

SAR AUTO PRODUCTS LIMITED

BOARD OF DIRECTORS Shri Rameshbhai Dhurlajibhai Virani
Shri Shreyas Rameshbhai Virani
Shri Issacthomas Charianthomas Kavunkal

AUDITORS Arun M. Kothari
Chartered Accountant
4, Jaygujarat society,
Opp. Police Commissioner Office,
Shahibaugh,
Ahmedabad-380 004

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

REGISTERED OFFICE 50-E, Bhaktinagar Industrial Estate,
Rajkot – 360 002.

**REGISTRARS &
SHARE TRANSFER
AGENTS**

Link Intime India Private Limited.
Unit No. 303,03rd Floor,
Shoppers Plaza V, Opp. Municipal Market
Behind Shoppers Plaza II,
Off: C.G. Road
Ahmedabad – 380 009.

DIRECTORS' REPORT

To,
The Members

Your Directors have pleasure in presenting their **ANNUAL REPORT** together with the Audited Statement of Accounts of your Company for the year ended **31st March, 2013**.

(Rupees in Lac)

Financial Results	2012-13	2011-12
Income from operations	194.97	222.89
Add : Other Income	36.31	52.13
Total Income	231.28	275.02
Less : Total Expenditure	198.84	224.93
Profit/(Loss) before Depreciation write off and Interest	32.44	50.09
Less: Interest	1.34	1.54
Less: Depreciation & Miscellaneous Expenses Written Off	61.84	72.88
Profit / (Loss) before tax	(30.74)	(24.33)
Less: Provision for tax:		
Current Tax	----	---
Deferred Tax Assets	(2.89)	(4.27)
Fringe Benefit tax		
Profit/(Loss) after tax	(27.85)	(20.06)

Dividend

Looking at the current position of the business, Your Directors do not recommend any dividend.

Directors

Shri Rameshbhai D. Virani will retire by rotation and being eligible offers himself for re-appointment.

Review of Operations

During the year the Company has made Net turnover of Rs. 19,497,128/- in comparison to previous of Rs. 22,288,930/- and the company has incurred Loss of Rs. 27,85,849 in comparison to previous year of loss of Rs. 20,06,563/-.

Directors' Responsibility Statement

Your directors confirm:

- (i) that in the preparation of the annual accounts, the applicable accounting standards have been followed;
- (ii) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the year ended **31st March, 2013** and of the Profit of the company for that year;
- (iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (iv) that the Directors have prepared the accounts on a going concern basis.

Corporate Governance:

A separate report on Corporate Governance along with Auditor's Certificate on its compliance is attached as a part of the Annual Report.

Management Discussion and Analysis Report:

Management Discussion and Analysis Report for the year under review, is presented in separate section and forms part of the Annual Report.

Audit Committee:

Pursuant to the provisions of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement of the Stock Exchanges, the Audit Committee comprises of the following Directors:

Mr. Issac Thomas C Kavunkal
Mr. Rameshbhai D. Virani
Mr. Shreya R. Virani

The Audit Committee reviews, acts and reports to the Board with respect to various auditing and accounting matters

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings And Outgo

In accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956, the required information relating to the same is annexed.

Particulars of Employees

There are no employees whose details are required to be mentioned as per Section 217(2A) of the Companies Act, 1956.

Auditors' Report

The Observation of Auditors in their report read with the relevant notes to accounts in Schedule are self explanatory and do not require further explanation

Auditors

ARUN M. KOTHARI, Chartered Accountant the Auditors of the Company will retire at the conclusion of the ensuing Annual General Meeting. They have consented to continue and act as Auditors of the Company for the current year, if re-appointed.

Secretarial Compliance Certificate:

In accordance with Section 383A of the Companies Act, 1956 and Companies (Compliance Certificate) Rules, 2001, the company has obtained a certificate from a Company Secretary in whole time practice pursuant to the provisions of the Companies Act, 1956 and a copy of such certificate is attached to this report.

Acknowledgement

The Directors takes this opportunity to thank the Bank and the members for their continued confidence in the company.

For and on behalf of the Board

Sd/-
RAMESHBHAI D. VIRANI
Chairman - Managing Director

Date : 21-05-2013
Place: Rajkot

ANNEXURE TO DIRECTORS' REPORT

FORM – A

Conservation of Energy

Annexure 1 to Directors' Report – Information under Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988 and Forming part of Director's Report.

		2012-2013	2011-2012
I	Power & Fuel Consumption		
	Electricity		
	a) Purchased	Nil	Nil
	Units	146980	168789
	Total Amount Rs.	991850	917944
	Rate/Unit Rs.	6.74	5.44

FORM – B

Form for disclosure of particulars with respect to Technology Absorption

1.	Expenditure on R & D	
	a) Capital	Rs. NIL
	b) Recurring	Rs. NIL
	c) Deferred	Rs. NIL
	d) Total	Rs. NIL

Foreign Exchange Earnings and Outgo

1.	Earning in Foreign Exchange	Rs	101.27 Lacs
2.	Expenditure in Foreign Exchange	Rs.	1.04 Lacs

For and on behalf of the Board

RAMESHBHAI D. VIRANI
Chairman - Managing Director

Date: 21-05-2013

Place: Rajkot



CIN: L34100GJ1987PLC010088

COMPLIANCE CERTIFICATE

To,
The Members of
SAR AUTO PRODUCTS LIMITEED
50-E BHAKTINAGAR INDSUSTRIAL ESTATE
RAJKOT.

