



ANNUAL REPORT 2014-15

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COMPANY INFORMATION

BOARD OF DIRECTORS

Rameshkumar Dhurlabjibhai Virani	Chairman And Managing Director
Shreyas Rameshbhai Virani	Whole-Time Director
IssacThomas Charianthomas Kavunkal	Independent Director
Aarti Chintan Sodha	Independent Director

KEY MANAGERIAL PERSONNEL

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

STATUTORY AUDITORS

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

SECRETARIAL AUDITOR

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

REGISTRARS & SHARE TRANSFER AGENT

Link Intime India Private Limited
303, Shoppers Plaza V,
Opp. Municipal Market,
Off: C.G. Road
Ahmedabad – 380 009

STOCK EXCHANGE DETAILS

BSE
Script Code: 538992
ISIN: INE002E01010

Ahmedabad Stock Exchange Ltd.
Vadodara Stock Exchange Ltd.
Pune Stock Exchange Ltd.

BANKERS

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

REGISTERED OFFICE

50-E, Bhaktinagar,
Inds. Estate, Rajkot
Ph: 0281- 2374726 Fax: +912812376806
Email: sapl@sarautoproducts.com
Website: www.sarautoproductsltd.com
CIN: L34100GJ1987PLC010088

NOTICE

Notice is hereby given that the **TWENTY EIGHT ANNUAL GENERAL MEETING OF SAR AUTO PRODUCTS LIMITED** will be held at the Registered Office of the Company at 50-E, Bhaktinagar, Inds. Estate, Rajkot. on Tuesday the 29th September, 2015 at 11:00 A.M. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider, approve and adopt the Audited Balance Sheet as on 31st March, 2015 and the Profit & Loss Account for the year ended on that date and the reports of the Directors' and the Auditors' there on.
2. To appoint a Director in place of Shri Rameshkumar Durlabhjibhai Virani, (DIN 00313236) who retires by rotation and being eligible, offers himself for re-appointment.
3. To ratify the appointment of Auditors and to fix their remuneration and in this regard to pass, with or without modification(s), the following resolution as an ORDINARY RESOLUTION:

"RESOLVED THAT pursuant to the provisions of section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 Arun M. Kothari (Membership No. 108669), Chartered Accountants, were appointed as the auditor of the company upto the AGM of the financial year 2016-17, whose appointment be and is hereby ratified at this meeting, at a remuneration as decided by the Board of Directors in consultation with the Auditors, plus applicable service tax and re-imburement of travelling and out of pocket expenses incurred by them for the purpose of audit."

SPECIAL BUSINESS:

4. To Consider and if though fit, to pass with or without modification(s), the following resolution as an Special Resolution

"Resolved that pursuant to provision of section 196 read with schedule V and other applicable provisions of Companies Act, 2013, if any and applicable rules, consent of the Members of the Company be and is accorded to Mr. Rameshbhai D. Virani who has attained the age of 70 years to continue to act as Managing Director of the Company till his term of 5(five) years expires on 28th September, 2017.

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE, INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEEDNOT TO BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING PROXY SHOULD HOWEVER BE DEPOSIT AT REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE COMMENCEMENT OF THE MEETING.

A Person can act as Proxy on behalf of Members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying Voting Rights. A Member holding more than ten percent of the total share capital of the company carrying Voting Rights may appoint a single person as Proxy for his/her entire shareholding and such person shall not act as a Proxy for another person or shareholder

2. Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board resolution to the Company, authorizing their representative to attend and vote on their behalf at the meeting
3. The relevant Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013 in respect of the special business under item no. 4 is annexed hereto. Brief profile of director to be appointed/re-appointed is attached as Annexure 01 to this report.
4. The Register of member and Share Transfer Book of the Company will remain closed from 23rd September, 2015 to 29th September, 2015 (Both days inclusive) in connection with the Annual General Meeting
5. To ensure correct identity each member and proxy holders attending meeting is expected to bring with him/her an appropriate ID document like Driving License, Passport, Voters card, etc.
6. The Members/Proxies are requested to produce the attendance slip duly completed and signed at the entrance of the meeting.
7. Shareholders are requested to bring their copies of Annual Report at the meeting.
8. Members who are holding shares in Physical form are requested to intimate any change in their address immediately to the Company's Registrar and Share Transfer Agent LINK INTIME INDIA PVT.LTD.,303, 3rd Floor, Shopper's Plaza-V, Opp. Municipal Market, Off. C.G. Road, Navrangpura, Ahmedabad-380 009, quoting their folio no. Further, please note that in case of members holding shares in demat form, any change(s) required in Address, Bank details, etc. are to be intimated to your DP and not to the Company or Registrar.
9. In terms of circular issued by the Securities and Exchange Board of India (SEBI), it is now mandatory to furnish a copy of Pan Card to the Company or its RTA in the following cases viz. Transfer of shares, deletion of name, transmission of share and transposition of shares. Shareholders are requested to furnish copy of Pan Card for all above mentioned transactions.
10. Members having any questions on accounts are requested to send their queries at least 10 days in advance to the Company at its registered office address to enable the Company to collect relevant information.
11. The Route Map of Venue is printed over here at the end of the Notice (attached herewith separately)
12. Voting through electronic means:

In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 28th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting service provided by CDSL:

- I. The voting period begins on 26th September, 2015 at 10:00 a.m. ends on 28th September, 2015 at 5:00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 23rd September, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

The instructions for members for voting electronically are as under:-

In case of members receiving e-mail:

- (i) Log on to e-voting website www.evotingindia.com
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the "SAR AUTO PRODUCTS LIMITEED" from the drop down menu and click on "SUBMIT" Now enter your user ID
 - a. For CDSL: 16 digit 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.
- (v) Next enter the image verification as displayed and click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric "PAN issued by Income Tax Department(Applicable for both demat share holders as well as physical shareholders)</p> <p>* Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field.</p> <p>• In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.</p>
DOB#	<p>Enter the Date of Birth as recorded in your demat account or in the company records for said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank Details#	<p>Enter the Dividend bank details as recorded in your demat account or in the company records for said demat Bank account or folio.</p> <p>• Please enter DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cutoff date in the Dividend Bank details field.</p>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant SAR AUTO PRODUCTS LIMITED on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTIONS DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or No as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTION FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "click here to print" option on the voting page.
- (xvii) If demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on "Forgot Password" & enter the details as prompted by the system.
- (xviii) Note for Institutional Shareholders and Custodians
 - Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporate.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Question ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com

- II. Mr. Kalpesh P. Rachchh of M/s. K. P.Rachchh & Co., Practicing Company Secretary (Membership no. FCS 5156) (Address: 317 Krishna Con Arch -2, Tagore Road, Rajkot 360 002, Gujarat) has been appointed as the Scrutinizer to scrutinize the e-voting process) in a fair and transparent manner.
- III. The Scrutinizer shall within a period of not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favor or against, if any, forthwith to the Chairman of the Company.
- IV. The Result shall be declared at the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website and on the website of CDSL within two (2) days of passing of the resolutions at the AGM of the Company and communicate to the Stock Exchange.

Explanatory Statement pursuant to section 102 of the Companies Act, 2013

Item No. 4

Pursuant to provision of section 196 read with schedule V, approval of Members is required for continuing/appointing Managing Director who has attained age of 70 years by way of passing of Special Resolution.

Mr. Rameshbhai D. Virani is appointed as Managing Director of the Company w.e.f 29th September, 2012 to 28th September, 2017 for a period of 5 years. During this tenure of 5 years, Mr. Rameshbhai Virani has attained the age of 70 years. He is serving on Board as Managing Director since many years and his experience and knowledge would be of immense benefit to the Company and thus Board proposes the resolution as Special Resolution for the approval by the Shareholders of the Company.

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

Place: Rajkot

By Order of the Board of
Sar Auto Products Ltd.

Date : 31st July, 2015

Rameshkumar D. Virani
Chairman - Managing Director
(DIN: 00313236)

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Pursuant to Clause 49 of Listing Agreement, a Management Discussion & Analysis report is given below:-

OVERALL REVIEW

In this year there is decrease in Production. In this year there is Production of 43156 (nos.) parts as compared to last year production of 57337 (nos.) auto parts components. In terms of Turnover the company has achieved the net turnover of Rs. 2,21,23,632/-. The overall Review highlighted below:

Particulars	Year:2014-2015	Year:2013-2014	%wiseUp/Down
Export Sales	11494118.00	13250666.00	-13.26%
Domestic Sales	10629514.00	7483399.00	42.04%
Total Sales	22123632.00	20734065.00	6.70%
Other Income	4975611.00	7321472.00	-32.04%
Earnings Per Share	-6.69	0.25	

OUTLOOK ON OPPORTUNITIES, THREATS, RISK AND CONCERN:

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

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

Your Company regularly monitors the various risks associated with its business. The Company is identifying, minimizing and mitigating the risks and the same are reviewed periodically.

The Risk i.e. Changes in Government Policies, Fluctuation in Foreign Exchange Rates, Prices of Raw materials, Competition, Manpower, identified. The Company is trying to overcome/minimize it by taking certain steps, which are in hand of company.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

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

FINANCIAL PERFORMANCE

As stated earlier, the Company has started its commercial production and achieved the Net turnover of Rs. 22,123,632/- in the Financial year 2014-2015. This year company has incurred Loss of Rs. 318.94 Lacs . Loss is due to change in depreciation system and Bad Debt written off.

EXPORTS

Export turnover of the Company Decreased compare to last year.

HUMAN RESOURCE AND DEVELOPMENT

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

CORPORATE SOCIAL RESPONSIBILITY

Your Company is committed to conduct its business in a socially responsible, ethical and environmental friendly manner and to continuously work towards improving quality of life of the communities in its operational areas. The Company has a duly constituted CSR Committee, which is responsible for fulfilling the CSR objectives of the Company. However in this year as company has incurred loss, it is not possible for company to carry out any CSR Activities but your company understands the value of CSR and definitely will work for the betterment of Society

CAUTIONARY STATEMENT:

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

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

Place: Rajkot

Date : 31st July, 2015

For and on behalf of
Sar Auto Products Ltd.

Rameshkumar D. Virani
Chairman - Managing Director
(DIN: 00313236)

REPORT ON CORPORATE GOVERNANCE

As required under clause 49 of the Listing Agreement, a Separate Report on Corporate Governance is given below for the financial year ended 31st March, 2015 along with certificate of auditors of the Company.

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Corporate Governance is very important to built confidence and trust which leads to strong, stable and long term partnership with the Investors and all other Stakeholders. The detailed Report on implementation of Corporate Governance Code as incorporated in Clause 49 of the Listing Agreement with the Stock Exchange/s is set out below.

2. BOARD OF DIRECTORS:

(I) Composition of Board:

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

(II) Attendance of each Director at the Board Meetings held during the year 2014-15 and Annual General Meeting :-

No.	Name of Director	Category	No. of Board Meeting Attended	Attendance at Last AGM
1	Shri Rameshbhai Virani	NI- E	6	Yes
2.	Shri Shreyas Virani	NI-E	6	Yes
3	Shri IssacThomas C. Kavunkal	IND-NE	6	Yes
4.	*Smt. Aarti Chintan Sodha	IND-NE	3	Yes

* Appointed w.e.f 12-09-2014

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

(III) No. of other Companies or Committees the Director is Director/Chairman

No.	Name of Director	No. of other Directorship	No. of Committees in which Member	Chairmanship At the Committee
1	Shri Ramesh Virani	Nil	4	1
2	Shri Shreyas Virani	Nil	4	1
3	Shri IssacThomas C. Kavunkal	Nil	5	3
4	*Smt. Aarti Chintan Sodha	Nil	2	--

* Appointed w.e.f 12-09-2014

As per Section 165 (1) of the Companies Act, 2013, none of the directors can hold directorship in more than 10 public companies and as per Clause 49 of Listing Agreement, a director shall not be a member in more than 10 committees or act as Chairman of more than 5 committees across all companies in which he is director. The Directors of the Company are in compliance with the requirements.

