

21st ANNUAL REPORT

2003 - 2004

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SIBAR
AUTOPARTS LIMITED



BOARD OF DIRECTORS

Sri P. Veerananarayana

Vice Chairman and
Managing Director

Sri.P.Harischandra Raju

Nominee Director(APIDC)

Sri A.Chennakrishnaiah

Executive Director

Sri P.Madhuprathap

Technical Director

REGISTERED OFFICE

D4&D5, Industrial Estate
Renigunta Road,
Tirupati-517506

FACTORY

D4, D5, D11 & Shed No.3 Industrial
Estate
Renigunta Road
Tirupati-517506

AUDITORS

Pinnamaneni & Co.,
Chartered Accountants
3, 4th Ground Ram's VSR Aparts
Opp. VPS Siddharth Public School
Vijayawada-520010.

FINANCIAL INSTITUTIONS / BANKS

Industrial Development Bank of India,
Chennai
Central Bank of India, GS Mada St.
Tirupati

LISTING

The Hyderabad Stock Exchange Ltd.,
Hyderabad
The Stock Exchange, Mumbai

SHARE TRANSFER AGENTS

Sibar Financial Services (P) Ltd.,
D.NO.27-14-49, II Floor
Rajagopalachari St.,
Governorpet
Vijayawada-520002 (A.P.)

REGISTRAR FOR DEMAT

Bigshare Services Pvt. Ltd
E-2, Ansa Industrial Estate,
Sakivihar Road, Saki Naka,
Andheri(E),
Mumbai-400072

21st ANNUAL GENERAL MEETING

Date : Wednesday 29th Sept.,2004.

Time : 3:00 pm

Venue : Registered Office
D4 & D5, Industrial Estate
Renigunta Road
TIRUPATI-517506

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**NOTICE TO SHAREHOLDERS :**

NOTICE is hereby given that the Twenty First Annual General Meeting of the Company will be held at its Registered Office : D4 & D5, Industrial Estate, Renigunta Road, Tirupati - 517506 (AP) at 3.00P.M on Wednesday, 29th September, 2004 to transact the following business :

2. To appoint a Director in place of Sri. P.Madhu Prathap who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration.

By order of the Board of Directors.

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance sheet as at 31st March' 2004 and the Profit and Loss A/c for the year ended on that date and the Report of the Directors and Auditors thereon.

(P.VEERANARAYANA)
VICE CHAIRMAN &
MANAGING DIRECTOR

Place : Tirupati

Date : 31-7-2004.

NOTES :

- 1) A member entitled to attend and vote is entitled to appoint a Proxy to attend and vote instead of himself and the Proxy need not be a Member. A form of proxy is enclosed.
- 2) The Register of Members and Transfer Books of the Company will remain closed from 25th September' 2004 to 29th September' 2004 (both days inclusive).
- 3) The instrument appointing a proxy should however be deposited at the Registered Office of the Company not less than forty eight hours before the commencement of the Meeting.
- 4) Shareholders are requested to notify change in address if any, immediately to the Company's Regd. Office.
- 5) Shareholders are requested to bring their copies of Annual Reports to the Meeting. Copies of the Annual Report will not be available for distribution to shareholders at the Meeting hall.
- 6) Shareholders attending the Meeting are requested to complete the enclosed attendance slip and deliver the same at the entrance of the Meeting hall.
- 7) Shareholders intending to require information about accounts to be explained in the meeting are requested to inform the company atleast 7-days in advance of the Annual General Meeting.
- 8) All communications relating to shares are to be addressed to the Company's Transfer Agent M/s. Sibar Financial Services Private Limited, 27-14-49, II Floor, RGC Street, Governor Pet, Vijayawada-520002.

DIRECTORS' REPORT

Your Directors have the pleasure to present the 21st Annual Report together with the Auditors' Report thereon for the year ended 31st March' 2004.

