Other Financial Assets	8,173,982	-	-	8,173,982	8,173,982
<b>Liabilities:</b>					
Trade Payable	21,430,439	-	-	21,430,439	21,430,439
Borrowings	57,085,487	-	-	57,085,487	57,085,487
Other Financial Liabilities	19,719,740	-	-	19,719,740	19,719,740

Fair Value Hierarchy Management considers that, the carrying amount of those financial assets and financial liabilities that are not subsequently measured at fair value in the Financial Statements approximate their transaction value. No financial instruments are recognized and measured at fair value for which fair values are determined using the judgments and estimates. The fair value of Financial Instruments referred below has been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active market for identical assets or liabilities. (Level-1 measurements) and lowest priority to unobservable (Level-3 measurements).

The Company does not hold any equity investment and no financial instruments hence the disclosure are nil.

**Financial Risk Management:**

The Company's acvies expose to a variety of financial risks viz., market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Company is credit risk and liquidity risk. The Company's exposure to credit risk is influenced mainly by Government Orders

**Management of Market Risk:**

Market risks comprises of Price risk and Interest rate risk. The Company does not designate any fixed rate financial assets as fair value through Profit and Loss nor at fair value through OCI. Therefore, the Company is not exposed to any interest rate risk. Similarly, the Company does not have any Financial Instrument which is exposed to change in price.

**Foreign Currency Risks:**

The Company is exposed to foreign exchange risk arising from various Currency exposures primarily with respect to the US Dollars (USD), for the imports being made by the Company.

The Company exposure to foreign currency risk as at the end of the reporting period March 31 2019 is INR Nil (March 31 2018 INR NIL)

**Credit Risk:**

Credit risk is the risk of financial loss to the Company if a customer fails to meet its contractual obligations. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables. The company operations are with parent companies and hence no issues credit worthiness. The company considers that, all the financial assets that are not impaired and past due as on each reporting dates under review are considered credit worthy

**Credit risk exposure**

An analysis of age-wise trade receivables at each reporting date is summarized as follows :

Particulars	Gross Carrying Amount	Less than one year	More than one year	More than two year	More than three year
Gross Carrying Amount	51,506,952	42,858,810	1,518,200.00	1,458,541.00	5,671,401.00
Expected Credit loss	-	-	-	-	-
Carrying amount (net of impairment)	51,506,952	42,858,810	1,518,200	1,458,541	5,671,401

**For the year ended March 31, 2018**

Particulars	Gross Carrying Amount	Less than one year	More than one year	More than two year	More than three year
Gross Carrying Amount	54,997,564	52,126,858	520,834.00	1,937,516.00	412,356.00
Expected Credit loss	-	-	-	-	-
Carrying amount (net of impairment)	54,997,564	52,126,858	520,834	1,937,516	412,356

**Liquidity Risk:**

The company's liquidity needs are monitored on the basis of monthly projections. The principal sources of liquidity are cash and cash equivalents, cash generated from operations and availability of cash credit and overdraft facilities to meet the obligations as and when due.

Short term liquidity requirements consist mainly of sundry creditors, expenses payable and employee dues during the normal course of business. The company maintains sufficient balance in cash and cash equivalents and working capital facilities to meet the short term liquidity requirements.

The company assesses long term liquidity requirements on a periodical basis and manages them through internal accruals and committed credit lines.

The following table shows the maturity analysis of the Companies Financial Liabilities based on contractually agreed, undiscounted cash flows as at the balance sheet date

Particulars	Gross Carrying Amount	Less than one year	More than one year	More than two year	More than three year
<b>As on March 31 2019</b>					
Trade Payables	46,287,932	46,287,932	582,995	262,097	156,525
<b>As on March 31 2018</b>					
Trade Payables	64,384,943	61,869,726	740,886	531,430	1,242,901

**Note 39: Expenditure in Foreign Currency**

Particulars	2018-19	2017-18
Foreign Travel	-	-
<b>Total</b>	-	-

**Note 40: The disclosure relating to transactions with Micro, Small and Medium Enterprises**

Sundry Creditors includes Rs. INR 3,71,04,870/- (previous year Rs. 4,29,54,504/-) due to Small Scale & Ancillary undertakings. There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days at the Balance Sheet date. The above information has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

**Note 41: Corporate Social Responsibility (CSR)**

As per Section 135 of the Companies Act, 2013 and rules made there under on CSR Activities are not applicable to the Company.