We have examined the registers, records, books and papers of **SAR AUTO PRODUCTS LIMITEED** as required to be maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2013. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the company, its officers and agents, We certify that in respect of the aforesaid financial year :

1. The company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made thereunder and all entries have been duly recorded.
2. The company has filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies within the time prescribed under the Act and the rules made thereunder.
3. The company being Public limited company this clause is not applicable.
4. The Board of Directors duly met 06 times on 30-04-2012, 29-05-2012, 30-07-2012, 22-10-2012, 31-12-2012 and 31-01-2013 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed the Minutes Book maintained for the purpose.
5. The company has closed its Register of Members from 23rd September, 2012 to 29th September, 2012 for the purpose of AGM.
6. The Annual General Meeting for the financial year ended on 31st March, 2012 was held on 29th September, 2012 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No extra ordinary general meeting was held during the financial year.
8. As informed by the management the company has not Advanced any loans to its directors or persons or firms or companies referred to under section 295 of the Act



9. The company has not entered into any contract during the financial year under scrutiny which attracts the provisions of section 297 of the Act.
10. The Company has made necessary entries in the register maintained under section 301 of the Act.
11. As there were no instances falling within the purview of section 314 of the Act, the company has not obtained any approvals from the Board of directors, members or Central Government.
12. The Company has not issued any duplicate share certificates during the financial year under scrutiny.
13. The company has :
 - a. Delivered all the certificates on lodgment there of for transfer/transmission or any other purpose in accordance with the provisions of the Act;
 - b. not deposited any amount in separate Bank account as no dividend was declared during the financial year.
 - c. not required to post warrants to any member of the company as no dividend was declared during the financial year.
 - d. no amount lying in the Books of Account in respect of unpaid dividend, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years.
 - e. Duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the company is duly constituted.
15. The Company has re-appointed Managing Director in compliance with the provisions of section 269 read with schedule XIII to the Act.
16. No sole selling agent was appointed during the financial year under scrutiny.
17. The company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar and/or such authorities prescribed under the various provisions of the Act during the financial year.
18. The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. The company has not issued any shares/debentures/other securities during the financial year.
20. The Company has not bought back any shares during the year.
21. The company has not redeemed any preference shares/debentures during the financial year.
22. There were no transactions necessitating the company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.



23. The company has not invited/accepted any deposits including any unsecured loans falling within the purview of section 58A during the financial year.
24. The amount borrowed by the Company from Directors, public Financial Institution, Banks and others during the financial year ending 31st March, 2013 is within the borrowing limits of the Company.
25. The company has not made any loans or advances or given guarantees or provided Securities to other bodies corporate and consequently no entries have been made in the Registers kept for the Purpose.
26. The company has not altered the provisions of the memorandum with respect to situation of the registered office of the Company during the year under scrutiny.
27. The company has not altered the provisions of the memorandum with respect to the objects of the company during the year under scrutiny.
28. The company has not altered the provisions of the memorandum with respect to name of the company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the year under review.
30. The Company has not altered its Articles of Association during the year.
31. There was no prosecution initiated against or show cause notice received by the company during the financial year, for offences under the Act.
32. The Company has not received any security whatsoever from its employees during the year.
33. The company was not required to deposit both employee's and employer's contribution to Provident Fund with prescribed authorities pursuant to Section 418 of the Companies Act, 1956.

For: K. P. RACHCHH & CO.
Company Secretaries,

Signature:

Place: Rajkot
Date: 21st May, 2013

(CS KALPESH RACHCHH)
Proprietor
C.P. No.: 3974



Annexure A

Registers as maintained by the Company

1. Register of Members u/s 150
2. Register of Transfer
3. Register of directors, managing director, manager and secretary u/s 303
4. Register of directors' shareholding u/s 307
5. Register of Contracts, companies and firms in which Directors of the Company are interested u/s 297, 299, 301 and 301(3) of the Act.
6. Minutes of the General Meeting & Board Meeting u/s 193 of the Act.

Annexure B

Forms and Returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ending on 31st March, 2013.

Sr. no.	Forms	Purpose	Filed on
1	Form 23AC & FM 23ACA XBRL Dated:-31-03-2012	Under Section 220 of the Act.	12-01-2013
2	Form 20B Dated: 29-09-2012	Under Section 159 of the Act.	28-11-2012
3	Form 66 Dated: 31-03-2012	Under Section 383(A) of the Act	05-10-2012
4	Form 23	Under Section 192 of the Act	27-10-2012
5	Form 25 C	Under Section 269(2) of the Act	27-10-2012
6	Form A XBRL Dated: 31-03-2012	Under Section 209(1)(D) of the Act	09-02-2013

The company has not filed any forms or returns with Regional Director, Central Government or other Authorities during the financial year ending on 31st March, 2013.

For: K. P. RACHCHH & CO.
Company Secretaries,

Signature:

Place: Rajkot
Date: 21st May, 2013

(CS KALPESH RACHCHH)
Proprietor
C.P. No.: 3974

SAR AUTO PRODUCTS LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

INDUSTRY STRUCTURE AND DEVELOPMENTS

In this year there is decrease in Production. In this year there is Production of 46542 auto parts as compared to last year production of 49348 auto parts components. In terms of Turnover the company has achieved the turnover of Rs. 19,497,128/-.

OUTLOOK ON OPPORTUNITIES, THREATS, RISK AND CONCERN

The Company is carrying on the business of manufacturing of auto components. In today's parlance Auto component industry has growth potential as the population is increasing, demand of vehicle in all segment is increasing. However government policy and increasing inflation ratio are the major risk to all the industries.

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. 19,497,128/- in the Financial year 2012-2013. The company has incurred loss due to high cost of Manufacturing and administration expenses and market situation. Company has incurred loss of Rs. 30.74 Lacs in comparison to Loss of Previous Year of Rs. 24.33 Lacs.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/ INDUSTRIAL RELATIONS FRONT.

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

CAUTIONARY STATEMENT

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

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

SAR AUTO PRODUCTS LIMITED

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, 2013 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 3 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 and Annual General Meeting:-
6 (Six) Board Meetings were held during the financial year 2012-2013.

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

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
1	Shri Ramesh Virani	Nil	3
2	Shri Shreyash Virani	Nil	3
3	Shri Issac Thomas C Kavunkal	Nil	3

(III) Details of Director Appointment/Reappointment in Forthcoming Annual General Meeting

Name Of Director	Rameshbhai D. Virani
Date of Birth	13-03-1944
Date of Appointment	14-01-2005
Expertise is Specific functional Area	Administration
List of Public Limited Companies in which Directorship held	Nil
Chairman	-
Member of the committees	3
Chairman/Member of the committees of Directors of other companies	Nil

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

6 (Six) Board Meetings were held during the financial year 2012-2013 on following dates: 30-04-2012, 29-05-2012, 30-07-2012, 22-10-2012, 31-12-2012 and 31-01-2013.

3. AUDIT COMMITTEE:

(I) COMPOSITION OF COMMITTEE:

As a measure of good corporate governance and to provide assistance to the Board of Directors in overseeing the Boards responsibilities your company had constituted an Audit Committee. The Committee covers matters specified as per Clause 49 of the Listing Agreements.