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

Six(6) Board Meetings were held during the financial year 2014-2015 on following dates:

29-04-2014, 31-07-2014, 12-09-2014, 31-10-2014, 17-01-2015 and 25-03-2015

3. AUDIT COMMITTEE:

As a measure of good corporate governance and to provide assistance to the Board of Directors in overseeing the Boards responsibilities, your company has constituted an Audit Committee pursuant to provision of section 177 of the Companies Act, 2013 and clause 49 of the Listing Agreement

(I) COMPOSITION OF COMMITTEE:

Audit Committee consist of the following Members

Shri IssacThomas C. Kavunkal- Chairman - Non Executive Independent Director

Smt. Aarti C. Sodha- Member- Non Executive Independent Director

Shri Shreyas R. Virani - Member of the Committee- Executive Director

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

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

Vigil Mechanism

Company has also established vigil mechanism for directors and employees to report their genuine concern or grievance and the audit committee shall oversee the vigil mechanism. The Vigil mechanism will provide adequate safeguards against victimization of employees and directors who avail of the vigil mechanism

Whistle Blower Policy

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

(II) MEETINGS AND ATTENDANCE DURING THE YEAR:

Four Meetings of Audit Committee were held during financial year 2014-2015, and all members were present at the meetings Except Mrs. Aarti Sodha as appointed w.e.f 12-09-2014 and thus she has attended 2 Meeting.

4. NOMINATION AND REMUNERATION COMMITTEE

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

(I) COMPOSITION OF COMMITTEE:

The Committee comprises the following Directors as members

1. Shri Issac Thomas C. Kavunkal - Chairman
2. Smt. Aarti C. Sodha- Member
2. Rameshkumar Durlabhjibhai Virani – Member

(II) BRIEF DESCRIPTION OF THE TERMS OF REFERENCE

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

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

Details of remuneration paid:

1. Shri Shreyas R. Virani, Whole-Time Director was paid Rs. 10,55,964 as Managerial remuneration during the year 2014-15.
2. Shri Rameshbhai D. Virani, Managing Director was paid Rs. 11,61,552 as Managerial remuneration during the year 2014-15.

NOMINATION & REMUNERATION POLICY is attached with this report as Annexure 02.

One meeting of the Remuneration Committee was held during the financial year and all the members were present

5. STAKEHOLDERS RELATIONSHIP COMMITTEE:

Pursuant to provision of Section 178 of the Companies Act, 2013, your Company had constituted Stakeholders Relationship Committee.

(I) COMPOSITION OF COMMITTEE:

The Committee comprises the following Directors as members

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

During the year 2014-15, one (1) Committee meeting was held and all members have attended the meeting.

(II). BRIEF DESCRIPTION OF THE TERMS OF REFERENCE

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

(III). NAME AND DESIGNATION OF THE COMPLIANCE OFFICER

Mr. Ronak M. Khanvani

Company Secretary & Compliance Officer of the Company

6. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:

In accordance with the provisions of section 135 of the Companies Act, 2013 your company have already constituted Corporate Social Responsibility (CSR) Committee to perform social duty through welfare of the society at large

I. COMPOSITION OF THE COMMITTEE

The Committee comprises the following Directors as members

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

II. BRIEF DESCRIPTION OF THE TERMS OF REFERENCE

- (a) Formulate and recommend to the board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII.
 - (b) Recommend the amount of expenditure to be incurred on the activities referred to in Clause (a) and
 - (c) Monitor the Corporate Social Responsibility policy of the Company from time to time.
- During the year 2014-15 the Committee met one time and all the members have attended the meeting.

7. RISK MANAGEMENT COMMITTEE

I. COMPOSITION OF THE COMMITTEE

Risk Management Committee comprised of the following members:

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

(II). BRIEF DESCRIPTION OF THE TERMS OF REFERENCE

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

- During the year 2014-15 the Committee met one time and all the members have attended the meeting.

8. GENERAL BODY MEETING:

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

Financial Year	Location	Date	Day	Time
2011-2012	50 E, Bhaktinagar Industrial Estate, Rajkot – 360 002	29 th September, 2012	Saturday	11.00 A.M.
2012-2013	50 E, Bhaktinagar Industrial Estate, Rajkot – 360 002	30 th September, 2013	Monday	11.00 A.M.
2013-14	50 E, Bhaktinagar Industrial Estate, Rajkot – 360 002	30 th September, 2014	Tuesday	11.00 A.M.

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

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

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

9. DISCLOSURES:

- (I) No transaction of material nature has been entered into by the Company with its promoters, directors, relatives or management of the Company that may have potential conflict with the interests of Company.
- (II) The Company has complied with the requirement of statutory/ regulatory authorities on capital market and no penalties/strictures have been imposed on the Company by SEBI or Stock Exchanges during the last three financial year.
- (III) The Company has adopted a Whistle Blower Policy and has established the necessary mechanism pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges for employees to report concerns about unethical behaviour. No personnel have been denied access to the Ethics Counsellor/Chairman of the Audit Committee.
- (IV) The Company also has laid down the Code of Conduct to maintain highest standard of ethics and values for the Directors, senior management and all the employees. The said code is placed on the website of the company.
- (V) The Company follows Accounting Standards issued by the Institute of Chartered Accountants of India and in the preparation of Financial Statements, the Company has not adopted a treatment different from that prescribed in any Accounting Standard.

10. MEANS OF COMMUNICATIONS

- (i) In compliance with the requirements of the Listing Agreement, the Company is regularly intimates Un-audited / Audited financial Results to the Stock Exchange/s immediately after they are taken on record by the Board of Directors. These Financial Results are normally published in 'Economic Times' in Gujarati and in English.
- (ii) During the year ended on 31st March, 2015, no presentation was made to Institutional Investors or analyst or any other enterprise.
- (iii) Management Discussion and Analysis form part of this Annual Report

10. GENERAL SHAREHOLDERS INFORMATION:

I. ANNUAL GENERAL MEETING:

Date : 29th September, 2015

Time : 11.00 A. M.

Day : Tuesday

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

II. FINANCIAL CALENDAR:

Results for Quarter: (Tentative)

1st Quarter Results : End- July, 2015.

Half-yearly Results : End-October, 2015.

3rd Quarter Results : End-January, 2016

Audited yearly Results : End-May, 2016.

III. DATE OF BOOK CLOSURE : 23rd September, 2015 to 29th September, 2015 (Both Days Inclusive)

IV. LISTING ON STOCK EXCHANGES:

1. Ahmedabad Stock Exchange Ltd. Code: 51865 Kamdheni Complex, Opp: Sahjanand College, Panjarapole Ahmedabad- 380 015	2. Vadodara Stock Exchange Ltd. Fortune Tower, 3rd Floor, Sayajigunj, Vadodara - 390 005	3. Pune Stock Exchange Ltd. "Shivleela Chambers" 752, Sadashiv Peth, R. B. Kumthekar Marg, Pune - 411 030	4. Bombay Stock Exchange Security Code: 538992 PhirozeJeejibhoy Tower Dalal Street, Mumbai-400001
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We are pleased to inform you that during the year your company has listed with Bombay Stock Exchange w.e.f. March, 2015

V. DEMAT INTERNATIONAL SECURITIES IDENTIFICATION NUMBER (ISIN) IN NSDL AND CDSL FOR EQUITY SHARES: INE002E01010

VI. DEMATERIALISATION OF SECURITIES:

Total 46,33,640 shares i.e. 97.25 % of the Company's Equity Share Capital are dematerialised as on 31st March, 2015, by the members of the Company through CDSL and NSDL.

VII. SHARE TRANSFER SYSTEM:

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

VIII. REGISTRAR & TRANSFER AGENT:

Link Intime India Private Limited
303, Shoppers Plaza V,
Opp. Municipal Market,
Off: C.G. Road
Ahmedabad - 380 009.
Phone /Fax No.: 079 - 26465179.
Email : ahmedabad@linktime.co.in

IX. ADDRESS FOR COMMUNICATION:

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

X. PLANT LOCATIONS:

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

XI. Distribution of Shareholding as on 31st March, 2015:

No. of Equity Shares held	No. of Shareholders	% of Share holders	No. of Shares held	% of share holding
Upto 500	480	94.12%	16615	0.35
501 to 1000	12	2.35%	11090	0.23
1001 to 2000	3	0.59%	5800	0.12
2001 to 3000	1	0.19%	2900	0.06
10001 to *****	14	2.75%	4728335	99.24
Grand Total	510	100.00	4764740	100.00

XII. SHAREHOLDING PATTERN AS ON 31ST MARCH, 2015.

SR. NO.	CATEGORY	NO. OF SHARES HELD	PERCENTAGE OF SHAREHOLDING
1	Indian Public	972617	20.41
2	NRIs/ OCBs	-	-
3	Mutual Funds and UTI	-	-
4	Bank, Financial Institutions, Insurance Companies, (Central/ Institutions)	228000	4.79
5.	Private Corporate Bodies	1000	0.02
6.	Indian Promoters	3563123	74.78
	TOTAL	4764740	100.00

As required by Clause 49 of the listing agreement with the stock exchange/s, CEO/CFO Certification and the Auditors' Certificate is given as Annexures to this report.

DECLARATION BY CEO UNDER CLAUSE 49 OF THE LISTING AGREEMENT REGARDING ADHERENCE TO THE CODE OF CONDUCT:

In accordance with Clause 49 Sub-Clause 1(D) of the Listing Agreement with the Stock Exchange, I hereby confirm that, all Board Members i.e. Directors and the Senior Management Personnel of the Company have affirmed compliance to their respective Codes of Conduct, as applicable to them for the financial year ended on 31st March, 2015.

Place: Rajkot

For and on behalf of
Sar Auto Products Ltd.

Date : 31st July, 2015

Rameshkumar D. Virani
Chairman - Managing Director
(DIN: 00313236)

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

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

- (a) We have reviewed the financial statements and the cash Flow Statement for the year and that to the best of our knowledge and belief:
 - (i) These statement do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading:
 - (ii) These statement together present a true and fair view of the Company affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violate of the Company's Code of Conduct.
- (c) We are responsible for establishing and maintaining internal controls for financial reporting in the Company and we have evaluated the effectiveness of the internal control system of the Company pertaining to financial reporting. We have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the audit Committee:
 - (i) Significant changes in internal controls over financial reporting during the year.
 - (ii) Significant changes in accounting polices during the year and the same have been disclosed in the notes to the financial statements and
 - (iii) Instance of Significant fraud of which we have become aware and the involvement therein, if any, of the Management or an employee having a significant role in the Company internal control system.
- (e) We affirm that we have not denied any personal access to the Audit committee of the Company (in respect of matters involving alleged misconduct, if any,)
- (f) We further declare that all Board Members and Senior Management have affirmed compliance with the Code of Conduct for the current year.

For and on behalf of
SAR AUTO PRODUCTS LIMITED

Shri RameshKumar D. Virani
Managing Director
(DIN: 00313236)

Shri Shreyas R. Virani
Whole-Time Director
(DIN: 00465240)

Place : Rajkot
Date : 31-07-2015

**AUDITORS' CERTIFICATE ON CLAUSE 49
COMPLIANCE – CORPORATE GOVERNANCE**

To,
The Members of
SAR AUTO PRODUCTS LIMITED
Rajkot.

We have reviewed the records concerning the Company's compliance of condition of corporate governance as stipulated in Clause 49 of the Listing Agreement entered into by the Company, with the Stock Exchanges in India, for the financial year ended 31st March, 2015.

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

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

Based on such review, and to the best of our information and explanation given to us, in our opinion, the company has complied with conditions of corporate governance as stipulated in clause 49 of the said listing agreement.