**Note 42: Confirmations**

The Company requested its debtors and creditors confirmation which are pending.

**Note 43 :Recent Accounting Pronouncements**

Ind AS 116 Ministry of Corporate affairs notified this amendment on 30<sup>th</sup> March 2019, Measurement will be effective from the year beginning on or after 1<sup>st</sup> April 2019 . The Company is currently evaluating the effect of this standard on the financial statements.

Ind AS 12 Appendix C Uncertainty over Income tax treatments: Ministry of Corporate affairs notified this amendment on 30<sup>th</sup> March 2019, with an effective date of adoption of Ind AS 12 Appendix C from 1<sup>st</sup> April 2019. The Company is currently evaluating the effect of this standard on the financial statements.

Amendment to Ind AS 12: Ministry of Corporate affairs notified this amendment on 30<sup>th</sup> March 2019 relating to income tax consequences on dividend and distribution tax. The company has no investments and hence the impact of this amendment may not be applicable to this company.

Amendment to Ind AS 19 – Plan amendment, curtailment and settlement Ministry of Corporate affairs notified this amendment on 30<sup>th</sup> March 2019, issued amendments to Ind AS 19 Employee Benefits. These amendments are applicable to the accounting period beginning on 1<sup>st</sup> April 2019. The Company is evaluating the impact of this amendment in the financial statements.

**Note 44:**

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

**Note 1: COMPANY OVERVIEW AND SIGNIFICANT ACCOUNTING POLICIES:**

**a. Corporate overview**

Sibar Auto Parts Limited ("the Company") incorporated in 1996 under the Companies Act. The Company is in the business of manufacture and sale of spare parts for automobiles. The registered office is at D4&D5, Industrial Estate, Renigunta Road Tirupati, Andhra Pradesh. The Company has been listed with Bombay Stock Exchange (BSE) and National Stock Exchange (NSE).

**b. Basis of preparation of Financial Statements**

The financial statements of the Company are prepared in accordance with Indian Accounting Standards (Ind AS), the provisions of the Companies Act, 2013 ("the Companies Act"), as applicable and guidelines issued by the Securities and Exchange Board of India ("SEBI"). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

For the year ended March 31, 2018 and in the years prior to 2018, the Company prepared its financial statements in accordance with the requirements of the Indian GAAP ("Previous GAAP"), which included Standards notified under the Companies (Accounting Standards) Rules, 2006. The date of transition to Ind AS is April 1, 2016. The accounting policies have been applied consistently to all periods presented in these financial statements. The Financial Statements are approved by the Board of Directors on 30th May 2019

**c. Basis of Measurement**

The Ind AS Financial Statements have been prepared on a going concern basis using historical cost convention and on an accrual method of accounting, except for certain assets and liabilities which have been measured at fair value as per Ind AS.

**d. Functional and Presentation Currency**

These Ind AS Financial Statements are presented in Indian Rupee which is the Company's functional Currency.

**e. Use of Estimates**

The preparation of financial statements in conformity with Ind AS requires management to make estimates, judgments' and assumptions (including revisions, if any). These estimates, judgments and assumptions affect the application of accounting policies and reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of financial statements and the reported amounts of revenue and expenses during the period. Appropriate changes in the estimates are made as management becomes aware of changes in circumstances. Changes in the estimates are reflected in the financial statements in the period in which changes are made.

**f. Classification of Current / Non-Current Assets and Liabilities**

All the assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.