At present consist following members of the Committee:

Shri Issac Thomas C Kavunkal- Chairman of the Committee

Shri Rameshbhai D. Virani -Member of the Committee

Shri Shreyash R. Virani - Member of the Committee

The terms of reference of the Audit Committee mandated by your Board of Directors which is also in line with the statutory and regulatory requirement are:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending the appointment and removal of external auditors, fixation of audit fees and also approval for payment for any other services.
- Reviewing with management the annual financial statements before submission to the board.
- Reviewing with management, external and internal auditors, the adequacy of internal control systems.
- Reviewing the adequacy of internal audit function including structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discussion with internal auditors on any significant findings and follow-up thereon.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- Discussion with external auditors before the audits commences, nature and scope of audit as well as has post-audit discussions to ascertain any area of concern.
- Reviewing the company's financial and risk management policies.

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 Counsellor/Chairman of the Audit Committee of the Company and make protective disclosures about the unethical behaviour, 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 2012 - 2013, and all members were present at the meetings.

4. REMUNERATION COMMITTEE:

The Committee decides 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

The Committee comprises the following Directors as members

- 1 Shri Issac Thomas C Kavunkal -Director - Chairman
2. Rameshkumar Durlabhjibhai Virani - Managing Director
3. Shri Shreyas R. Virani - Whole-Time Director

Details of remuneration paid:

1. Shri Shreyas R. Virani, Whole-Time Director was paid Rs. 800724/- as Managerial remuneration during the year 2012-13.
2. Shri Rameshbhai D. Virani, Managing Director was paid Rs.800724/- as Managerial remuneration during the year 2012-13.

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

5. SHARE HOLDERS/INVESTOR'S GRIEVANCE COMMITTEE:

Your Company had constituted Shareholders/Investor's Grievance Committee as required under clause 49 of the Listing Agreement.

The Committee resolves Complaints like transfer of shares, non-receipt of Annual Reports etc. as received from the Investors and provide information to the Board of Directors of the Company.

The Committee comprises the following Directors as members

1. Shri Shreyas R. Virani - Chairman
2. Shri Ramesh D. Virani – Managing Director - Member of the Committee
3. Shri Issac Thomas C Kavunkal Director – Member of the Committee

6. GENERAL BODY MEETING:

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

Year	Location	Date	Day	Time	No. of Special Resolution
2009-2010	50 E, Bhaktinagar Industrial Estate, Rajkot – 360 002	30 th September, 2010	Thursday	11.00 A. M.	Nil
2010-2011	50 E, Bhaktinagar Industrial Estate, Rajkot – 360 002	30 th September, 2011	Friday	11.00 A.M.	Nil
2011-2012	50 E, Bhaktinagar Industrial Estate, Rajkot – 360 002	29 th September, 2012	Saturday	11.00 A.M.	Nil

Whether Special Resolution :

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

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

7. 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

8. GENERAL SHAREHOLDERS INFORMATION:

I. ANNUAL GENERAL MEETING:

Date : 30th September, 2013

Time : 11.00 A. M.

Day : Monday

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

II. FINANCIAL CALENDAR:

Results for Quarter:(Tentative)

1st Quarter Results : End- July,2013.

Half-yearly Results : End-October, 2013.

3rd Quarter Results : End-January, 2014

Audited yearly Results : End-May, 2014.

III. DATE OF BOOK CLOSURE : 27th September, 2013 to 30th September, 2013 (Both Days Inclusive)

IV. LISTING ON STOCK EXCHANGES:

1. Ahmedabad Stock Exchange Ltd. Kamdhenu 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
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V. LISTING FEES: (Not paid for ahmedabad stock exchange)

The Company has paid the Annual Listing fees to each of the above Stock Exchanges for the financial year 2012-2013.

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

VII. DEMATERIALISATION OF SECURITIES:

97.23 % of the Company's Equity Share Capital is dematerialised as on 31st March, 2013, by the members of the Company through CDSL and NSDL.

VIII. 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.

IX. REGISTRAR & TRANSFER AGENT:

Link Intime India Private Limited
Unit No. 303, 03rd Floor,
Shoppers Plaza V,
Opp. Municipal Market,
Behind Shoppers Plaza II,
Off: C.G. Road
Ahmedabad - 380 009.
Phone /Fax No.: 079 - 26465179.
Email : ahmedabad@intimespectrum.com

X. ADDRESS FOR COMMUNICATION:

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

XI. PLANT LOCATIONS:

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

XII. SHAREHOLDING PATTERN AS ON 31ST MARCH, 2013.

SR. NO.	CATEGORY	NO. OF SHARES HELD	PERCENTAGE OF SHAREHOLDING
1	Indian Public	857200	17.99
2	NRIs/ OCBs	-	-
3	Mutual Funds and UTI	-	-
4	Bank, Financial Institutions, Insurance Companies, (Central/ Institutions)	228000	4.79
5.	Private Corporate Bodies	116400	2.44
6.	Indian Promoters	3563140	74.78
	TOTAL	4764740	100.00

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

We, Shri Rameshbhai Virani, Managing Director and Chief Executive Officer and Shri Shreyash 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.

Shri Rameshbhai Virani
Director & Chief Executive Officer

Shri Shreyash R. Virani Managing
Chief Financial Officer

Place : Rajkot

Date : 21st May, 2013

To,
The Members of
SAR AUTO PRODUCTS LIMITED
Rajkot.

We have read the Report of Directors on Corporate Governance and have examined the relevant records relating to compliance of conditions of Corporate Governance by the Sar Auto Products Limited for the year ended 31st March, 2013, as stipulated in Clause 49 of the Listing Agreement executed by Company with the Stock Exchanges.

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 the conditions of the Corporate Governance.

It is neither an audit nor an expression of opinion on the financial statements of the Company.

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

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

PLACE: AHMEDABAD
DATE: 21st May, 2013

FOR ARUN M. KOTHARI
CHARTERED ACCOUNTANTS

(Arun M. Kothari)
Proprietor

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, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year the ended on that date, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for 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 Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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 conducted my audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.

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, 2013;
- (b) in the case of the Statement of Profit and Loss, of the losses 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.