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

PLACE: Ahmedabad
Date :11-05-2015

For, Arun M. Kothari
Chartered Accountants

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

BOARD'S REPORT

To
The Members,

Your Directors have pleasure in presenting the 28th Annual Report of the company together with the Audited Financial Accounts for the year ended 31st March, 2015.

FINANCIAL HIGHLIGHTS

	(Amt.In Rupees in Lacs)	
Financial Results	2014-15	2013-14
Income from operations	221.23	207.34
Add : Other Income	49.76	73.21
Total Income	270.99	280.55
Less : Total Expenditure	495.98	212.86
Profit/(Loss) before Depreciation write off and Interest and taxes	(224.99)	67.69
Less: Interest	7.58	1.84
Less: Depreciation & Amortization Expense	104.35	54.57
Profit / (Loss) before tax	(336.92)	11.28
Less: Provision for tax:		
Current Tax	0	2.20
Prior Period Taxes		(0.0011)
Deferred Tax Assets	(17.98)	(0.79)
MAT Credit Entitlement	0	(2.15)
Profit/(Loss) after tax	(318.94)	12.02

REVIEW OF BUSINESS OPERATION AND FUTURE PROSPECTS:

During the year the Company has made Net turnover of Rs. 221.23 Lacs/- in comparison to previous year of Rs. 207.34 Lacs i.e increased by 6.70% and the company has incurred loss of Rs. 3,18.94 Lacs /- in comparison to Profit after tax of previous year of Rs. 12.02 Lacs/- Company has incurred loss due to change in depreciation system and Bad Debt written off.

DIVIDEND

As the Company has incurred loss during the year, your Directors do not recommend any dividend.

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

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

TRANSFER TO RESERVES

Company has not transferred any amount of Reserves

DEPOSITS

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

PARTICULARS OF CONTRACT OR ARRANGEMENTS MADE WITH RELATED PARTIES

Particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013, in the prescribed Form AOC-2, is appended as Annexure 03 to the Board's report

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

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

INTERNAL FINANCIAL CONTROLS

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

INSURANCE

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

SEGMENT REPORTING

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

INDUSTRIAL RELATIONS & HUMAN RESOURCES:

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

PARTICULARS OF EMPLOYEES

Disclosures pertaining to remuneration and other details as required under Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in the Annual Report. In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules is not applicable to the Company as the Company have no such Employees who were drawing remuneration in excess of the limits prescribed. Particulars of Employees are attached with this report as Annexure 04.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management discussion and analysis report for the year under review, as stipulated under clause 49 of the Listing Agreement, is presented in separate section and forms part of the Annual Report

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE is a system of rules, practices and processes by which a company is directed and controlled. Corporate governance essentially involves balancing the interests of the many stakeholders in a company - these include its shareholders, management, customers, suppliers, financiers, government and the community and considering the importance of Corporate Governance, your Company is committed to maintaining the highest standards of corporate governance and adheres to the corporate governance requirement set out by SEBI. All conditions of corporate governance as required under clause 49 of the listing agreements with stock exchanges have been complied with and duly audited. A certificate from the statutory auditors of the company regarding compliance of conditions of corporate governance has been obtained and is enclosed to the report of corporate governance

CEO CERTIFICATION

Pursuant to the provisions of clause 49 of the Listing Agreement, the CEO Certification for preparation of financial statements etc. is annexed in this report.

NUMBER OF MEETINGS OF THE BOARD

The Board has met Six(6) times during the financial year, the details of which are given in the Corporate Governance Report and forms part of Annual Report.

DIRECTORS

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

Mrs. Aarti C. Sodha appointed as Independent Women director on the Board of the Company w.e.f 12th September, 2014

DECLARATION BY INDEPENDENT DIRECTORS

The Company has received necessary Declaration from each Independent Director under section 149(7) of the Companies Act, 2013 that he/she meets with the criteria of Independence laid down in Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The Company's Policy relating to appointment of Directors, payment of Managerial remuneration, Directors' qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013 is furnished in Corporate Governance Report which forms part of this report as Annexure 02. Further, information about directors' sitting fees has also explained in the same report.

BOARD EVALUATION

As per Companies Act, 2013 Board has made annual evaluation of its own performance and also of its committees and Individual Directors. The evaluation of all the directors and the Board as a whole was conducted based on the criteria and framework adopted by the Board. Policy describing the manner of Evaluation is furnished in Corporate Governance Report which forms part of this report as Annexure 02.

COMMITTEES OF THE BOARD

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

- **AUDIT COMMITTEE:**

The Company has an adequately qualified Audit Committee constituted in accordance with the provisions of Section 177 of the Companies Act, 2013 and clause 49 of the listing agreement. The details of composition of Committee and other relevant details is given in the Corporate Governance Report which forms part of this Annual Report.

- **NOMINATION AND REMUNERATION COMMITTEE:**

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

- **STAKEHOLDERS RELATONSHIP COMMITTEE:**

To consider and resolve the Grievances of Stakeholders, the Company has framed Stakeholders Relationship Committee in accordance with the provision of section 178 of the Companies Act, 2013 and the details of composition of Committee and other relevant details is given in the Corporate Governance Report which forms part of this Annual Report.

- **CORPORATE SOCIAL RESOPONSIBILIY COMMITTEE:**

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

- **RISK MANAGEMENT COMMITTEE**

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

DIRECTORS RESPONSIBILITY STATEMENT

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

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

- (e) The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

AUDITORS AND AUDITORS' REPORT

STATUTORY AUDITORS

Pursuant to provision of section 139 of the Companies Act, 2013, Arun M. Kothari, Chartered Accountants (Membership No. 108669), Statutory Auditors of the Company have been appointed to hold office till the conclusion of Annual General Meeting of the Financial year 2016-17, subject to ratification by the Members at the ensuing Annual General Meeting and Arun M. Kothari, being eligible offers their services to continue to act as a Auditors of the Company.

STATUTORY AUDITORS' REPORT

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

SECRETARIAL AUDITOR

Pursuant to Provision of section 204(1) of the Companies Act, 2013, the Board has appointed M/s. K. P. Rachchh & Co., Practicing Company Secretary, to conduct Secretarial Audit for the financial year 2014-15.

SECRETARIAL AUDITORS' REPORT

The Secretarial Audit Report for the financial year ended March 31, 2015 is annexed herewith to this Report. The qualifications put up in the Secretarial Audit Report are self explanatory. Secretarial Auditors' Report in the prescribed format i.e. MR-3 is attached in this report as Annexure 05

EXTRACT OF ANNUAL RETURN

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

CORPORATE SOCIAL RESPONSIBILITY

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

However in this year as company has incurred loss, it is not possible for company to carry out any CSR Activities but your company understands the value of CSR and definitely will work for the betterment of Society.

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

The information pertaining to conservation of energy, technology absorption, Foreign exchange Earnings and outgo as required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished in Annexure 07 attached to this report.

WHISTLE BLOWER POLICY (VIGIL MECHANISM)

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

ACKNOWLEDGMENT:

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

Place: Rajkot

For and on behalf of,
Sar Auto Products Ltd.

Date : 31st July, 2015

Rameshkumar D. Virani
Chairman - Managing Director
(DIN: 00313236)

ANNEXURE -01

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

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

NOMINATION AND REMUNERATION POLICY

1. Introduction

The Company considers human resources as its invaluable assets. This policy on nomination and remuneration of Directors, Key Managerial Personnel (KMPS) and other employees has been formulated in terms of the provisions of the Companies Act, 2013 and the listing agreement in order to pay equitable remuneration to the Directors, KMPs and employees of the Company and to harmonise the aspirations of human resources consistent with the goals of the Company.

2. Objective and purpose of the policy

The objectives and purpose of this policy are:

2.1 To formulate the criteria for determining qualifications, competencies, positive attributes and independence for appointment of a Director (Executive / Non-Executive) and recommend to the Board policies relating to the remuneration of the Directors, Key Managerial Personnel and other employees.

2.2 The policy also addresses the following items: Committee member qualifications; Committee member appointment and removal; Committee structure and operations; and Committee reporting to the Board.

2.3 To formulate the criteria for evaluation of performance of all the Directors on the Board;

2.4 To devise a policy on Board diversity; and

2.5 To lay out remuneration principles for employees linked to their effort, performance and achievement relating to the Company's goals. _ '

3. Constitution of the Nomination and Remuneration Committee

The Board has constituted the "Nomination and Remuneration Committee" of the Board on The Board has authority to reconstitute this Committee from time to time.

Definitions

'Board' means Board of Directors of the Company.

'Directors' means Directors of the Company.

'Committee' means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board, in accordance with the Act and applicable listing agreements and/or regulations.

'Company' means Sar Auto Products Limited.

'Independent Director' means a Director referred to in Section 149(6) of the Companies Act, 2013 and rules.

'Key Managerial Personnel (KMP)' means-

- i) the Managing Director or the Chief Executive Officer or the manager and in their absence, a Whole-time Director;
- ii) the Company Secretary; and
- iii) the Chief Financial Officer

Senior Management means personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the Executive Directors, including the functional heads.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 and Listing Agreement as may be amended from time to time shall have the meaning respectively assigned to them therein.

General

This Policy is described as follows.

(A) Matters to be dealt with, perused and recommended to the Board by the Nomination and Remuneration Committee

The following matters shall be dealt by the Committee:-

(a) Size and composition of the Board:

Periodically reviewing the size and composition of the Board to ensure that it is structured to make appropriate decisions, with a variety of perspectives and skills, in the best interests of the Company as a whole;

(b) Directors:

Formulate the criteria determining qualifications, positive attributes and independence of a Director and recommending candidates to the Board, when circumstances warrant the appointment of a new Director, having regard to the range of skills, experience and expertise, on the Board and who will best complement the Board;

(c) Succession plans:

Establishing and reviewing Board and senior executive succession plans in order to ensure and maintain an appropriate balance of skills, experience and expertise on the Board and Senior Management;

(d) Evaluation of performance:

Make recommendations to the Board on appropriate performance criteria for the Directors. Formulate the criteria and framework for evaluation of performance of every Director on the Board of the Company. Identify ongoing training and education programs for the Board to ensure that Non-Executive Directors are provided with adequate information regarding the options of the business, the industry and their legal responsibilities and duties.

(e) Board diversity:

The Committee is to assist the Board in ensuring Board nomination process with the diversity of gender, thought, experience, knowledge and perspective in the Board, in accordance with the Board Diversity policy.

(f) Remuneration framework and policies:

The Committee is responsible for reviewing and making recommendations to the Board on:

- (a) the remuneration of the Managing Director, Whole-time Directors and KMPS
- (b) the total level of remuneration of Non-Executive Directors and for individual remuneration for Non-Executive Directors and the Chairman, including any additional fees payable for membership of Board committees;
- (c) the remuneration policies for all employees including KMPS, senior management and other employees including base pay, incentive payments, equity awards, retirement rights having regard to the need to
 - (i) Attract and motivate talent to pursue the Company's long term growth; _

- (ii) Demonstrate a clear relationship between executive compensation and performance; and
 - (iii) Be reasonable and fair, having regard to best governance practices and legal requirements.
- (d) the Company's equity based incentive schemes including a consideration of performance thresholds and regulatory and market requirements;
 - (e) the Company's superannuation arrangements and compliance with relevant laws and regulations in relation to superannuation arrangements; and
 - (f) the Company's remuneration reporting in the financial statements and remuneration report.

(B) Policy for appointment and removal of Director, KMPs and Senior Management

Appointment criteria and qualifications

1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or senior management level and recommend to the Board his/her appointment.
2. A person to be appointed as Director, KMP or senior management level should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient/satisfactory for the concerned position.
3. A person, to be appointed as Director, should possess impeccable reputation for integrity, deep expertise and insights in sectors / areas relevant to the Company, ability to contribute to the Company's growth, complementary skills in relation to the other Board members.
4. The Company shall not appoint or continue the employment of any person as Managing Director/Executive Director who has attained the age of seventy years and shall not appoint Independent Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended at the discretion of the committee beyond the age of sixty years/seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond sixty years/Seventy years as the case may be.
5. A whole-time KMP of the Company shall not hold office in more than one company except in its subsidiary company at the same time. However, a whole-time KMP can be appointed as a Director in any company, with the permission of the Board of Directors of the Company.