**Assets:** An asset is classified as current when it satisfies any of the following criteria:

it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;

- i. it is held primarily for the purpose of being traded;
- ii. it is expected to be realised within twelve months after the reporting date; or
- iii. it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

**Liabilities:** A liability is classified as current when it satisfies any of the following criteria:

- i. it is expected to be settled in the Company's normal operating cycle;
- ii. it is held primarily for the purpose of being traded;
- iii. it is due to be settled within twelve months after the reporting date; or
- iv. the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other assets/ liabilities are classified as non-current.

Based on the nature of products and the time between the acquisition of assets for processing and their realization in Cash or cash equivalents, the Company has ascertained its normal operating cycle as 12 months for the purpose of Current / Non-current classification of assets and liabilities.

**g. Revenue of Recognition:**

Revenue is net of GST wherever applicable, recognized on accrual basis, to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Revenue from sale of spares are recognized following completion of manufacturing, inspection, customer acceptance and title transfer, in accordance with the Company's contractual terms.

Revenue from sale of other allied goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer on delivery of the goods.

Revenue from services is recognised with reference to the stage of completion of a contract when outcome can be measured reliably.

Interest income is recognized using the effective interest rate method

**h. Property Plant and Equipment:**

Property, Plant and Equipment are stated at cost net of GST, if any and subsequently at cost less depreciation and impairment losses if any. Cost includes expenditure on acquisition of asset, present value of expected cost for the decommissioning of an asset, cost of replacing part of Plant and Equipment and borrowing costs. Depreciation on all assets is provided on the "Straight Line Method" over the useful lives of the assets estimated by the Management. Depreciation for assets purchased/sold during the period is proportionately charged. Individual low cost assets (acquired for Rs. 5,000/- or less) are depreciated at 100 % in the year of acquisition/ purchase.

The Management estimates the useful lives for fixed assets as follows:

- 1. Buildings -- 30Years 2. Computers --3 Years 3. Furniture & Fixtures -- 10 Years 4. Plant & Machinery -- 15 Years 5. Vehicles --8 Years

**i. Capital Work in Progress**

Assets in the course of construction are capitalized in capital work in progress account, At the point when an assets is capable of operating in the manner intended by management, the cost of construction is transferred to the appropriate category of property, plant and equipment.

**j. Borrowing Cost:**

Borrowing costs directly attributable to creation of an asset are capitalized as part of the cost of the asset. General borrowing costs are capitalized by apportioning the same to qualifying assets.

**k. Impairment:**

As at the end of each Balance Sheet date, the carrying amount of assets is assessed as to whether there is any indication of impairment. If the estimated recoverable amount is found less than its carrying amount, the impairment loss is recognized and assets are written down to their recoverable amount.

**Inventories**

Inventories are valued at the lower of cost and net realisable value except scrap and by products which are valued at net realisable value. Costs incurred in bringing the inventory to its present location and conditions are accounted for as follows:

- Raw materials: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.
- Finished goods and work in progress: cost includes cost of direct materials and labour wages and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

**l. Foreign Exchange Transactions/Translation**

Transactions in foreign currencies are accounted at functional currency, at the exchange rate prevailing on the date of transactions. Gains/losses arising out of the fluctuations in the exchange rate between functional currency and foreign currency are recognized in the Statement of Profit & Loss in the period in which they arise.

The fluctuations between foreign currency and functional currency relating to monetary items at the year ending are accounted as gains / losses in the Statement of Profit & Loss.

#### m. Earnings per Share

The Company presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held. Diluted earnings per share is determined by adjusting the profit or loss attribute to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

#### n. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

##### Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the company is classified as a finance lease.

Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

#### o. Employee benefits:

Defined Contribution Plans: Payments made to a defined contribution plan such as provident Fund are charged as an expense in the Profit and Loss Account as they fall due.

Defined Benefit Plans: Company's liability towards gratuity to past employees is determined using the projected unit credit method which considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Past services are recognized on a straight-line basis over the average period until the amended benefits become vested. Actuarial gain and losses are recognized immediately in the statement of profit and loss Account as income or expense. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the Balance Sheet date on Government Securities where the currency and terms of the Government Securities are consistent with the currency and estimate terms of the defined benefit obligations.