[[2]]

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, I give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, I report that:

- A. I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of my audit;
- B. In my opinion proper books of account as required by law have been kept by the Company so far as 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 account;
- D. Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, In my opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
- E. On the basis of written representations received from the directors as on 31st March, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For ARUN M. KOTHARI,
Chartered Accountant



Arun Kothari

Arun M. Kothari
Proprietor
(Membership No.108669)

Ahmedabad, 21st May, 2013

Statement on the Companies (Auditor's Report) Order, 2003

To,
The Members,
Sar Auto Products Limited

Referred to in paragraph 3 of my report of even date

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) According to the information and explanation given to me, the fixed assets of the Company were physically verified by the management in a phased & periodical manner which, in my opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) During the year, the Company has not disposed off substantial part of fixed assets and the going concern statement of the Company is not affected.
- (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 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) (a) The Company has not granted loans to the party covered in the Register maintained under section 301 of the Companies Act, 1956. Accordingly, sub-clause (b), (c) and (d) of the clause (iii) does not apply.
- (e) The Company has accepted secured or unsecured loans from party covered in the Register maintained under section 301 of the Companies Act, 1956.

Sr. No.	Name of the Related Party	Maximum amount due at any time during the year Amount (Rs.)	Balance due as at the end of the financial year Amount (Rs.)
1	Mr. Ramesh D. Virani	13,48,690/-	1,18,690/-
2	Mr. Shreyas R. Virani	77,672/-	77,672/-

- (f) In my opinion and according to the information and explanation given to me, the same is prima facie, not prejudicial to the interest of the company.
- (g) There is no stipulation for repayment of the said loan.



[[2]]

- (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 fixed assets and for sale of goods. During the course of my audit, I have not observed any continuing failure to correct major weakness in internal controls.
- (v) (a) In my opinion and according to the information and explanations given to me, the particulars of contracts and arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section.
- (b) In respect of transactions made in pursuance of such contracts or arrangements exceeding the value of Rupees Five lakhs entered into during the financial year, because of the unique and specialized nature of the transaction and absence of any comparable prices, I am unable to comment whether the transactions were made at prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits from the Public.
- (vii) In my opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) I have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under section 209(1)(d) of the Companies Act, 1956 and am of the opinion that prima facie the prescribed cost records have been maintained. I have however, not made detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (ix) 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.
- (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, 2013 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 are no dues in respect of Provident Fund, ESIC, Income Tax, Wealth Tax, Sales Tax, Value Added Tax, Service Tax, Customs Duty, Excise Duty and Cess that have not been deposited with the appropriate authorities on account of any dispute.
- (x) In my opinion, the Company has no accumulated losses. The Company has not incurred cash losses during the year and immediately preceding year financial year.
- (xi) 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.



[[3]]

- (xii) In my opinion and according to the information & explanations given to me, no loans and advances have been granted on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, Clause 4 (xii) of the Order is not applicable.
- (xiii) In my opinion, the Company is not a chit fund or a *nidhi* mutual benefit fund/ society. Accordingly, Clause 4 (xiii) of the Order is not applicable.
- (xiv) In my opinion, the Company has maintained proper records of transactions and contracts relating to dealing or trading in shares, securities, debentures and other investments during the year and timely entries have been made therein. The shares, securities, debentures and other investments have been held by the Company in its own name except as permissible under Section 49 of the Companies Act, 1956.
- (xv) 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.
- (xvi) In my opinion and according to the information and explanations given to me and on an overall examination, no term loan was raised during the year under review. Thus the provision of Clause (xvi) of the order is not applicable.
- (xvii) According to the information and explanations given to me and on an overall examination of the balance sheet of the Company, I report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) The Company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act. Accordingly, clause 4(xviii) of the Order is not applicable.
- (xix) The Company has not issued any debentures. Accordingly, clause 4(xix) of the Order is not applicable.
- (xx) The Company has not raised any money by public issues during the year. Accordingly, clause 4(xx) of the Order is not applicable.
- (xxi) 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 AccountantArun M. Kothari
Proprietor
(Membership No.108669)

Ahmedabad, 21st May, 2013

SAR AUTO PRODUCTS LIMITED

Balance Sheet as at 31st March, 2013

[Figures in ₹]

Particulars	Note No.	As at 31st March, 2013	As at 31st March, 2012
EQUITY AND LIABILITIES			
Shareholders' Funds:			
Share capital	1	47,647,400	47,647,400
Reserves and Surplus	2	105,343,913	108,526,719
		152,991,313	156,174,119
Non-current Liabilities			
Long-term Borrowings	3	1,429,750	1,429,750
Deferred Tax Liabilities (Net)	4	1,984,695	2,273,440
Long-term Provision	5	228,501	-
		3,642,946	3,703,190
Current Liabilities			
Short-term Borrowings	6	196,362	1,126,362
Trade Payables	7	710,866	1,880,773
Other Current Liabilities	8	1,095,797	1,067,861
Short-Term Provisions	9	276,731	-
		2,279,757	4,074,996
TOTAL		158,914,015	163,952,305
ASSETS			
Non-current Assets			
Fixed Assets	10		
Tangible Assets		37,000,624	41,553,184
Non-current Investments	11	3,772,082	2,908,082
Long-term Loans and Advances	12	52,480,981	53,541,164
		93,253,687	98,002,430
Current Assets			
Current Investments	13	946,427	4,597,562
Inventories	14	7,440,819	8,878,024
Trade Receivables	15	37,309,632	33,052,571
Cash & Cash Equivalents	16	17,013,948	16,557,773
Short-term Loans and Advances	17	2,864,171	2,863,945
Other Current Assets	18	85,330	-
		65,660,328	65,949,875
TOTAL		158,914,015	163,952,305

See accompanying Statement on Significant accounting policies & Notes to accounts

As per our Report of even date

For, ARUN M. KOTHARI
Chartered Accountant

Arun Kothari

Arun M. Kothari
Proprietor
Membership No. 108669



For & on behalf of the Board Of Directors,

Ramesh D. Virani
Ramesh D. Virani
Managing Director

Shreyas R. Virani
Shreyas R. Virani
Director

Issachthomas Charianthomas Kavunkal
Director

Ahmedabad, dated 21st, May 2013

Rajkot, dated 20th, May 2013

SAR AUTO PRODUCTS LIMITED

Statement of Profit and Loss for the year ended 31st March, 2013


[Figures in ₹]