Term / Tenure

1. Managing Director/ Whole-time Director

The Company shall appoint or re-appoint any person as its Managing Director and CEO or Whole-time Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

2. Independent Director

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms, but such Independent

Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either

directly or indirectly. However, if a person who has already served as an Independent Director for five years or more in the Company as on April 1, 2014 or such other date as may be determined by the Committee as per regulatory requirement, he/ she shall be eligible for appointment for one more term of Five years only.

At the time of appointment of Independent Director, it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time(Executive) Director of a listed company.

3. Removal

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director or KMP subject to the provisions and compliance of the said Act, rules and regulations.

4. Retirement

The Whole-time Directors, KMP and senior management personnel shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Whole-time Directors, KMP and senior management personnel in the same position/ remuneration or otherwise, even after attaining the retirement age, for the benefit of the Company.

(C) Policy relating to the remuneration for Directors, KMPs and other employees

General

1. The remuneration / compensation / commission etc. to Directors will be determined by the Committee and recommended to the Board for approval.

2. The remuneration and commission to be paid to the Managing Director shall be in accordance with the provisions of the Companies Act, 2013, and the rules made thereunder.

3. Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the limits approved by the Shareholders in the case of Managing Director.

4. Where any insurance is taken by the Company on behalf of its Managing Director, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

Remuneration to KMPs and other employees

The policy on remuneration for KMPs and other employees is as below:-

1. Fixed pay

The remuneration and reward structure for employees comprises two broad components – annual remuneration and long-term rewards. The Committee would determine the remuneration of the Directors and long-term rewards. The Committee would determine the remuneration of the Directors and formulate guidelines for remuneration payable to the employees.

These guidelines are as under:

a) Annual remuneration

Annual remuneration refers to the annual compensation payable to the employees of the Company. This comprises two parts - a fixed component, and a performance-linked variable component based on the extent of achievement of the individual's objectives and performance of the business unit. Every employee is required to sign a performance contract which clearly articulates the key performance measures for that particular defined role. The performance-

linked variable pay will be directly linked to the performance on individual components of the performance contract and the overall performance of the business. An employee's variable pay would, therefore, be directly dependent on key performance measures that represent the best interests of shareholders.

The objective is to set the total remuneration at levels to attract, motivate, and retain high-caliber, and high potential personnel in a competitive global market. The total remuneration level is to be reset annually based on a comparison with the relevant peer group globally, established through independent compensation surveys, from time to time.

b) Long-term rewards

Long-term rewards may include Long-Term Incentive Plans (LTIP) under which incentives would be granted to eligible key employees based on their contribution to the performance of the Company, relative position in the organization, and length of service under the supervision and approval of the Committee. The company could implement various long term awards schemes that could include Long Term Incentive Programme (LTIP) spread over several years with payouts in multiple tranches linked to Company's performance. Another form of long term awards could be in the nature of stock options of the company. Stock Options may be granted to key employees and high performers in the organization who would be selected by the Committee based on their criticality, past performance and potential. The grant, vesting and other scheme details would be formulated from time to time. These long-term reward schemes are implemented to attract and retain key talent in the industry.

2. Minimum remuneration to Managing Director

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managing Director in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the previous approval of the Central Government.

Remuneration to Non-Executive / Independent Directors

1. Remuneration

The remuneration payable to each Non-Executive Director is based on the remuneration structure as determined by the Board, and is revised from time to time, depending on individual contribution, the Company's performance, and the provisions of the Companies Act, 2013 and the rules made thereunder.

The remuneration to the Non-executive Directors (including Independent Directors) may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

2. Stock options

The Independent Directors shall not be entitled to any stock option of the Company.

Policy review

This policy is framed based on the provisions of the Companies Act, 2013 and rules thereunder and the requirements of the clause 49 of the Equity Listing Agreement with the Stock Exchanges.

In case of any subsequent changes in the provisions of the Companies Act, 2013 or any other regulations which makes any of the provisions in the policy inconsistent with the Act or regulations, then the provisions of the Act or regulations would prevail over the policy and the provisions in the policy would be modified in due course to make it consistent with law.

This policy shall be reviewed by the Nomination and Remuneration Committee as and when any changes are to be incorporated in the policy due to change in regulations or as may be felt appropriate by the Committee. Any changes or modification on the policy as recommended by the Committee would be given for approval of the Board of Directors.

ANNEXURE -03**Form No. AOC-2**

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

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

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

Sr. No.	Name(s) of the related party	Nature of Relationship	Nature of Contracts/arrangements/transactions	Amount
1	Rameshbhai D. Virani	KMP	Directors Salary & Perks	1161552
			Advance for Lease Recoverd	15000000
			Loan Accepted	460000
			Loan Repaid	2400000
2	Shreyasbhai R. Virani	KMP	Directors Salary & Perks	1055964
			Advances Recoverd	32950000
			Advance for Lease Recoverd	15000000
			Loan Accepted	17150000
			Loan Repaid	17150000
3	Rajeshreeben R. Virani	Relatives of KMP	Advance for Lease Recoverd	5000000
4	Urviben S. Virani	Relatives of KMP	Advance for Lease Recoverd	5000000
5	Shree S. V. Virani & Shree K. V. Smark Trust		Advance for Sale of Property	56600000
			Advance Repaid	56600000

Note: Date of approval by the Board for aforesaid transactions is 29-04-2014

Place: Rajkot

For and on behalf of
Sar Auto Products Ltd.

Date : 31st July, 2015

Rameshkumar D. Virani
Chairman - Managing Director
(DIN: 00313236)

ANNEXURE -04**PARTICULARS OF EMPLOYEES/REMUNERATION**

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

- (a) The ratio of remuneration of each director to the median remuneration of employees for

the financial year; (total directors remuneration is of Rs. 2217516.00 and total other employees remuneration 663267.00)

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

Since the appointment of CFO & CS has been made in the year 2014-15 there will not be any increment criteria.

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

There is no increment during the year 2014-15

- (d) The number of permanent employees on the rolls of the Company:
04

- (e) The explanation in relationship between average increase in remuneration and company performance:

There is no Increase in Remuneration.

- (f) Comparison of the remuneration of Key Managerial Personnel against the performance of the Company:

Particulars	Amt (in Rs./ Lacs)
Remuneration of KMP during the financial year 2014-15(aggregated)	2,217,516
Revenue from operation	22,123,632
Remuneration (as % of revenue)	10.02%
Profit Before Tax(PBT)	(33,692,174)

- (g) Variation in the market capitalization of the company, price earning ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotation of the shares of the Company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies , the variation in the net worth of the company as at the close of the financial year and previous financial year;

Particulars	Unit	As at 31-03-2015	As at 31-03-2014	Variation
Closing rate of share at BSE		35.29	N.A.	N.A.
EPS (Consolidated)		(6.69)	0.25	
Market Capitalization		16.81 CR		
Price Earning Ratio		NIL		

Note: Company was Listed in BSE in the Month of March, 2015

- (h) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there

any exceptional circumstances for increase in the managerial remuneration:

There is no increase in the salaries of employees.

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

NIL

- (k) The ratio of the remuneration of the highest paid to the director to that of the employees who are not directors but receive remuneration in excess of highest paid during the year:

Not Applicable

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

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

Place: Rajkot

For and on behalf of,
Sar Auto Products Ltd.

Date : 31st July, 2015

Rameshkumar D. Virani
Chairman - Managing Director
(DIN: 00313236)

Form No. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2015
*[Pursuant to section 204(1) of the Companies Act, 2013 and rule
No.9 of the Companies (Appointment and Remuneration Personnel)
Rules, 2014]*

To,
The Members,
SAR AUTO PRODUCTS LIMITED
50-E, Bhaktinagar Inds Estate
Rajkot

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

Based on our verification of the Sar Auto Products Limited's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2015, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Sar Auto Products Limited ("the Company") for the financial year ended on 31st March, 2015, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, transfer and transmission of shares.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; Not Applicable as the company has not made any ESOP.
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; Not Applicable as the company has not issues such debt securities.
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; Not Applicable and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; Not Applicable as the company has not processed any buy back of its securities.

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

The Environment (Protection) Act, 1986

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India. Not applicable as not notified for the period under review
- (ii) The Listing Agreements entered into by the Company with Stock Exchange(s), if applicable;

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

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors except to form the Nomination and Remuneration Committee. The Company has appointed CFO, however, Form in this regard is yet to be filed with MCA. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

We further report that Promoters holding was 77.25% which is more than 75% as required by the SEBI for the listed Companies. However, the Company was regional listed till February, 2015 and Promoter has diluted its holding before 30th September, 2014 below 75% as required by the SEBI Guidelines.

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

Place : Rajkot
Date : 31-07-2015

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

ANNEXURE -06**Form No. MGT-9**

EXTRACT OF ANNUAL RETURN as on the financial year ended on 31/03/2015
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies
(Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

Sr. No.	Particulars	Particulars
i)	CIN	L34100GJ1987PLC010088
ii)	Registration Date	27-10-1987
iii)	Name of the Company	SAR AUTO PRODUCTS LIMITEED
iv)	Category/Sub Category of the Company	PUBLIC COMPANY LIMITED BY SHARES & INDIAN NON- GOVERNMENT COMPANY
v)	Address of the Registered office and Contact Details	50-E, BHAKTINAGAR INDS ESTATE, RAJKOT- 360002 Ph: 0281- 2374726 Fax: +912812376806 Email: sapl@sarautoproducts.com
vi)	Whether Listed Company: Yes/No	YES
vii)	Name, Address and Contact Details of Registrar and Transfer Agent ,if any	LINK INTIME INDIA PRIVATE LIMITED Unit No. 303, 03rd Floor Shoppers Plaza V, Opp. Municipal Market, Behind Shoppers Plaza II, Off CG Road. Ahmedabad 380009

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

IV. SHAREHOLDING PATTERN

(Equity share Capital Breakup as Percentage of Total Equity)

i) Category Wise Holding

Category of	No. of Shares at the Beginning of the Year				No. of Shares at the end of the year				% change during the year
Shareholders	Demat	Physical	Total	% of total	Demat	Physical	Total	% of total	
				shares				shares	
A. Promoters									
(1) Indian									
a) Individual HUF	3679540	1100	3680640	77.25	3563023	100	3563123	74.78	-2.47
b) Central Govt.	0	0	0	0.00	0	0	0	0.00	0
c) State Govt(s).	0	0	0	0.00	0	0	0	0.00	0
d) Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0
e) Banks/FI	0	0	0	0.00	0	0	0	0.00	0
f) Any Other	0	0	0	0.00	0	0	0	0.00	0
Sub-Total (A)(1)	3679540	1100	3680640	77.25	3563023	100	3563123	74.78	-2.47
(2) Foreign									
a) NRIs- Individuals	0	0	0	0.00	0	0	0	0.00	0
b) other Individuals	0	0	0	0.00	0	0	0	0.00	0
c) Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0
d) Banks/FI	0	0	0	0.00	0	0	0	0.00	0
e) Any Other	0	0	0	0.00	0	0	0	0.00	0
Sub-Total									
(A)(2):-	0	0	0	0.00	0	0	0	0.00	0
Total Shareholding of Promoter									
(A)= (A)(1) + (A)(2)	3679540	1100	3680640	77.25	3563023	100	3563123	74.78	-2.47
B. Public Shareholding									