1. FINANCIAL RESULTS :

The brief financial results of the company for the year ended 31st March' 2004 are given hereunder:

	(Rs.in Lacs)	
	2003-04	2002-03
Total sales	182.73	492.20
Profit after dep & Int	(294.84)	(199.61)
Other Income	94.26	6.25
Provision for Tax	—	—
Profit After Tax	(200.57)	(193.36)
Prior Period Adjustment	(0.66)	(9.03)
Balance c/f to Balance Sheet	(201.23)	(202.39)

2. OPERATIONS :

Sales during the year under review is Rs.182.73 lacs as against previous turnover of Rs.492.20 lacs and thus there is a fall in turnover. Consequently operations resulted in a net loss of Rs.200.57 lacs after providing depreciation and interest. The Directors are confident that the company will come out from the present crisis in the coming years.

3. DIVIDEND :

The Board has not recommended Dividend for the year 2003-2004 due to losses.

4. DISCLOSURES :

Disclosures in terms of Companies (particulars of Employees) Rules, 1975 and companies (disclosure of particulars in the report of the Board of Directors) Rules, 1988 in respect of conservation of energy, technology, absorption, out of foreign exchange and foreign exchange earned are attached and forms part of the Report.

5. DIRECTORS :

Mr.P.Madhu Prathap, Director retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment.

6. DIRECTORS RESPONSIBILITY STATEMENT

In compliance with the Provisions of Section 217(2AA) of the Companies Act, 1956 your directors hereby confirm that

i) In preparing the Annual Accounts applicable accounting Standards have been followed

ii) Accounting Policies were adopted and applied consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of the affairs of the Company as at 31.3.2004 and of the loss of the Company for the year ended on that date.

iii) Proper and sufficient care for the maintenance of adequate records in accordance with the provisions of the Act for safe guarding the assets of the Company and for preventive / detecting fraud and irregularities have been taken.

iv) The Annual Accounts have been prepared on a going concern basis

7. CORPORATE GOVERNANCE

Pursuant to clause 49 of the listing agreement, a report on Corporate Governance is given below

A. Mandatory Requirements

(i) Company's Philosophy on code of Governance.

The Company's Philosophy of Corporate Governance is aimed at

providing assistance to the top management of the Company in the efficient conduct of its business and in meeting its obligations to shareholders.

(ii) Board of Directors

Composition

The present strength of the Board is 4 Directors. The Board comprises of Executive Directors and Non Executive Directors. Three Directors including Vice Chairman and Managing Director are whole time Directors. The remaining director is nominee director appointed by APIDC.

Physical Attendance of each Director at the Board Meetings and the latest AGM

Name of the Director	Category of Directorship	No. of Board Meetings Attended	% of Meetings Attended	Attendance at the Last AGM
1. Mr. P. Veeranarayana	Vice Chairman and Managing Director	6	100	Yes
2. Mr. P. Harischandra Raju	Nominee Director APIDC	5	83	Yes
3. Mr. A. Chenna Krishnaiah	Executive Director	6	100	Yes
4. Mr. P. Madhuprathap	Technical Director	6	100	Yes

The above Directors are neither directors nor members of committees in other companies.

(iii). **Audit Committee:** Terms of reference of composition, name of the members and Chairman

The audit committee comprises of Mr. P. Madhuprathap, Technical Director,

Mr.A.Chennakrishnaiah, Executive Director and Mr.P.Harischandra Raju being non-executive Director. The Vice chairman and Managing Director along with statutory auditor are invitees to the Meeting.

The terms of reference of this committee are wide enough covering matters specified for audit committee under listing agreement and/Companies Act.

Meetings and the attendance during the year

Four Meetings of the Audit Committee were held during the year 2003-04. The attendance of the each member of the committee is given below.

Name of the Director	No.of Meetings Attended	%of Total Meetings Attended
1.Mr.A.Chennakrishnaiah	4	100
2.Mr.P.Madhuprathap	4	100
3.Mr.P.Harischandra Raju	4	100

(iv) Remuneration to Directors

a. The details of the remuneration paid to whole time directors during the year 2003-'04 are given below :

Name and designation	Basic Rs.	H.R.A. Rs.	P.F Rs.	Perks Rs.
Mr.P.Veeranarayana, Managing Director	180000	72000	21600	80931
Mr.P.Madhuprathap, Technical Director	180000	36000	21600	-

b. The details of payments to non-executive director during the year 2003-'04 are given below