Particulars	Note No.	Year ended 31st March, 2013	Year ended 31st March, 2012
INCOME			
Revenue from Operations (Gross)	19	20,758,519	23,663,738
Less: Excise Duty collected on sales		(1,261,391)	(1,374,808)
Revenue from Operations (Net)		19,497,128	22,288,930
Other Income	20	3,631,164	5,213,026
		23,128,292	27,501,956
Expenses			
Cost of Materials consumed	21	5,842,468	7,519,422
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	22	1,420,658	(563,134)
Employee benefits expenses	23	3,485,814	3,306,927
Finance costs	24	134,829	154,187
Depreciation and amortization expense		6,184,446	7,287,747
Other expenses	25	9,134,672	12,230,170
		26,202,886	29,935,320
PROFIT / (LOSS) BEFORE TAX		(3,074,594)	(2,433,363)
TAX EXPENSE			
Current tax		-	-
Deferred tax		(288,745)	(426,800)
PROFIT / (LOSS) AFTER TAX		(2,785,849)	(2,006,563)
EARNINGS / (LOSS) PER SHARE			
Basic & Diluted	26	(0.58)	(0.42)
FACE VALUE PER SHARE		10.00	10.00

See accompanying Statement on Significant accounting policies & Notes to accounts

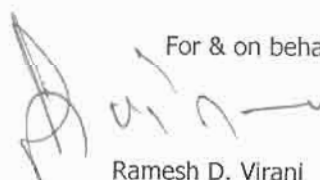
As per our Report of even date


For, ARUN M. KOTHARI
Chartered Accountant


Arun M. Kothari
Proprietor
Membership No. 108669



For & on behalf of the Board Of Directors,


Ramesh D. Virani
Managing Director


Shreyas R. Virani
Director

Issachthomas Charianthomas Kavunkal
Director

Ahmedabad, dated 21st, May 2013


Rajkot, dated 20th, May 2013

SAR AUTO PRODUCTS LIMITED

Cash Flow Statement for the year ended 31st March, 2013

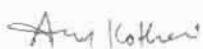
[Figures in ₹]

Particulars	Year ended 31st March, 2013	Year ended 31st March, 2012
A. Cash Flow From Operating Activities		
Profit / (Loss) Before Tax	(3,074,594)	(2,433,363)
Adjustment for :		
Depreciation and Amortization	6,184,446	7,287,747
Finance Costs	134,829	154,187
Interest Income	(1,542,907)	(1,372,880)
Profit or Loss on Sale of Assets	(51,053)	170,042
Operating Profit before Working Capital Changes	1,650,721	3,805,733
Adjustment for :		
Movement in Trade & Other Receivables	(4,257,062)	(6,056,839)
Movement in Loans and Advances	(23,326)	1,169,926
Movement in Inventory	1,437,205	(532,321)
Movement in Trade & Other Payable	(1,344,407)	(456,682)
Movement in Provision	108,275	-
Cash Generated From Operations	(2,428,594)	(2,070,182)
Direct Taxes Paid (Net of Refunds)	-	(134,992)
Net Cash flow (used in) Operating Activities [A]	(2,428,594)	(2,205,174)
B. Cash Flow from Investing Activities		
Movement in Non-Current Investment	(864,000)	-
Movement in Current Investments	3,651,135	5,022,575
Purchase of Fixed Assets	(1,788,336)	(91,119)
Sale of Fixed Assets	207,500	915,811
Movement in Capital Advances	1,083,283	(2,009,275)
Movement in Payable for Assets	138,101	-
Net Cash flow from Investing Activities [B]	2,427,683	3,837,992
C. Cash Flow from Financing Activities		
movement in Long Term Borrowings	-	(922,382)
Movement in Short Term Borrowings	(930,000)	(271,402)
Finance Costs Paid	(70,490)	(166,274)
Interest Received	1,457,577	1,372,880
Net Cash flow from Financing Activities [C]	457,087	12,822
Net Increase in Cash and Cash Equivalents [A+B+C]	456,176	1,645,640
Opening Balance of Cash and Cash Equivalents	16,557,773	14,912,133
Closing Balance of Cash and Cash Equivalents	17,013,948	16,557,773

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

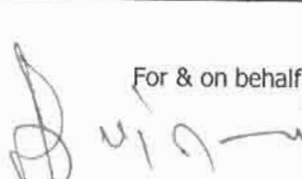
For, ARUN M. KOTHARI
Chartered Accountant




Arun M. Kothari
Proprietor
Membership No. 108669

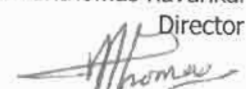


For & on behalf of the Board Of Directors,

 Ramesh D. Virani
Managing Director

 Shreyas R. Virani
Director

Issachthomas Charianthomas Kavunkal
Director



Ahmedabad, dated 21st, May 2013

Rajkot, dated 20th, May 2013

SAR AUTO PRODUCTS LIMITED

SIGNIFICANT ACCOUNTING POLICIES

A. Basic 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. The company has prepared these to comply in all material respects with accounting standards notified under the Companies (Accounting standards) Rules, 2006 and the reverent provisions of the Companies Act, 1956.

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 the Written Down Value Method as per the rates prescribed in Schedule XIV to the Companies Act, 1956. Deprecation 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.

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



SAR AUTO PRODUCTS LIMITED

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 on receipt basis.

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. Foreign Currency Transactions:

Foreign currency transactions are recorded on initial recognition in the reporting currency and exchange difference arising on settlement of monetary assets and liabilities of the company are recognized as income or expenses in Statement of Profit & Loss.

Monetary items denominated in foreign currency are revalued at the rates of exchange as on the Balance Sheet date and exchange gain/loss is dealt with in the Statement of Profit & Loss.