1. Institutions									
a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0
b) Banks/FI	228000	0	228000	4.79	228000	0	228000	4.79	0
c) Central Govt.	0	0	0	0.00	0	0	0	0.00	0
d) State Govt(s).	0	0	0	0.00	0	0	0	0.00	0
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0
g) FIIs	0	0	0	0.00	0	0	0	0.00	0
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0
i) Others	0	0	0	0.00	0	0	0	0.00	0
(Specify)									
Sub Total(B)(1):-	228000	0	228000	4.79	228000	0	228000	4.79	0
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	0	1400	1400	0.03	0	1000	1000	0.02	-0.01
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0
b) Individuals									
i) Individual Shareholders holding nominal share Capital upto Rs. 1.00 Lacs	15600	19100	34700	0.73	13305	22000	35305	0.74	0.01
ii) Individual Shareholders holding nominal share Capital in excess of Rs. 1.00 Lacs	712000	108000	820000	17.21	829312	108000	937312	19.67	2.46
c) Others	0	0	0	0.00	0	0	0	0.00	0
(Specify)									
Sub Total (B)(2):-	727600	128500	856100	17.97	842617	131000	973617	20.43	2.47
Total Public Shareholding									
(B)=(B)(1)+	955600	128500	1084100	22.75	1070617	131000	1201617	25.22	2.47
(B)(2)									
C. Shares Held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0
Grand Total	4635140	129600	4764740	100.00	4633640	131100	4764740	100.00	
(A+B+C)									

ii) Shareholding of Promoters

Sr. No.	Shareholders Name	Shareholding at the beginning of the year			No. of shares at the end of the year			% Change in Shareholding during the year
		No. of Shares	% of Total Shares of the Company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of Total Shares of the Company	% of Shares Pledged/encumbered to total shares	
1	RAJSHREE R. VIRANI	872510	18.31	0	872510	18.31	0	0.00
2	RAMESHBHAI D. VIRANI	986480	20.70	0	986480	20.70	0	0.00
3	URVI S. VIRANI	824100	17.30	0	824100	17.30	0	0.00
4	SHREYAS VIRANI	879950	18.47	0	879933	18.47	0	0.00
5	V.R. RUPANI	100	0.00		100	0.00	0	0.00
6	SANCHIT S. VIRANI	105000	2.20	0	0	0.00	0	-2.20
7	SAIYAM S. VIRANI	12500	0.26	0	0	0.00	0	-0.26

iii) Change in Promoters' Shareholding

Sr. No.	Name of Promoter Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	SHREYAS VIRANI				
	At the Beginning of the year	879950	18.47	879950	18.47
	Less: Sale of shares on 30/09/2014	17	0	879933	18.47
	At the end of the year			879933	18.47
2	SANCHIT S. VIRANI				
	At the Beginning of the year	105000	2.20	105000	2.20
	Less: Sale of shares as on 24/09/2014	105000	0	0	0
	At the end of the year			0	0
3	SAIYAM S. VIRANI				
	At the Beginning of the year	12500	0.26	12500	0.26
	Less: Sale of shares as on 24/09/2014	12500	0	0	0
	At the end of the year			0	0

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

Sr. No.	Name of Promoter Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Tejas Hapani				
	At the Beginning of the year	230000	4.83	230000	4.83
	Change during the year	0	0.00	230000	4.83
	At the end of the year			230000	4.83
2	Gujarat State Financial Institution				
	At the Beginning of the year	228000	4.79	228000	4.79
	Change during the year	0	0.00	228000	4.79
	At the end of the year			228000	4.79
3	Pramod Hapani				
	At the Beginning of the year	226480	4.75	226480	4.75
	Change during the year	0	0.00	226480	4.75
	At the end of the year			226480	4.75
4	Achana Mehta				
	At the Beginning of the year	141600	2.97	141600	2.97
	Change during the year	0	0.00	141600	2.97
	At the end of the year			141600	2.97
5	Harsha Hapani				
	At the Beginning of the year	113920	2.39	113920	2.39
	Change during the year	0	0.00	113920	2.39
	At the end of the year			113920	2.39
6	Skaria Chacko Kolaserril				
	At the Beginning of the year	0	0.00	0	0.00
	Add: Purchase as on 30-09-2014	58751	0.00	58751	1.23
	At the end of the year			58751	1.23
7	Chintan Hareshbhai Sodha				
	At the Beginning of the year	0	0.00	0	0.00
	Add: Purchase as on 30-09-2014	58751	0.00	58751	1.23
	Less: Sale as on 13-03-2015	190	0.00	58561	1.23
	At the end of the year			58561	1.23

V. INDEBTEDNESS

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

	Secured Loan excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the Financial year				
i) Principal Amount		3390750.00		
ii) Interest due but not paid		0.00		
iii) Interest accrued but not due		96788.00		
Total (i+ii+iii)		3487538.00		
Change in Indebtedness during the financial year				
Addition		62343765.00		
Reduction		60403765.00		
Net Change		1940000.00		
Indebtedness at the end of the financial year				
i) Principal Amount		1450750.00		
ii) Interest due but not paid		0.00		
iii) Interest accrued but not due		96788.00		
Total (i+ii+iii)		1547538.00		

VI. REMUNERATION OF DIRECTORS AND KEY MANGERIAL PERSONNEL

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

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

B. Remuneration to Other Directors

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

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

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

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties/punishment/compounding of offences for the year ending March 31, 2015

**CONSERVATION OF ENERGY, RESERARCH AND DEVELOPMETN, TECHNOLOGY ABSORPTION AND
FOREIGN EARNING & OUTGO.**

A. CONSERVATION OF ENERGY:

(i) The steps taken or impact on conservation of energy:

None.

(ii) The steps taken by the company for utilising alternate sources of energy:

None.

(iii) The capital investment on energy conservation equipments:

None.

Total Energy Consumption and Energy Consumption

A. Power & Fuel Consumption		
Particulars	2014-2015	2013-14
a) Electricity		
Purchased (KWH)	139113 Units	151905 Units
Total Amount (Rs. In Lacs)	1019102.00	1049164.00
Average Rate Rs.	7.33 / Unit	6.91 / Unit
b) Coal		
Quantity (MT)	0.00	0.00
Total Amount (Rs. In Lacs)	0.00	0.00
Average Rate Rs.	0.00	0.00
c) Furnance Oil		
Quantity (MT)	0.00	0.00
Total Amount (Rs. In Lacs)	0.00	0.00
Average Rate Rs.	0.00	0.00

B. TECHNOLOGY ABSORPTION:

(i) The efforts made towards technology absorption:None.

(ii) The benefits derived like product improvement, cost reduction, product development or import substitutions: None.

(iii) The company has not any imported technology.

(iv) The expenditure incurred on Research and Development: None.

C. FOREIGN EXCHANGE EARNING AND OUTGO:

(i) Total foreign Exchange Earnings during the year: Rs. 1,10,56,436 /-

(ii) Total foreign Exchange outgo during the year: Rs. 5,89,463 /-

INDEPENDENT AUDITORS' REPORT

To,
The Members,
SAR AUTO PRODUCTS LIMITED

Report on the Financial Statements

I have audited the accompanying financial statements of **SAR AUTO PRODUCTS LIMITED** ("the Company"), which comprises the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

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

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

INDEPENDENT AUDITORS' REPORT

[[2]]

Opinion

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

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2015;
- (b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, I give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, I further report that:
 - A. I have sought and obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purposes of my audit.
 - B. In my opinion, proper books of account as required by law have been kept by the Company so far as it appears from my examination of those books.
 - C. The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of accounts;
 - D. In my opinion, the aforesaid standalone financial statements comply with the applicable Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - E. On the basis of written representations received from the directors as on 31st March, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015, from being appointed as a director under sub-section (2) of Section 164 of the Act.
 - F. 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 my opinion and to the best of my information and according to the explanations given to me, I report as under:
 - I. The Company does not have any pending litigations which would impact its financial position.
 - II. The Company did not have any long-term contracts including derivative contracts for which there requires commenting on any material foreseeable losses.
 - III. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Arun M. Kothari,
Chartered Accountant

Arun M. Kothari
Proprietor
(Membership No.108669)

Ahmedabad, 11th May, 2015

Statement on the Companies (Auditor's Report) Order, 2015

To,
The Members,
Sar Auto Products Limited

As referred to in paragraph 1 of my report of even date, on the basis of such checks as I considered appropriate and according to the information and explanations given to me during the course of my audit, I report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of two years which, in my opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- (ii) (a) According to the information and explanation given to me, the inventory has been physically verified during the year by the management. In my opinion, the frequency of verification of inventory is reasonable.
- (b) In my opinion and according to the information & explanations given to me, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company has maintained proper records of inventory. As explained to me, there was no material discrepancies noticed on physical verification of inventory as compared to the book records.
- (iii) According to the information and explanations given to me, during the year, the Company has not granted any loans, secured or unsecured loan to parties covered in the register maintained under Section 189 of the Companies Act, 2013.
- (iv) In my opinion and according to the information and explanations given to me, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and for sale of goods and services. During the course of my audit, I have not observed any continuing failure to correct major weakness in internal controls.
- (v) The Company has not accepted any deposits from the Public covered under Section 73 to 76 of the Companies Act, 2013.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Companies Act, 2013 in respect of goods manufactured by the Company. According to the information and explanations given to me, The Companies (Cost Records & Audit) amendment Rules, 2014 is not applicable to the company.
- (vii) In respect of statutory dues:
 - (a) According to the information and explanations given to me, the Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, ESIC, Income Tax, Wealth Tax, Sales Tax, Value Added Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues apart from few cases of delay in payment of tax deducted at source.

Statement on the Companies (Auditor's Report) Order, 2015

[[2]]

- (b) According to the information and explanations given to me, no undisputed amounts payable in respect of Provident Fund, ESIC, Income Tax, Wealth Tax, Sales Tax, Value Added Tax, Service Tax, Customs Duty, Excise Duty and Cess were in arrears, as at 31st March, 2015 for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to me, there were no amounts which were required to be transferred to the Investor Education and protection Fund by the company.
- (viii) In my opinion, the Company has no accumulated losses. The Company has incurred cash losses amounting to Rs. 2,29,83,487/- during the year covered by my audit; however there were no cash losses in immediately preceding year financial year.
- (ix) In my opinion and according to the information and explanations given to me, the Company has not defaulted in repayment of dues to financial institutions and banks.
- (x) In my opinion, and according to the information and explanations given to me, the Company has not given guarantees for loans taken by others from banks or financial institutions. Accordingly, clause 4(xv) of the Order is not applicable.
- (xi) In my opinion and according to the information and explanations given to me and on an overall examination, the company has not raised any term loan during the year. Accordingly, paragraph 4(xvi) of the Order is not applicable to the Company.
- (xii) According to the information and explanations given to me, no fraud on or by the Company has been noticed or reported during the course of my audit.