#### p. Income Tax:

Income tax expense represents the sum of current tax payable and deferred tax. Current Tax: The tax currently payable is based on the current year taxable profit for the year. The current tax is calculated using the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax: Deferred tax is provided using the Balance Sheet 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 assets are generally recognized for all deductible temporary differences to the extent that it is probable that the taxable profits will be available against which those deductible temporary differences can be utilized. Deferred tax is calculated using the tax rates that have been enacted or substantively enacted at the end of the reporting period. 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.

#### q. Research and Development

All expenses incurred for Research & Development are charged to revenue as incurred.

#### r. Provisions, Contingent Assets/ Contingent Liabilities

Provisions are recognized when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Show cause notices issued by Government Authorities where the probability of outflow of economic resources is remote are not considered as obligations. When the demands are raised against show-cause notices and are disputed by the company, these are treated as disputed obligations along with other contingent liabilities. Such contingent liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

#### s. Segment Information:

The company is considered to be a segment company engaged in the manufacture of Automobile and Electrical and providing related customer support services. Consequently, the company has in its primary segment only one reportable business segment.

#### t. Financial Instruments: Non-derivative financial instruments :

Non-derivative financial instruments consist of: Financial assets, which include cash and cash equivalents, trade receivables, other advances and eligible current and non-current assets; Financial liabilities, which include long and short-term loans and borrowings, , trade payables, eligible current and non-current liabilities.

##### Offsetting of financial Instruments

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

Non derivative financial instruments are recognized initially at fair value including any directly attributable transaction costs. Financial assets are derecognized when substantial risks and rewards of ownership of the financial asset have been transferred. In cases where substantial risks and rewards of ownership of the financial assets are neither transferred nor retained, financial assets are derecognized only when the Company has not retained control over the financial asset.

Subsequent to initial recognition, non-derivative financial instruments are measured as described below:

##### Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents include cash in hand, at banks and demand deposits with banks, net of outstanding bank overdrafts, if any, that are repayable on demand and are considered part of the Company's cash management system.

##### Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. Loans and receivables are initially recognized at fair value plus directly attributable transaction costs and subsequently measured at amortized cost, less any impairment losses. Loans and receivables comprise trade receivables and other assets. The company estimates the un-collectability of accounts receivable by analyzing historical payment patterns, customer concentrations, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required.

**Borrowings**

Borrowings are subsequently measured at amortized cost using the EIR method.

**Trade and payable**

Liabilities are recognized for amounts to be paid in future for goods or services received, whether billed by the supplier or not.

**u. Cash Flow Statement**

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non –cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

**v. Events after the reporting period :**

Adjusting events are events that provide further evidence of condition that existed at the end of the reporting period. The financial statements are adjusted for such events before authorization for issue.

**w. Prior Period Errors**

Errors of material amount relating to prior period(s) are disclosed by a note with nature of prior period errors, amount of correction of each such prior period presented retrospectively, to the extent practicable along with change in basic and diluted earnings per share. However, where retrospective restatement is not practicable for a particular period then the circumstances that lead to the existence of that condition and the description of how and from where the error is corrected are disclosed in Notes to Accounts.

As per our report of even date

For **SPC & Associates**

Chartered Accountants

FRN: 005685S

Sd/-

**CA RLNMURTHY**

Partner

M. No: 217432

For **Sibar Auto Parts Limited**

Sd/-

**P Veerananarayana**

Managing Director

DIN: 00644259

Sd/-

**P Ravichandra**

Whole-Time Director

DIN: 00627413

Sd/-

**P Madhu Pratap**

Whole-Time Director & CFO

DIN: 00644254

Sd/-

**C Sirisha**

Company Secretary

Place: Tirupati

Date: 30.05.2019

**SIBAR AUTO PARTS LIMITED**

CIN: L34201AP1983PLC003817

Registered Office: D4 &amp; D5, Industrial Estate, Renigunta Road, Tirupati, Andhra Pradesh-517506

Website: [www.sibarauto.com](http://www.sibarauto.com); Email: sibarauto77@yahoo.com**ATTENDANCE SLIP**

(To be presented at the entrance)

I certify that I am a registered shareholder/proxy/representative for the registered shareholder(s) of Sibar Auto Parts Limited.