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

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

K. Employee Benefits:

Short Term Employee Benefits

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

Defined Contribution Plan

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

Gratuity

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



SAR AUTO PRODUCTS LIMITED

L. 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.

M. 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 principal of conservatism.

N. 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 ₹]

1. Share Capital

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

Particulars	As at 31st March, 2013	As at 31st March, 2012
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
	47,647,400	47,647,400

1.2 Reconciliation of the Share Capital

Particulars	As at 31st March, 2013 & 2012	
	Number	₹
Shares outstanding as at the beginning of the year	4,764,740	47,647,400.00
Shares issued during the year	-	-
Shares bought-back during the year	-	-
Shares outstanding as at the end of the year	4,764,740	47,647,400.00

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

Name of Shareholder	As at 31st March, 2013 & 2012	
	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%

2. Reserves and Surplus

Particulars	As at 31st March, 2013	As at 31st March, 2012
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	92,797,932	94,804,495
Adjustment Consequent to Computation of Liability for Defined Benefit Plan as per Accounting Standard 15 - Employee Benefits (Revised)	(396,957)	
Net Profit/(Loss) for the Current Year	(2,785,849)	(2,006,563)
Closing Balance	89,615,126	92,797,932
	105,343,913	108,526,719



SAR AUTO PRODUCTS LIMITED

Notes forming part of the financial statements

[Figures in ₹]

3. Long-term Borrowings

Particulars	As at 31st March, 2013	As at 31st March, 2012
Secured		
From Others		
Loan From LIC of India	1,429,750	1,429,750
(Secured against Keyman Insurance Policy of Key Management Personnel)		
Terms of Repayment: Total amount repayable in the year 2026		
Rate of Interest is 9% Per Annum		
	1,429,750	1,429,750

4. Deferred Tax Liabilities (Net)

Particulars	As at 31st March, 2013	As at 31st March, 2012
Opening Balance	2,273,440	2,700,240
<u>Tax effect of items constituting deferred tax liability</u>		
Related to fixed asset	15,775	83,687
	<u>15,775</u>	<u>83,687</u>
<u>Tax effect of items constituting deferred tax asset</u>		
Related to fixed asset	(304,521)	(509,496)
Disallowance under Income Tax Act, 1961	-	(991)
	<u>(304,521)</u>	<u>(510,487)</u>
Net Deferred Tax Liability	1,984,695	2,273,440

5 Long Term Provision

Particulars	31.03.2013 ₹	31.03.2012 ₹
Provision For Employees Benefits		
Provision for Defined Benefit Obligation - Gratuity	228,501	-
	228,501	-

6. Short-term Borrowings

Particulars	As at 31st March, 2013	As at 31st March, 2012
Unsecured		
Loans & Advances from Related Parties		
From Directors	196,362	1,126,362
	196,362	1,126,362

7. Trade Payables

Particulars	As at 31st March, 2013	As at 31st March, 2012
Other than Acceptances	710,866	1,880,773
	710,866	1,880,773



SAR AUTO PRODUCTS LIMITED

Notes forming part of the financial statements

[Figures in ₹]

8. Other Current Liabilities

Particulars	As at 31st March, 2013	As at 31st March, 2012
Interest Accrued but not Due on borrowing	96,788	32,449
Other payables		
Advance from Customers	166,426	169,065
Payables on purchase of fixed assets	138,101	
Statutory Liabilities:		
ESI Fund Payable	594	594
TDS Payable	11,341	65,668
Provident Fund Payable	50,896	50,896
Professional Tax Payable	1,150	950
Wealth Tax Payable	37,000	32,000
Expenses Payable	593,501	716,239
	1,095,797	1,067,861

9. Short-Term Provisions

Particulars	As at 31st March, 2013	As at 31st March, 2012
Provision for employee benefits		
Provision for Defined Benefit Obligation - Gratuity	276,731	-
		-
TOTAL	276,731	-



SAR AUTO PRODUCTS LIMITED

Notes forming part of the financial statements

10. Fixed Assets

Fixed Assets		Gross Block			Accumulated Depreciation		Net Block				
		Opening Balance as at 01.04.2012	Additions	Disposals	Closing Balance as at 31.03.2013	Opening Balance as at 01.04.2012	Depreciation charge for the year	On disposals	Closing Balance as at 31.03.2013	Closing Balance as at 31.12.2013	Closing Balance as at 31.03.2012
Tangible Assets:											
	Factory Building	4,037,496	98,000	-	4,135,496	2,712,554	141,435	-	2,853,989	1,281,507	1,324,942
	Plant & Machinery	61,489,816	1,688,036	201,310	62,976,542	30,557,960	4,441,064	44,863	34,954,161	28,022,378	30,931,856
	Machinery R&D	10,377,000	-	-	10,377,000	4,249,302	852,363	-	5,101,665	5,275,335	6,127,698
	Jigs & Fixtures R&D	79,500	-	-	79,500	33,004	6,468	-	39,472	40,028	46,496
	Furniture & Fixtures	740,340	-	-	740,340	631,418	19,715	-	651,133	89,207	108,922
	Office Equipments	730,629	-	-	730,629	386,796	47,827	-	434,623	296,006	343,833
	Computer & Software	699,775	2,300	-	702,075	566,441	53,336	-	619,777	82,298	133,334
	Electrical Installation	676,784	-	-	676,784	389,985	39,894	-	429,879	246,905	286,799
	Vehicles	4,662,519	-	-	4,662,519	2,413,215	582,345	-	2,995,560	1,666,959	2,249,304
Total		83,493,859	1,788,336	201,310	85,080,885	41,940,675	6,184,446	44,863	48,080,258	37,000,624	41,553,184
Previous Year		84,993,206	91,119	1,590,466	83,493,859	35,157,543	7,287,747	504,615	41,940,675	41,553,184	49,835,663



SAR AUTO PRODUCTS LIMITED

Notes forming part of the financial statements

[Figures in ₹]

11. Non-current Investments

Particulars	As at 31st March, 2013	As at 31st March, 2012
(At Cost)		
Other Investments		
Investment in Equity Instrument of other entities		
Unquoted		
Rajkot Nagrik Sahkari Bank	3,050	3,050
Consortex Karl Deolic Ltd.	5,355	5,355
Quoted		
Shreyas Shipping Logistics Ltd.	7,245	7,245
JMDE Packaging and Realities Ltd.	1,432	1,432
Other non-current investments		
Unquoted		
Gold (Physical) (Valued at Cost)	3,755,000	2,891,000
	3,772,082	2,908,082
Aggregate Amount of Quoted Investment	8,677	8,677
Aggregate Amount Market Value of Quoted Investment	11,328	11,151
Aggregate Amount of Unquoted Investment	3,763,405	2,899,405

12. Long-term Loans and Advances

Particulars	As at 31st March, 2013	As at 31st March, 2012
Security Deposits		
Electric	74,529	74,529
GEB	3,020	3,020
GIDC	5,000	5,000
LPG	23,500	400
Rent	500,000	500,000
RNSB	11,102	11,102
Telephone	11,000	11,000
Security Deposit to related parties		
Lease Deposit	40,000,000	40,000,000
Other Loans & Advances		
Loans to others	11,852,830	12,936,113
	52,480,981	53,541,164