For Arun M. Kothari,
Chartered Accountant

Arun M. Kothari
Proprietor
(Membership No.108669)

Ahmedabad, 11th May, 2015

SAR AUTO PRODUCTS LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2015

[Amount in `]

Particulars	Note No.	As at 31st March, 2015	As at 31st March, 2014
EQUITY AND LIABILITIES			
Shareholders' Funds:			
Share capital	2	47,647,400	47,647,400
Reserves and Surplus	3	74,261,303	106,546,208
		121,908,703	154,193,608
Non-current Liabilities			
Long-term Borrowings	4	1,429,750	1,429,750
Deferred Tax Liabilities (Net)	5	107,760	1,905,852
Long-term Provision	6	224,069	170,444
		1,761,579	3,506,046
Current Liabilities			
Short-term Borrowings	7	21,000	1,961,000
Trade Payables	8	1,771,825	2,246,021
Other Current Liabilities	9	3,131,197	601,293
Short-Term Provisions	10	368,828	387,553
		5,292,850	5,195,867
		128,963,132	162,895,521
ASSETS			
Non-current Assets			
Fixed Assets			
Tangible Assets	11	31,340,824	36,285,916
Non-current Investments	12	8,405	8,405
Long-term Loans and Advances	13	864,367	73,818,167
		32,213,596	110,112,488
Current Assets			
Current Investments	14	444,424	717,724
Inventories	15	9,156,140	8,456,775
Trade Receivables	16	14,019,148	35,882,693
Cash & Cash Equivalents	17	11,337,840	4,522,736
Short-term Loans and Advances	18	61,766,628	3,154,231
Other Current Assets	19	25,356	48,873
		96,749,536	52,783,033
		128,963,132	162,895,521

See accompanying Statement on Significant accounting policies & Notes to accounts

As per our Report of even date
For, ARUN M. KOTHARI
Chartered Accountant

For & on behalf of Board of Directors,

Arun M. Kothari
Proprietor
Membership No. 108669

Ramesh D. Virani Shreyas R. Virani
Managing Director Whole Time Director

Ronak M. Khanvani
Secretary

Ahmedabad, dated 11th May, 2015

Rajkot, dated 11th May, 2015

SAR AUTO PRODUCTS LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

[Amount in `]

Particulars	Note No.	Year ended 31st March, 2015	Year ended 31st March, 2014
INCOME			
Revenue from Operations (Gross)	20	24,433,459	21,637,347
Less: Excise Duty collected on sales		(2,309,827)	(903,282)
Revenue from Operations (Net)		22,123,632	20,734,065
Other Income	21	4,975,611	7,321,472
		27,099,242	28,055,537
Expenses			
Cost of Materials consumed	22	7,547,151	6,284,513
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	23	(1,430,361)	(437,038)
Employee benefits expenses	24	3,300,103	3,322,749
Finance costs	25	758,471	184,282
Depreciation and amortization expense		10,435,387	5,456,924
Other expenses	26	40,180,664	12,115,780
		60,791,416	26,927,211
PROFIT / (LOSS) BEFORE TAX		(33,692,174)	1,128,326
TAX EXPENSE			
Current tax		-	220,000
Prior Period Taxes		-	(110)
Deferred tax		(1,798,091)	(78,843)
MAT Credit Entitlement		-	(215,016)
PROFIT / (LOSS) AFTER TAX		(31,894,082)	1,202,295
EARNINGS / (LOSS) PER SHARE	27		
Basic & Diluted		(6.69)	0.03
Face Value Per Share		10.00	10.00

See accompanying Statement on Significant accounting policies & Notes to accounts

As per our Report of even date

For, ARUN M. KOTHARI
Chartered Accountant

For & on behalf of Board of Directors,

Arun M. Kothari
Proprietor
Membership No. 108669

Ramesh D. Virani Shreyas R. Virani
Managing Director Whole Time Director

Ronak M. Khanvani
Secretary

Ahmedabad, dated 11th May, 2015

Rajkot, dated 11th May, 2015

SAR AUTO PRODUCTS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

[Amount in `]

Particulars		Year ended 31st March, 2015	Year ended 31st March, 2014
A.	Cash Flow From Operating Activities		
	Profit / (Loss) Before Tax	(33,692,174)	1,128,326
	Adjustment for :		
	Depreciation and Amortization	10,435,387	5,456,924
	Finance Costs	758,471	184,282
	Interest Income	(4,718,357)	(1,743,660)
	Profit or Loss on Sale of Assets	(7,461)	(32,828)
	Operating Profit before Working Capital Changes	(27,224,133)	4,993,044
	Adjustment for :		
	Movement in Trade & Other Receivables	21,863,545	1,426,940
	Movement in Loans and Advances	14,341,403	(290,060)
	Movement in Inventory	(699,365)	(1,015,956)
	Movement in Trade & Other Payable	1,927,913	1,223,350
	Movement in Provision	34,900	3,181
	Cash Generated From Operations	10,244,262	6,340,499
	Direct Taxes Paid (Net of Refunds)/ Excess Provision reversed	-	110
	Net Cash flow (used in) Operating Activities [A]	10,244,262	6,340,609
B.	Cash Flow from Investing Activities		
	Movement in Non-Current Investment	-	3,755,000
	Movement in Current Investments	273,301	237,380
	Purchase of Fixed Assets	(6,023,655)	(4,909,387)
	Sale of Fixed Assets	150,000	200,000
	Movement in Capital Advances	-	(21,337,186)
	Movement in Other Current Asset	23,517	-
	Movement in Payable for Assets	127,793	(138,101)
	Movement in Fixed Deposits	1,402,230	7,040,500
	Net Cash flow from Investing Activities [B]	(4,046,814)	(15,151,794)
C.	Cash Flow from Financing Activities		
	Movement in Long Term Borrowings	-	-
	Movement in Short Term Borrowings	(1,940,000)	1,764,638
	Finance Costs Paid	(758,471)	(184,282)
	Interest Received	4,718,357	1,780,117
	Net Cash flow from Financing Activities [C]	2,019,886	3,360,473
	Net Increase in Cash and Cash Equivalents [A+B+C]	8,217,334	(5,450,712)
	Opening Balance of Cash and Cash Equivalents	1,461,986	6,912,698
	Closing Balance of Cash and Cash Equivalents	9,679,320	1,461,986

Note: The above Cash Flow Statement has been prepared under the 'Indirect Method' as mentioned in Accounting Standard 3: "Cash Flow Statement" issued by the Institute of Chartered Accountants of India.

As per our Report of even date
For, ARUN M. KOTHARI
Chartered Accountant

Arun M. Kothari
Proprietor
Membership No. 108669

For & on behalf of Board of Directors,

Ramesh D. Virani Shreyas R. Virani
Managing Director Whole Time Director

Ronak M. Khanvani
Secretary

Ahmedabad, dated 11th May, 2015

Rajkot, dated 11th May, 2015

SAR AUTO PRODUCTS LIMITED

CORPORATE INFORMATION

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

Director's Information

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

SIGNIFICANT ACCOUNTING POLICIES

A. Basis for Preparation of financial statement

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

B. Use of Estimates:

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

C. Tangible Fixed Assets:

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

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

D. Depreciation/Amortization:

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

E. Impairment of Assets:

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

SAR AUTO PRODUCTS LIMITED

SIGNIFICANT ACCOUNTING POLICIES- contd..

F. Investments:

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

G. Inventories:

Inventories are valued at cost or net realizable value whichever is lower.

Inventories comprise of all cost of purchase, conversion and other cost incurred for bringing the inventory to its present location and condition.

H. Revenue Recognition:

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

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

Dividend is recognized when right to receive is established.

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

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

Claims are recognized on receipt basis.

I. Borrowing Cost:

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

J. Foreign Currency Transactions:

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

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

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

K. Income Tax:

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

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

SAR AUTO PRODUCTS LIMITED

SIGNIFICANT ACCOUNTING POLICIES- contd..

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

L. Employee Benefits:

Short Term Employee Benefits

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

Defined Contribution Plan

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

M. Provisions

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

N. Contingent Liability and Contingent Assets

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

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

O. Cash Flow Statements

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

SAR AUTO PRODUCTS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

[Figures in `]

2. Share Capital

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

Particulars	As at 31.03.2015	As at 31.03.2014
Authorized Share Capital: 1,00,00,000 Equity Shares of ` 10/- each	100,000,000	100,000,000
Issued, Subscribed & Paid-up Capital: 47,64,740 Equity Shares of ` 10/- each fully paid up	47,647,400	47,647,400

2.2 Reconciliation of the Share Capital

Particulars	As at 31.03.2015 & 31.03.2014	
	Number of Shares	`
Shares outstanding as at the beginning of the year	4,764,740	47,647,400
Shares issued during the year	-	-
Shares bought-back during the year	-	-
Shares outstanding as at the end of the year	4,764,740	47,647,400

2.3 The Company has only one class of shares referred to as equity shares having a par value of Rs.10/-. Each shareholder is entitled to one vote per share.

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

Name of Shareholder	As at 31.03.2015 & 31.03.2014	
	Number	Shareholding (%)
Rameshbhai D. Virani	986,480	20.70%
Rajshreeben R. Virani	872,510	18.31%
Shreyasbhai Virani	879,950	18.47%
Urviben S. Virani	824,100	17.30%
Total no. of shares held by such shareholders	3,563,040	74.78%
Total no. of shares of the company	4,764,740	100.00%

3. Reserves and Surplus

Particulars	As at 31.03.2015	As at 31.03.2014
Securities Premium Account As per Last Balance Sheet	14,996,000	14,996,000
General Reserve As per Last Balance Sheet	732,787	732,787
Surplus in Statement of Profit & Loss Opening Balance	90,817,421	89,615,126
Adjustment on adoption of Schedule II of Companies Act, 2013	(390,823)	-
Net Profit/(Loss) for the Current Year	(31,894,082)	1,202,295
Closing Balance	58,532,516	90,817,421
	74,261,303	106,546,208

SAR AUTO PRODUCTS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

[Figures in `]

4. Long-term Borrowings

Particulars	As at 31.03.2015	As at 31.03.2014
Secured		
From Others		
Loan From LIC of India (Secured against Keyman Insurance Policy of Key Management Personnel) Terms of Repayment: Total amount repayable in the year 2026 Rate of Interest is 9% Per Annum	1,429,750	1,429,750
	1,429,750	1,429,750

5. Deferred Tax Liabilities (Net)

Particulars	As at 31.03.2015	As at 31.03.2014
Opening Balance	1,905,852	1,984,694
Tax effect of items constituting deferred tax liability Related to fixed asset	2,305	10,144
	2,305	10,144
Tax effect of items constituting deferred tax asset Related to fixed asset	(1,800,397)	(88,986)
	(1,800,397)	(88,986)
Net Deffered Tax	(1,798,091)	(78,843)
Net Deferred Tax Liability	107,760	1,905,852

6 Long Term Provision

Particulars	As at 31.03.2015	As at 31.03.2014
Provision For Employees Benefits		
Provision for Defined Benefit Obligation - Gratuity	224,069	170,444
	224,069	170,444

7. Short-term Borrowings

Particulars	As at 31.03.2015	As at 31.03.2014
Unsecured		
Loans & Advances from Related Parties From Directors	21,000	1,961,000
	21,000	1,961,000

SAR AUTO PRODUCTS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

[Figures in ₹]

8. Trade Payables

Particulars	As at 31.03.2015	As at 31.03.2014
Other than Acceptances	1,771,825	2,246,021
	1,771,825	2,246,021

9. Other Current Liabilities

Particulars	As at 31.03.2015	As at 31.03.2014
Interest Accrued but not Due on borrowing	96,788	96,788
Other payables		
Advance from Customers	2,264,215	256,336
Payables on purchase of fixed assets	127,793	-
Statutory Liabilities:		
ESI Fund Payable	594	534
TDS Payable	107,496	85,434
Provident Fund Payable	45,870	46,454
Professional Tax Payable	750	880
Leave Encashment Payable	260,160	-
Bonus Payable	227,531	114,867
	3,131,197	601,293

10. Short-Term Provisions

Particulars	As at 31.03.2015	As at 31.03.2014
Provision for employee benefits		
Provision for Defined Benefit Obligation - Gratuity	361,228	324,736
Others		
Provision for Audit Fees	7,600	7,600
Provision for Wealth Tax	-	15,000
Provision for Income Tax	-	40,217
	368,828	387,553

SAR AUTO PRODUCTS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

11. Fixed Assets

[Figures in `]

Particulars	Gross Block				Accumulated Depreciation					Net Block	
	Opening Balance as at 01.04.2014	Additions	Disposals	Closing Balance as at 31.03.2015	Opening Balance as at 01.04.2014	Depreciation charge for the year	Adjustment to Reserves	On disposals	Closing Balance as at 31.03.2015	Closing Balance as at 31.03.2015	Closing Balance as at 31.03.2014
Tangible Assets:											
Land	-	4,660,180	-	4,660,180	-	-	-	-	-	4,660,180	-
Factory Building	4,135,496	-	-	4,135,496	2,982,140	138,398	-	-	3,120,538	1,014,958	1,153,356
Plant & Machinery	64,402,657	481,786	-	64,884,443	38,898,715	7,083,762	206,975	-	46,189,452	18,694,991	25,503,942
Machinery R&D	10,377,000	-	-	10,377,000	5,835,464	1,226,995	-	-	7,062,459	3,314,541	4,541,536
Jigs & Fixtures R&D	79,500	-	-	79,500	45,040	9,536	-	-	54,576	24,924	34,460
Furniture & Fixtures	740,340	-	-	740,340	667,279	41,118	-	-	708,397	31,943	73,061
Office Equipments	759,799	-	-	759,799	477,988	109,677	158,050	-	745,715	14,084	281,811
Computer & Software	702,075	13,800	-	715,875	650,092	23,540	25,799	-	699,431	16,444	51,983
Electrical Installation	678,884	-	-	678,884	464,506	96,105	-	-	560,611	118,273	214,378
Vehicles	7,648,812	867,889	791,129	7,725,572	3,217,422	1,706,256	-	648,590	4,275,088	3,450,484	4,431,390
Total	89,524,563	6,023,655	791,129	94,757,089	53,238,644	10,435,387	390,824	648,590	63,416,265	31,340,824	36,285,919

Pursuant to the enactment of Companies Act 2013, the company has applied the estimated useful lives as specified in Schedule II of the Companies Act, 2013. Accordingly the unamortised carrying value is being depreciated / amortised over the revised/remaining useful lives. The written down value of Fixed Assets whose lives have expired as at 1st April 2014 have been adjusted, in the opening balance of Profit and Loss Account amounting to ` 3,90,824.