I hereby record my presence at the 36<sup>th</sup> Annual General Meeting of the shareholders of Sibar Auto Parts Limited on Monday, the 30<sup>th</sup> day of September, 2019 at 03:30 P.M. at the registered office of the Company situated at D4 & D5, Industrial Estate, Renigunta Road, Tirupati, Andhra Pradesh-517506.

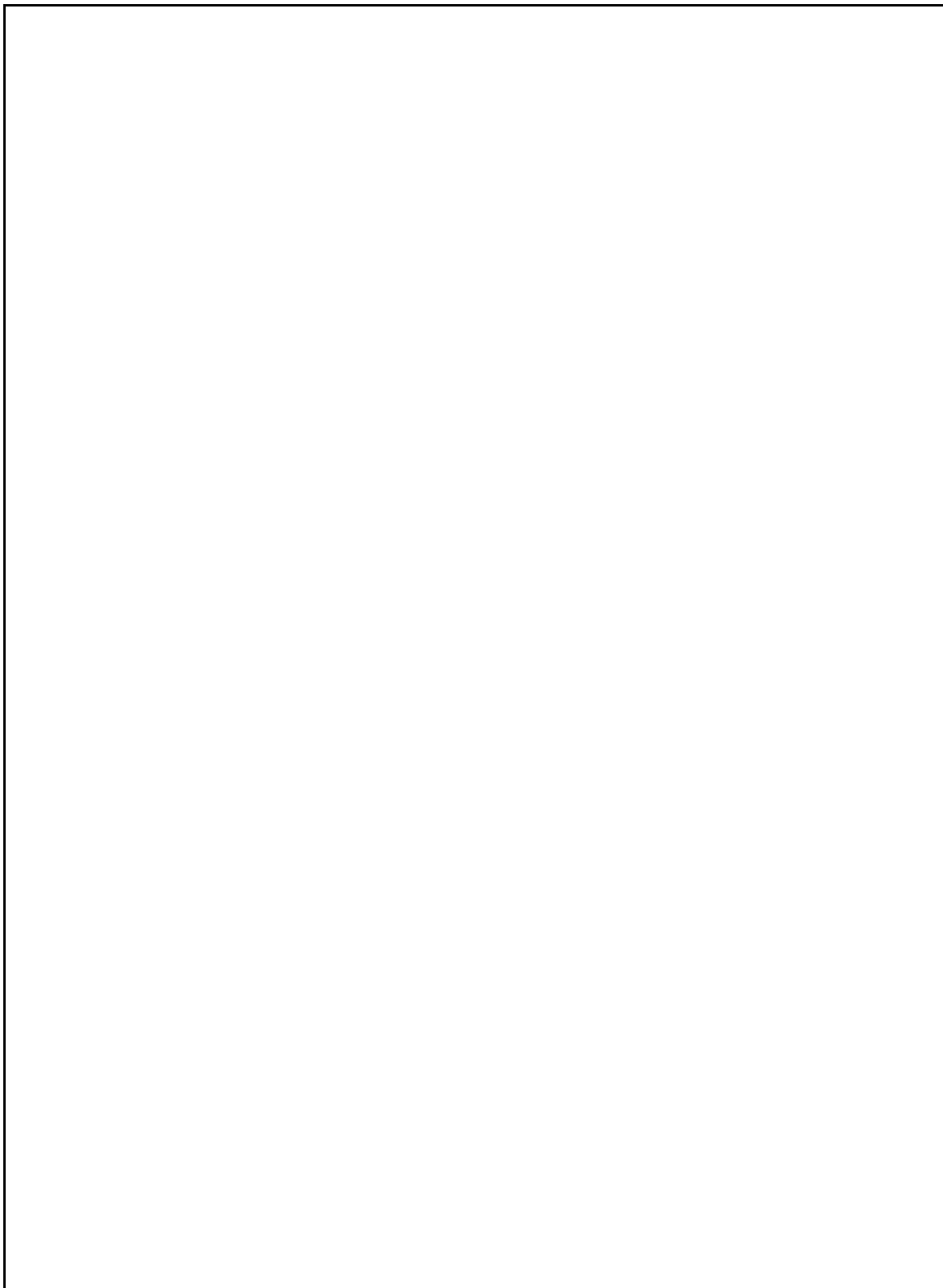
DP ID*.	Reg. Folio No.
Client ID*.	No. of Shares.