SAR AUTO PRODUCTS LIMITED

Notes forming part of the financial statements

[Figures in ₹]

13. Current Investments

Particulars	As at 31st March, 2013	As at 31st March, 2012
Other current investments (At lower of cost and fair value, unless otherwise stated)		
Quoted		
Investment in Equity Shares		
Mercator Lines	106	220
JMD Telefilms Ind. Ltd.	9	219,262
Aadi Ind. Ltd.	14,379	14,562
ACIL Cotton Industries Ltd.	3,200	11,200
Aroma Enterprise (India) Ltd.	40,529	230,318
Bang Overseas Ltd.	42	-
Cistro Telelink Ltd.	12,613	14,116
Clarus Finance & Securities Ltd.	1,910	131
Cura Technologies Ltd.	2,842	-
Diamant Infrastructure Ltd.	3	-
Exelon Infrastrucure Ltd.	-	26,194
Emporis Projects Ltd.	190,526	-
Gallantt Ispat Ltd	49	-
Gemini Communication Ltd.	7	-
GSS Infotech Ltd.	169	-
Goplee Infotech Ltd.	-	63,525
Jai Balaji Industries Ltd.	30	39
KGN Ind. Ltd.	6,868	277,065
Kiri Industries Ltd.	9	-
Lyka Labs Ltd.	45	-
Midvalley Entertainment Ltd.	-	94
Neha International Ltd.	12,670	-
Nivvah Infrastrucure & Telecom Services Ltd.	862	-
Odyssey Corporation Ltd.	412	-
PFL Infotech Ltd.	1,537	692,370
Prabhav Industries Ltd.	115,691	910,636
Prraneta Industries Ltd.	-	1,053,910
RCL Foods Ltd.	15	-
Sanraa Media Ltd.	5,000	9,000
Scope Industries (India) Ltd.	53	360,350
Shree Global Tradefin Ltd.	536	-
Sky Indusrties Ltd.	27	-
Sterling International Enterprises Ltd.	536,131	378,000
Suzlon Energy Ltd.	41	-
S.V. Electricals Ltd.	-	275,100
Unitech International Ltd.	4	39,837
Usher Agro Ltd.	52	-
Vertex Securities Ltd.	-	21,655
20 Microns Ltd.	62	-
	946,427	4,597,562
Aggregate amount of quoted investments	946,427	4,597,562
Aggregate market value of listed and quoted investments	974,770	5,250,765



SAR AUTO PRODUCTS LIMITED

Notes forming part of the financial statements

[Figures in ₹]

14. Inventories

Particulars	As at 31st March, 2013	As at 31st March, 2012
Raw Materials	5,355	5,355
Work-in-progress	5,386,628	6,807,286
Finished Goods	9,905	9,905
Stores & Spares	-	-
Others		
Machinery Oil	58,013	25,477
Consumables & tools	869,546	735,503
Packing Material	149,953	144,079
Cutters	961,419	1,150,419
	7,440,819	8,878,024

Details of Inventory of Work in Process

Synchronizer Ring S-1632	27,140	152,043
Synchronizer Ring S-1634	26,880	139,788
Synchronizer Ring S-1637	11,625	211,936
Synchronizer Ring S-901	609,831	774,180
Synchronizer Ring S-1050	-	260,910
Synchronizer Ring S-904	498,308	465,580
Other Items	4,212,844	4,802,849
	5,386,628	6,807,286

15. Trade Receivables

Particulars	As at 31st March, 2013	As at 31st March, 2012
Unsecured, considered good		
Outstanding for a period exceeding six months from the date they are due for payment	29,213,940	20,390,025
other trade receivables	8,095,692	12,662,546
	37,309,632	33,052,571

16. Cash and Bank Balances

Particulars	As at 31st March, 2013	As at 31st March, 2012
Cash & Cash Equivalents		
Balances with Banks		
In Current Accounts	6,253,897	10,072,479
Cash on hand	658,801	1,040,252
Other Bank Balances		
Fixed Deposits	10,101,250	5,445,041
	17,013,948	16,557,773



SAR AUTO PRODUCTS LIMITED

Notes forming part of the financial statements

[Figures in ₹]

17. Short-term Loans and Advances

Particulars	As at 31st March, 2013	As at 31st March, 2012
Balance with Government Authorities		
Excise Duty	363,256	453,328
Service Tax and Cess	209,731	98,235
Special Custom Duty Receivable (SCVD)	-	87,626
VAT Receivable	1,258,444	1,210,044
Income Tax TDS Receivables (A.Y. 2011-12)	6,320	6,320
Income Tax Refund Due (A.Y. 2009-10)	10,886	10,886
TDS Receivable (A.Y. 2012-13)	134,992	134,992
TDS Receivable (A.Y. 2013-14)	145,728	
Prepaid Expenses	734,814	852,398
Other Advances	-	10,116
	2,864,171	2,863,945

18. Other Current Assets

Particulars	As at 31st March, 2013	As at 31st March, 2012
Accruals		
Interest on Deposits	85,330	-
	85,330	-



SAR AUTO PRODUCTS LIMITED

Notes forming part of the financial statements

[Figures in ₹]

19. Revenue from Operations

Particulars	As at 31st March, 2013	As at 31st March, 2012
Revenue from sale of products	21,049,106	22,911,433
Other Operating revenues	(290,587)	752,305
	20,758,519	23,663,738
Less: Excise duty collected on sales	(1,261,391)	(1,374,808)
	19,497,128	22,288,930

19.1 Sale of Product Comprises:

Particulars	As at 31st March, 2013	As at 31st March, 2012
Auto parts sales	19,787,715	21,412,550
forging sales	-	2,662
Tractor parts sales	-	1,496,221
Sale of Products :	19,787,715	22,911,433

19.2 Other operating revenues comprise:

Particulars	As at 31st March, 2013	As at 31st March, 2012
Duty drawback	95,569	9,439
Profit/(Loss) from share & security operations	(386,155)	742,866
Other operating revenues :	(290,587)	752,305