SAR AUTO PRODUCTS LIMITED

Notes forming part of the financial statements

11. Fixed Assets

[Figures in `]

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	Opening Balance as at 01.04.2013	Additions	Disposals	Closing Balance as at 31.03.2014	Opening Balance as at 01.04.2013	Depreciation charge for the year	On disposals	Closing Balance as at 31.03.2014	Closing Balance as at 31.03.2014	Closing Balance as at 31.03.2013
Tangible Assets:										
Factory Building	4,135,496	-	-	4,135,496	2,853,989	128,151	-	2,982,140	1,153,356	1,281,507
Plant & Machinery	62,976,542	1,426,115	-	64,402,657	34,954,161	3,944,554	-	38,898,715	25,503,940	28,022,378
Machinery R&D	10,377,000	-	-	10,377,000	5,101,665	733,799	-	5,835,464	4,541,536	5,275,335
Jigs & Fixtures R&D	79,500	-	-	79,500	39,472	5,568	-	45,040	34,460	40,028
Furniture & Fixtures	740,340	-	-	740,340	651,133	16,146	-	667,279	73,061	89,207
Office Equipments	730,629	29,170	-	759,799	434,623	43,364	-	477,988	281,811	296,006
Computer & Software	702,075	-	-	702,075	619,777	30,315	-	650,092	51,983	82,298
Electrical Installation	676,784	2,100	-	678,884	429,879	34,627	-	464,506	214,378	246,905
Vehicles	4,662,519	3,452,002	465,709	7,648,812	2,995,560	520,399	298,537	3,217,422	4,431,390	1,666,959
Total	85,080,885	4,909,387	465,709	89,524,563	48,080,258	5,456,924	298,537	53,238,644	36,285,916	37,000,624

SAR AUTO PRODUCTS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

[Figures in `]

12. Non-current Investments

Particulars	As at 31.03.2015	As at 31.03.2014
(At Cost)		
<u>Other Investments</u>		
Investment in Equity Instrument of other entities		
Unquoted		
Rajkot Nagrik Sahkari Bank	3,050	3,050
Consortex Karl Deolic Ltd.	5,355	5,355
	8,405	8,405
Aggregate Amount of Unquoted Investments	8,405	8,405

13. Long-term Loans and Advances

Particulars	As at 31.03.2015	As at 31.03.2014
Security Deposits		
Electric Deposit	74,529	74,529
G.E.B. Deposit	3,020	3,020
G.I.D.C. Deposit	5,000	5,000
L.P.G. Gas Connection Deposit	19,700	23,500
Rent Deposit	500,000	500,000
Rajkot Nagrik Sahakari Bank Deposit	11,102	11,102
Telephone Deposit	11,000	11,000
Loans & Advances to related parties		
Lease Deposit	-	40,000,000
Advance	-	32,950,000
MAT Credit Entitlement	215,016	215,016
Other Loans & Advances		
Loans to others	25,000	25,000
	864,367	73,818,167

SAR AUTO PRODUCTS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

14. Current Investments

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

Investment in Fully Paid-up Equity Shares

Quoted

In Numbers	Face value Per share (In Rs.)	Description	As at 31.03.2015	As at 31.03.2014
-	-	Mercator Lines	-	-
11	1	JMD Telefilms Ind. Ltd.	40	40
170,640	1	Aadhaar Ventures India Ltd.	25,598	75,081
1,062	10	Aadi Ind. Ltd.	3,706	3,706
40,000	1	ACIL Cotton Industries Ltd.	2,800	2,800
-	-	Aroma Enterprise (India) Ltd.	-	-
-	-	Bang Overseas Ltd.	-	-
37,097	1	Cistro Telelink Ltd.	2,597	2,597
2	10	Clarus Finance & Securities Ltd.	63	81
6	10	Cura Technologies Ltd.	61	89
-	-	Diamant Infrastructure Ltd.	-	-
82,908	10	Emporis Projects Ltd.	-	112,755
-	-	Gallantt Ispat Ltd	-	-
-	-	Gemini Communication Ltd.	-	-
-	-	GSS Infotech Ltd.	-	-
-	-	Jai Balaji Industries Ltd.	-	-
40	1	KGN Ind. Ltd.	-	151
-	-	Kiri Industries Ltd.	-	-
-	-	Lyka Labs Ltd.	-	-
8	1	Mercator Lines - (WXBSARPR)	106	106
-	-	Neha International Ltd.	-	-
92,293	10	Nivayah Infrastrucure & Telecom Services Ltd.	151	104,291
-	-	Odyssey Corporation Ltd.	-	-
-	-	PFL Infotech Ltd.	-	-
131,073	10	Prabhav Industries Ltd.	111,412	117,966

SAR AUTO PRODUCTS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

14. Current Investments

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

Investment in Fully Paid-up Equity Shares

Quoted

In Numbers	Face value Per share (In Rs.)	Description	As at 31.03.2015	As at 31.03.2014
1	10	RCL Foods Ltd.	15	15
-	-	Sanraa Media Ltd.	-	-
		Sancia Global		
100	10	Infraprojects Ltd. (532836)	16	73
5	10	Scope Industries (India) Ltd.	73	45
		Shreenath Commercial		
36	10	& Finance Ltd. (512105)	-	100
		Shree Global Tradefin		
-	-	Ltd.	-	-
7	10	Sky Indusrties Ltd.	56	99
81,040	1	Sterling International Enterprises Ltd.	289,527	289,527
-	-	Suzlon Energy Ltd.	-	-
-	-	Unitech International Ltd.	-	-
-	-	Usher Agro Ltd.	-	-
-	-	20 Microns Ltd.	-	-
377	10	Shreyas Shipping Logistics Ltd.	7,243	7,245
2,000	1	JMDE Packaging and Realities Ltd.	960	960
Total			444,424	717,724
Aggregate amount of quoted investments			443,464	717,724
Aggregate market value of listed and quoted			724,227	1,008,249

SAR AUTO PRODUCTS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

[Figures in `]

15. Inventories

Particulars	As at 31.03.2015	As at 31.03.2014
Raw Materials	5,355	698,011
Work-in-progress	6,794,729	5,833,571
Scrap	469,203	
Others Machinery Oil		
Consumables & tools	41,311	32,105
Packing Material	893,090	921,018
Cutters	150,112	135,083
	802,340	836,987
	9,156,140	8,456,775

16. Trade Receivables

Particulars	As at 31.03.2015	As at 31.03.2014
Unsecured, considered good		
Outstanding for a period exceeding six months from the date they are due for payment	4,309,925	31,408,452
Unsecured, considered good		
Other trade receivables	9,709,223	4,474,241
	14,019,148	35,882,693

17. Cash and Bank Balances

Particulars	As at 31.03.2015	As at 31.03.2014
Cash & Cash Equivalents		
Balances with Banks		
In Current Accounts	9,571,294	1,215,633
Cash on hand	108,027	246,353
	9,679,320	1,461,986
Other Bank Balances		
Fixed Deposits	1,658,520	3,060,750
	11,337,840	4,522,736

18. Short-term Loans and Advances

Particulars	As at 31.03.2015	As at 31.03.2014
Balance with Government Authorities		
Excise Duty	1,001,491	232,842
Service Tax and Cess	46,571	515,169
Special Custom Duty Receivable (SCVD)	69,451	25,935
VAT Receivable	90,886	1,436,875
TDS Receivable (A.Y. 2015-16)	474,188	-
Income Tax Refund Due	297,926	297,926
Prepaid Expenses	702,802	645,484
Other short term advances	59,083,314	-
	61,766,628	3,154,231

SAR AUTO PRODUCTS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

[Figures in `]

19. Other Current Assets

Particulars	As at 31.03.2015	As at 31.03.2014
Accruals		
Interest on Deposits	25,356	48,873
	25,356	48,873

20. Revenue from Operations

Particulars	For the year ended 31.03.2015	For the year ended 31.03.2014
Revenue from sale of products	24,179,974	20,808,925
Other Operating revenues	253,485	828,422
	24,433,459	21,637,347
Less: Excise duty collected on sales	(2,309,827)	(903,282)
	22,123,632	20,734,065

20.1 Sale of Product Comprises:

Particulars	For the year ended 31.03.2015	For the year ended 31.03.2014
Auto parts sales	21,750,177	19,897,283
Forging sales	39,780	8,360
Round Bar Sales	80,190	-
Sale of Products :	21,870,147	19,905,643

20.2 Other Operating Revenues comprise:

Particulars	For the year ended 31.03.2015	For the year ended 31.03.2014
Scrap Sales	-	496,250
Duty drawback	59,085	35,199
Job Work	194,400	296,973
	253,485	828,422

21. Other Income

Particulars	For the year ended 31.03.2015	For the year ended 31.03.2014
Interest income on		
Bank Deposits	213,323	807,830
Loans & Advances	4,505,034	935,830
Dividend income on		
Non Current Investments	493	226
Net Foreign Exchange Gain	97,426	4,091,702
Reversal of Excess Gratuity Provision	-	10,052
Other Non Operating Income		
Long Term Capital Gain (Physical Gold)	-	505,000
Short Term Capital Gain (Physical Gold)	-	903,000
Discount earned	11,697	35,004
Other Misc Income	140,176	-
Profit on Sale of Asset	7,461	32,828
65	4,975,611	7,321,472

SAR AUTO PRODUCTS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

[Figures in `]

22. Cost of Materials Consumed

Particulars	For the year ended 31.03.2015	For the year ended 31.03.2014
Raw Material Consumed		
Opening Stock	2,488,121	1,894,333
Purchases	6,801,126	6,878,301
Closing Stock	(1,742,096)	(2,488,121)
	7,547,151	6,284,513

22.1 Material Consumed Comprises

Particulars	For the year ended 31.03.2015	For the year ended 31.03.2014
Indigenous	6,936,863	5,730,305
Imported	610,288	554,208

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

Particulars	For the year ended 31.03.2015	For the year ended 31.03.2014
Inventories at the end of the year		
Finished goods	-	-
Work-in-progress	6,794,729	5,673,621
Scrap	469,203	159,950
	7,263,932	5,833,571
Inventories at the beginning of the year		
Finished goods	-	9,905
Work-in-progress	5,673,621	5,386,628
Scrap	159,950	-
	5,833,571	5,396,533
Net (increase) / decrease	(1,430,361)	(437,038)