\* Applicable if shares are held in electronic form

Name and Address of Member

--

Signature of Shareholder/Proxy/  
Representative (Please Specify)





**SIBAR AUTO PARTS LIMITED**

CIN: L34201AP1983PLC003817

Registered Office: D4 &amp; D5, Industrial Estate, Renigunta Road, Tirupati, Andhra Pradesh-517506

 Website: [www.sibarauto.com](http://www.sibarauto.com); Email: sibarauto77@yahoo.com

**FORM NO. MGT-11**
**PROXY FORM**

(Section 105 (6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

CIN	L34201AP1983PLC003817
Name of the Company	Sibar Auto Parts Limited
Registered office	D4 & D5, Industrial Estate, Renigunta Road, Tirupati, Andhra Pradesh-517506
Name of the member(s)	
Registered Address	
Email Id	
Folio No / Client ID	DP ID:

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

1	Name	
	Address	
	E-mail Id	
	or failing him	Signature
2	Name	
	Address	
	E-mail Id	
	or failing him	Signature
3	Name	
	Address	
	E-mail Id	
	or failing him	Signature

as my/ our Proxy to attend and vote (on a poll) for me/ us and on my/ our behalf at the Thirty Sixth Annual General Meeting of the Company, to be held on Monday, the 30<sup>th</sup> day of September, 2019 at 03:30 P.M. at D4 & D5, Industrial Estate, Renigunta Road, Tirupati, Andhra Pradesh-517506 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No	Resolutions	For	Against
	<b>Ordinary Business:</b>		
1	To consider and adopt the Audited Financial Statements of the Company for the Financial Year 2018-2019 together with the Report of the Board of Directors and Auditors thereon.		
2	To appoint a Director in place of Shri. P Ravichandra (DIN: 00627413), who retires by rotation and being eligible, offers himself for re-appointment as Director.		
3	Appointment of Statutory Auditors of the Company		
	<b>Special Business:</b>		
4	To Consider and Approve the Re-Appointment of Shri. Pemmasani Veeranarayana (DIN: 00644259) as a Managing Director of the Company		
5	To Consider and Approve the Re-Appointment of Shri. Pemmasani Madhu Pratap (DIN: 00644254) as a Whole-Time Director of the Company		
6	To Consider and Approve the increase in remuneration of Shri. Pemmasani Ravichandra (DIN: 00627413) Whole-Time Director of the Company		
7	To Consider and Approve the Appointment of Shri. Narayana Yadla (DIN: 02596053) as an Independent Director of the Company:		
8	To Consider and Approve the Appointment of Shri. Rajesh Katragadda (DIN: 02727491) as an Independent Director of the Company		