20. Other Income

Particulars	Year ended 31st March, 2013	Year ended 31st March, 2012
Interest income on		
Bank Deposits	433,904	370,894
Loans & Advances	1,108,700	979,015
Income Tax Refunds	-	22,604
Others	303	367
Dividend income on		
Non Current Investments	189	4,226
Net Foreign Exchange Gain	1,097,930	3,260,462
Other Non Operating Income		
Discount earned	939,056	40,699
Interest Subsidy	-	500,000
Claim/EPCG/Misc. Receipts	-	6,273
Other Misc Income	30	28,486
Profit on Sale of Asset	51,053	-
	3,631,164	5,213,026



SAR AUTO PRODUCTS LIMITED

Notes forming part of the financial statements

[Figures in ₹]

21. Cost of Materials Consumed

Particulars	Year ended 31st March, 2013	Year ended 31st March, 2012
Raw Material Consumed		
Opening Stock	2,060,833	2,091,646
Purchases	5,825,921	7,488,609
Closing Stock	(2,044,286)	(2,060,833)
	5,842,468	7,519,422

21.1 Material Consumed Comprises

Particulars	Year ended 31st March, 2013	Year ended 31st March, 2012
Round Bars and Forging & Semi Finished Tractor Parts	3,884,307	5,891,295
Machinery Oil Consumed	295,941	309,326
Stores & Tools, Packing Material & Cutter	1,662,220	1,318,801

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

Particulars	Year ended 31st March, 2013	Year ended 31st March, 2012
Inventories at the end of the year		
Finished goods	9,905	9,905
Work-in-progress	5,386,628	6,807,286
	5,396,533	6,817,191
Inventories at the beginning of the year		
Finished goods	9,905	9,905
Work-in-progress	6,807,286	6,244,152
	6,817,191	6,254,057
Net (increase) / decrease	1,420,658	(563,134)

23. Employee benefit expenses

Particulars	Year ended 31st March, 2013	Year ended 31st March, 2012
Salaries & wages	3,029,450	2,956,692
Gratuity Expenses	108,275	
Contribution to provident and other funds	323,369	324,912
Staff welfare expenses	24,720	25,323
	3,485,814	3,306,927

24. Finance Costs

Particulars	Year ended 31st March, 2013	Year ended 31st March, 2012
Interest Expenses		
Interest paid on Borrowings	130,601	149,344
Interest on TDS	227	1,725
Interest on others	4,001	3,118
	134,829	154,187



SAR AUTO PRODUCTS LIMITED

Notes forming part of the financial statements

[Figures in ₹]

25. Other Expenses

Particulars	Year ended 31st March, 2013	Year ended 31st March, 2012
Manufacturing Expenses:		
Labour Charges, Loding & Unloading Charges	51,559	11,853
Freight & Octroi-Inward & Goods Import Expenses	213,630	369,234
Job Work Charges	4,245,565	5,561,740
Power & Fuel Charges	953,337	1,046,024
Repaires & Maintance to Machinery	625,559	960,700
Factory Expenses	95,341	36,002
	6,184,991	7,985,553
Administrative & Selling Expenses:		
Audit Fees	7,600	7,600
Bank Charges	20,540	45,724
Computrer Maintance & Updation Charges	12,025	18,055
Debit Note Charges	-	675,400
DEPB Licence Expenses	-	107,504
Freight, Octroi-Outward & Cartages Expenses	179,256	190,266
Insurance	143,801	175,648
Legal & Professional Charges	849,299	801,928
Loss on sale of Machinery	-	170,042
Office Expenses	112,978	129,680
Postage, Telegram, Telephone & Interenet Expenses	255,576	293,449
Printing & Stationery Expenses	28,189	38,631
Rates & Taxes	4,431	48,108
Rent	725,000	540,000
Sales Promotion Expense	1,168	72,691
Sample Purchase Expenses	40,670	144,897
Travelling Expenses	171,648	324,229
VAT Expenses	42,830	109,456
Vehicle Running & Maintenance	317,670	319,310
Wealth Tax	37,000	32,000
	2,949,681	4,244,617
	9,134,672	12,230,170

26. Earning per Share (EPS)

Particulars	Year ended 31st March, 2013	Year ended 31st March, 2012
Basic and Diluted Earning per Share (EPS)		
Profit available for Equity Shareholder	(2,785,849)	(2,006,563)
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)	(0.58)	(0.42)
Face value of Share	10.00	10.00



SAR AUTO PRODUCTS LIMITED**Notes forming part of the financial statements****[Figures in ₹]****27. Related Party Disclosures**

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

27.1 List of related parties and relationships:

Related Party	Nature of Relationship
Mr. Ramesh D. Virani	Key Management Personnel
Mr. Shreyas R. Virani	

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

Particulars	Year ended 31st March, 2013	Year ended 31st March, 2012
<u>Nature of Transaction</u>		
Directors' Salary & Perks	1,696,752	2,232,597
Loans and Advances Accepted	377,672	3,035,000
Loans and Advances Repaid	1,307,672	3,263,350
Loans and Advances Granted	3,022,328	-
Loans and Advances Recovered	3,022,328	-
<u>Year-end balances</u>		
Loans & Advances (Payable)	196,362	1,126,362

28. 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.

29. Contingent Liabilities not provided for**NIL****30. Foreign Exchange:**

Particulars	Year ended 31st March, 2013	Year ended 31st March, 2012
<u>Earning In Forgin Exchange</u>		
FOB value of exports	10,127,194	9,796,992
<u>Imports</u>		
CIF Value of Imports	Nil	1,825,189
<u>Expenditure in Foreign Exchange</u>		
Professional Fees	103,580	198,376



SAR AUTO PRODUCTS LIMITED

Notes forming part of the financial statements

[Figures in ₹]

31. Estimated amount of Contract remaining to be executed on Capital Accounts and not provided for, net of advance is - NIL (Previous year - NIL)
32. 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.
33. The outstanding balances as at 31.03.2013 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.
34. 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.
35. 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

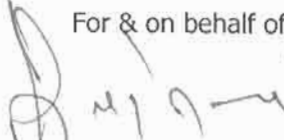



Arun M. Kothari
Proprietor
Membership No. 108669




Ahmedabad, dated 21st, May 2013

For & on behalf of the Board Of Directors,


Ramesh D. Virani
Managing Director


Shreyas R. Virani
Director

Issachthomas Charianthomas Kavunkal
Director


Rajkot, dated 20th, May 2013