Name of the Director	Sitting Fee Rs.
Mr.P.Harischandra Raju, Nominee director	5,000

(v) INVESTORS AND SHAREHOLDERS GRIEVANCE COMMITTEE

The Company has constituted an investors and shareholders committee under the chairman ship of Mr.P.Madhuprathap, Technical Director. The two other members of the Committee are A.Chenna Krishnaiah Executive Director and Mr.P.Harischandra Raju, Non executive director. The Committee looks in to the shareholders and investors complaints. Mr.P. Madhuprathap, Technical director and Chairman of the committee is the Compliance officer. The number of shares pending for the transfer was nil as on 31.3.2004.

(vi) GENERAL BODY MEETINGS

Details of the past AGMs held and the details of the Resolutions passed or to be passed by postal ballot are

a. The last three Annual General Meetings of the Company were held at the Registered office of the Company i.e. at D4-D5, Industrial Estate, Renigunta Road, Tirupathi. All Meetings were commenced at 3.00PM All the Resolutions set out in the respective Notice were passed by the share holders.

b. No Resolution requiring postal ballot as recommended under clause 49 of the listing agreement has been placed for shareholders approval at the meeting.

(vii) DISCLOSURES

There were no related party transactions

(viii) GENERAL SHAREHOLDERS INFORMATION

Date of 21 st AGM	29 th Sep, 2004
Time	3.00 p.m.
Venue	D4-D5 Industrial Estate, Renigunta Rd, TIRUPATHI
Date of Book Closure	Sep, 25 th to 29 th Sep, 2004
Listing on Stock Exchanges	The Hyderabad Stock Exchange Limited The Stock Exchange, Mumbai
Registrar and Share transfer Agents	Sibar Financial Services(P) Limited Door No.27-14-49, II Floor, Rajagopalachari Street, Governorpet, Vijayawada 520 002.
Share Transfer system	All Transfers received are processed and approved by the share transfer committee.

Address for Correspondence

D4-D5 Industrial Estate,
Renigunta Road, Tirupati (Or)
Sibar Financial Services (P) Limited
Door No.27-14-49, II Floor,
Rajagopalachari St,
Governorpet, Vijayawada 520.002

8. Regarding the auditors comments about non payment of statutory dues to the authorities we submit that due to the continuous cash losses we could not deposit in time. However during the year under review the company has paid Rs.5.29 lacs towards PF dues. The Company is taking all necessary steps to clear the statutory dues.

9. AUDITORS :

The Company's Auditors, M/s. Pinnamaneni & Co., Chartered Accountants, Vijayawada, retire at the ensuing Annual General Meeting and are eligible for re-appointment.

10. ACKNOWLEDGEMENTS :

Your Directors wish to express their gratitude to Financial Institutions, Banks, for the whole hearted-co-operation and assistance extended to the Company.

Your Directors also wish to thank the employees of the Company for their dedicated services and valuable contribution to the growth of the Company.

Your Directors sincerely thank the members for the confidence reposed by them in the company and look forward to their valuable support for the future plans of the company.

For and on behalf of the Board.

P.VEERANARAYANA,
P.MADHUPRATHAP

Directors

PLACE : Tirupati

Date : 31-7-2004

ANNEXURE TO THE DIRECTORS' REPORT

A. CONSERVATION OF ENERGY :

As in the past, the Company has been continuing its efforts to improve methods of energy conservation and utilization

B. RESEARCH AND DEVELOPMENT :

1. **Specific area in which R & D carried-out by the Company :** The R & D efforts are directed towards improvement / upgradation of existing plating technology leading to high efficiency, quality up gradation, cost reduction and pollution free.

2. **Benefits derived as a result of the above R & D :** Further considerable savings in inputs consumption by improving process technique, better capacity utilization, more yield and product efficiency at low cost.

C. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION :

The latest technology is being adopted for improving productivity and product quality and reducing consumption of inputs.

FOREIGN EXCHANGE EARNINGS AND OUTGO :

	2003-04 (Rs.in Lacs)	2002-03 (Rs. in Lacs)
A) Value of Exports(F.O.B.Value)	3.80	3.25