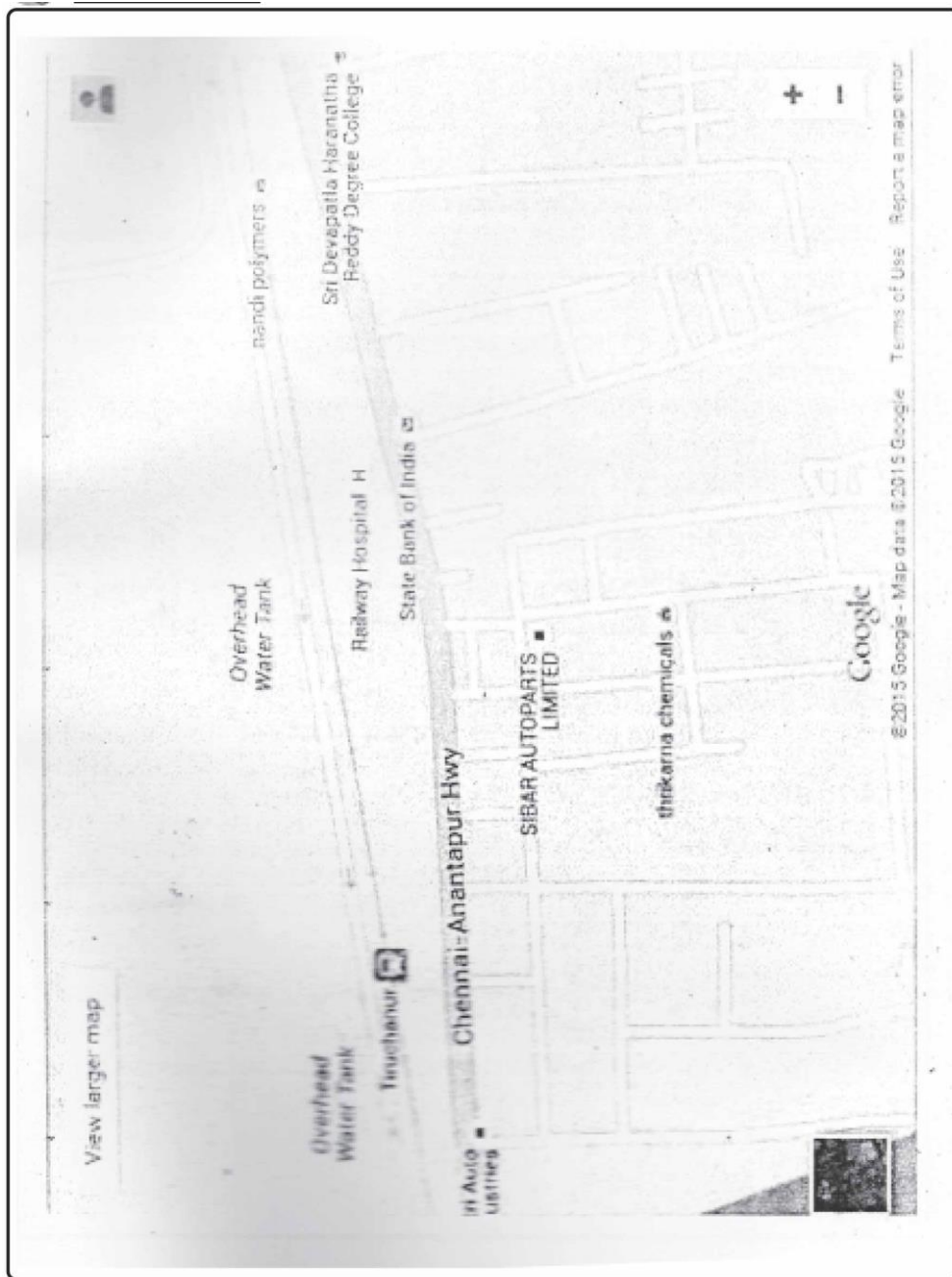
Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2019

Signature of Shareholder: \_\_\_\_\_

Signature of Proxy holder: \_\_\_\_\_

 Affix Revenue  
Stamp

**Note: 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.**



**ROUTE MAP**

**BOOK POST**

If Undelivered, Please return to :  
**SIBAR AUTOPARTS LIMITED**  
D-4 & D-5, Industrial Estate,  
Renigunta Road, TIRUPATI-517 506.  
Andhra Pradesh.  
Tel : (0877) 2271355 / 2271366

E-mail: [sibarauto77@yahoo.com](mailto:sibarauto77@yahoo.com)  
web: [www.sibarauto.com](http://www.sibarauto.com)