24. Employee benefit expenses

Particulars	For the year ended 31.03.2015	For the year ended 31.03.2014
Salaries & wages	2,880,783	2,979,234
Contribution to provident and other funds	390,314	301,689
Staff welfare expenses	29,006	41,826
	3,300,103	3,322,749

SAR AUTO PRODUCTS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

[Figures in `]

25. Finance Costs

Particulars	For the year ended 31.03.2015	For the year ended 31.03.2014
Interest Expenses		
Interest paid on Borrowings	737,017	131,992
Interest on TDS	3,896	293
Interest on Service Tax	386	3,522
Other Borrowing Cost		
Bank Charges	17,172	48,475
	758,471	184,282

26. Other Expenses

Particulars	For the year ended 31.03.2015	For the year ended 31.03.2014
Manufacturing Expenses:		
Labour Charges, Loading & Unloading Charges	17,390	23,875
Freight & Octroi-Inward & Goods Import Expenses	359,653	355,175
Job Work Charges	4,497,085	3,679,875
Power & Fuel Charges	1,001,168	1,027,484
Repairs & Maintenance - Machinery	572,084	845,520
Factory Expenses	97,271	104,242
	6,544,651	6,036,171
Administrative & Selling Expenses:		
Audit Fees	7,600	7,600
Bad Debts written off	28,739,882	2,499,883
Security Expenses	122,148	-
Computer Maintenance & Updation Charges	5,950	16,300
Demat Expense	4,003	-
Discount Expense	128,562	-
Freight, Octroi-Outward & Cartages Expenses	192,585	136,433
Insurance	99,355	104,531
Legal & Professional Charges	1,404,525	932,614
Listing and Cetification fees	639,325	-
NSDL/CDSL Connection Fees	21,000	-
Office Expenses	37,700	92,171
Packing Material Consumed	398,988	296,657
Postage, Telegram, Telephone & Interenet Expenses	236,667	196,886
Printing & Stationery Expenses	68,799	29,047
Excise Receivable written off	-	206,821
Rates & Taxes	9,838	11,444
Rent Expenses	787,500	780,000
Sales Promotion Expense	9,134	26,612
Travelling Expenses	40,133	112,170
VAT Expenses	47,509	56,440
Vehicle Running & Maintenance	361,510	323,253
Wealth Tax	-	15,000
Provision for Diminution in value of current Investment	273,300	-
Loss on sale of Investments	-	235,747
	33,636,013	6,079,609
67	40,180,664	12,115,780

SAR AUTO PRODUCTS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

[Figures in `]

27. Earning per Share (EPS)

Particulars	For the year ended 31.03.2015	For the year ended 31.03.2014
Basic and Diluted Earning per Share (EPS)		
Profit available for Equity Shareholder	(31,894,082)	1,202,295
Weighted Average Number of Equity Shares outstanding at the end of respective year	4,764,740	4,764,740
Basic and Diluted Earning per Share (EPS)	(6.69)	0.25
Face value of Share	10.00	10.00

28. Related Party Disclosures

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

28.1 List of related parties and relationships:

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

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

Particulars	As at 31.03.2015	As at 31.03.2014
<u>Nature of Transaction</u>		
Directors' Salary & Perks	2,217,516	2,217,516
Loans Accepted	17,610,000	7,464,672
Loans Repaid	19,550,000	5,700,034
Granted Advances	-	5,136,328
Granted Advances Recovered	-	32,950,000
Advance for lease Recovered	32,950,000	-
Loans Recovered	40,000,000	-
Advance for Sale of Property	-	5,136,328
Advance Repaid	56,600,000	
	56,600,000	
<u>Year-end balances</u>		
Loans Accepted (Payable)	21,000	1,961,000
Advances Granted	-	32,950,000
Advance for lease	-	40,000,000

29. Segment Reporting

Based on guiding principles in the Accounting Standard 17 - "Segment Reporting", the primary business segment of the Company is machining of auto components. Further, the surplus money available with the company continues to be deployed under the professional guidance in Portfolio Management Scheme, Fixed Deposits and Shares and securities. Hence As the Company operates in a single primary business segment, disclosure requirements of Accounting Standard 17 - "Segment Reporting", are not applicable.

SAR AUTO PRODUCTS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

[Figures in `]

30. Contingent Liabilities not provided for

Nil

31. Foreign Exchange:

Particulars	As at 31.03.2015	As at 31.03.2014
Earning In Foreign Exchange		
FOB value of exports	11,056,436	17,731,777
Imports		
CIF Value of Imports	589,463	554,208
Expenditure in Foreign Exchange		
Professional Fees	-	10,704

32. The company has written off an amount of ` 2,87,39,882 being export receivable which has been outstanding since last several years and the management does not foresee receipt of the said amount. The Reserve Bank of India vide its circular RBI/2012-13/435 A.P. (DIR Series) Circular No. 88 permits write-off up to only 5% of export realization in the previous calendar year (i.e. to the extent of ` 9,93,848). Any Amount in excess of this limit will have to be referred to the region office of Reserve Bank of India before writing off such excess amount.

However, the company, having made adequate efforts has failed to realize the outstanding export receivables amounting to ` 2,87,39,882 and thus Company has written off total amount as bad debts without referring to the regional office of Reserve Bank of India as per the above circular.

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

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

35. The outstanding balances as at 31.03.2015 in respect of Trade receivables, Trade payables, Loans & Advances and other payables & receivables are subjected to confirmation from respective parties and consequential reconciliation and/ or adjustments arising there from, if any. The Management, however, does not expect any material variation.

36. According to the opinion of the management of the Company the value of realization of Trade & Other Receivables and Loans & Advances given in the ordinary course of business would not be less than the amount at which they are stated in the Balance sheet.

37. Previous year's figure have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

As per our Report of even date
For, ARUN M. KOTHARI
Chartered Accountant

For & on behalf of Board of Directors,

Arun M. Kothari
Proprietor
Membership No. 108669

Ramesh D. Virani
Managing Director

Shreyas R. Virani
Whole Time Director

Ronak M. Khanvani
Secretary

Ahmedabad, dated 11th May, 2015

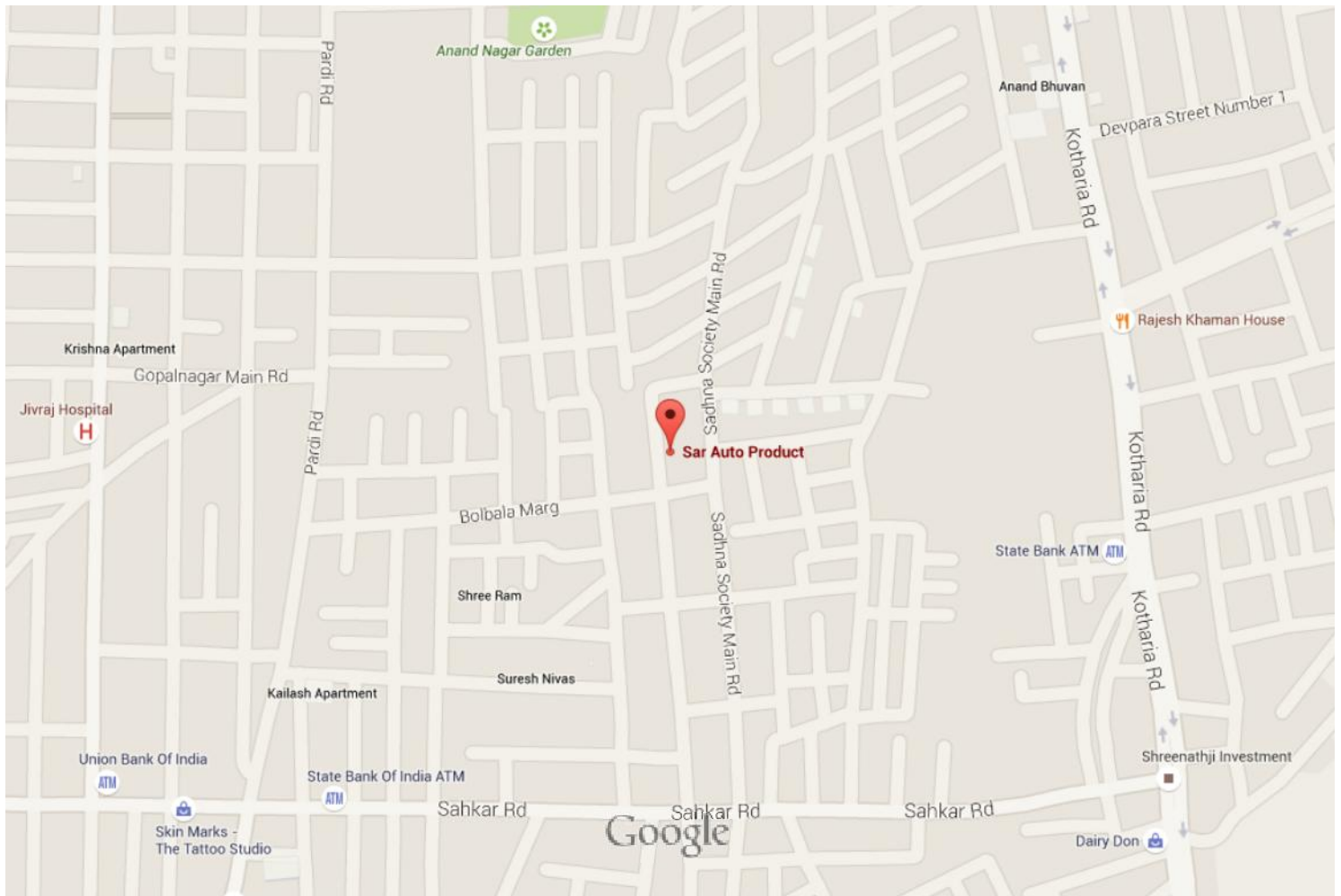
Rajkot, dated 11th May, 2015



Google

Sar Auto Product

SAR AUTO PRODUCTS LIMITED



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Sar Auto Product

0281 236 2366

50-E, Bhaktinagar Industrial
Estate
Bhaktinagar Industrial Estate
Khokhadad, Sadhana
Society, Bhakti Nagar
Rajkot, Gujarat 360002

Auto Body Parts Supplier

SAR AUTO PRODUCTS LIMITED

(CIN: L34100GJ1987PLC010088)

50-E, BHAKTINAGAR, INDS. ESTATE, RAJKOT

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

ATTENDANCE FORM

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

I hereby record my presence at the 28th Annual General Meeting of the Company held at Registered office of the Company situated at 50-E, Bhaktinagar, Inds. Estate, Rajkot-360002 at 11:00 a.m. on Tuesday, September 29, 2015.

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

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

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

28TH ANNUAL GENERAL MEETING -29th September, 2015

Proxy form

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

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

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

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

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 28th Annual General Meeting of the company, to be held on Tuesday, September 29, 2015, at 11:00 a.m. at 50-E, Bhaktinagar, Inds. Estate, Rajkot-360002, and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution Number		Vote(Optional See Note 2) Please Mention No. of Shares		
Resolution		For	Against	Abstain
ORDINARY BUSINESS				
1	To receive, consider, approve and adopt the Audited Balance Sheet as on 31 st March, 2015 and the Profit & Loss Account for the year ended on that date and the reports of the Directors' and the Auditors' there on.			
2	To appoint a Director in place of Shri Rameshkumar Durlabhjibhai Virani, (DIN 00313236) who retires by rotation and being eligible, offers himself for re-appointment.			
3	To ratify the appointment of Auditors of the Company and to fix their remuneration			
SPECIAL BUSINESS				
4	To approve the appointment of Mr. Rameshbhai D. Virani- Managing Director who has attained the age of 70 years.			

Signed this _____ day of _____ 2015.

Signature of shareholder

Signature of Proxy holder(s)

Note:

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

For Office Use: Proxy No.

Date of Receipt _____

Affix
Revenue
Stamp of not
less than Rs.1

signature across Revenue stamp