



BOARD OF DIRECTORS

Sri P Veerananarayana

Vice Chairman and MD

Sri P Madhuprathap

Technical Director

Sri K Subbaiah

Director

Sri K Eshwaraiah

Nominee Director (APIDC)

Sri Ramachandra Chowdary Amineni

Director

REGISTERED OFFICE

D4 & D5
Industrial Estate
Renigunta Road
Tirupati - 517 506

FACTORY

D4, D5, D11 & Shed No.3
Industrial Estate
Renigunta Road
Tirupati - 517 506

AUDITORS

SPC & Associates
Chartered Accountants,
Plot No.348, 1st Floor,
HUDA Heights, Near Lotus Pond,
Road No.12, Banjara Hills,
Hyderabad - 500 034.

REGISTRAR & SHARE TRANSFER AGENTS

Bigshare Services Pvt Ltd (H.O.)
E-2, Ansa Industrial Estate,
Sakivihar Road, Saki Naka,
Andheri (E), Mumbai - 400 072.

COMPANY SECRETARY

A. J. Sharma & Associates,
5-9-796, 103, Pavani Kamal Complex
Gun foundry, Abids, Hyderabad - 500 001.

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

G - 10, Left Wing, Amrutha Ville,
Somajiguda, Raj Bhavan Road,
Hyderabad - 500 082

LISTING

The Stock Exchange, Mumbai

29th ANNUAL GENERAL MEETING

Date: Monday, 27th August, 2012

Time: 2.30 P.M.

VENUE: Registered Office
D4 & D5, Industrial Estate
Renigunta Road
Tirupati - 517 506

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NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the 29th Annual General Meeting of the Company will be held at its Registered Office: D4 & D5, Industrial Estate, Renigunta Road, Tirupati - 517506 (AP) at 2.30 P.M. on Monday, August 27, 2012 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance sheet as at March 31, 2012 and the Profit and Loss Account for the year ended on that date and the Report of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. A. Ramachandra Chowdary who retires by rotation and being eligible, offers himself for re-appointment.
3. To consider and if thought fit to pass the following resolution with or without modification as an ordinary resolution.

"RESOLVED THAT M/S SPC & Associates, Chartered Accountants, formerly known as Sesha Prasad & Co., Hyderabad be and are hereby appointed as auditors of the company to hold office from the conclusion of this annual general meeting till the conclusion of the next annual general meeting of the company on a remuneration as may be decided by the Board of Directors, in addition to payment for other services and out of pocket expenses"

SPECIAL BUSINESS:

4. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:
"RESOLVED THAT in accordance with Section 94(2) and all other applicable provisions of the Companies Act 1956 and the Articles of Association of the Company, the Authorised Share Capital of the Company be increased from

₹.10,00,00,000 (Rupees ten Crores only) divided into 1,00,00,000 (one crores) equity shares of Rs.10 (Rupees Ten) each to ₹.15,00,00,000 (Rupees fifteen Crores only) divided into 1,50,00,000 (one crore fifty lakhs) equity shares of ₹.10 (Rupees Ten) each."

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

"RESOLVED THAT in accordance with Section 16(1) and all other applicable provisions of the Companies Act 1956, the Memorandum of Association of the Company be and is hereby altered by deleting the existing Clause V and substituting in its place the following new Clause V:

- V. The Authorised Share Capital of the Company is ₹.15,00,00,000 (Rupees fifteen Crores only) divided into 1,50,00,000 (one crore fifty lakhs) Equity Shares of ₹. 10 (Rupees Ten) each. Any share of the original or increased capital may from time to time be issued with guarantee or any right of preference whether in respect of dividend or of repayment of capital or both or any other special privileges or advantages over any shares previously issued or then about to be issued or with deferred or qualified to any provisions or conditions and with any special right or without any right of voting and generally such terms as the Company may from time to time determine.

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

"RESOLVED THAT in accordance with Section 31 and all other applicable provisions of the Companies Act 1956, the Articles of Association of the Company



be and is hereby altered by deleting the existing Article 4 and substituting in its place the following new Article 4.

4. The Authorised Share Capital of the Company is ₹.15,00,00,000 (Rupees fifteen Crores only) divided into 1,50,00,000 (one crore fifty lakhs) Equity Shares of ₹. 10/- (Rupees Ten) each. Any share of the original or increased capital may from time to time be issued with guarantee or any right of preference whether in respect of dividend or of repayment of capital or both or any other special privileges or advantages over any shares previously issued or then about to be issued or with deferred or qualified to any provisions or conditions and with any special right or without any right of voting and generally such terms as the Company may from time to time determine.

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

"RESOLVED THAT pursuant to the provisions of section 198, 269, 309, 310 and 311 read with schedule XIII of the Companies Act, 1956 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) and pursuant to Articles of Association of the company Remuneration Committee of the Board of Directors of the Company be and is hereby approve and recommend to the Board the alteration in the remuneration structure payable to Mr. P.Veeranarayana, Managing Director of the Company with effect from April 1, 2012 on the salary, allowance and perquisites as under:

1. Salary : ₹.75,000/- (Rupees Seventy Five thousand only)

2. i) In addition to the above, the Managing

Director shall also be entitled to perquisites and allowances like accommodation (furnished or otherwise) or house rent allowances in lieu thereof; reimbursement of expenses or allowances for utilities such as gas, electricity, water, furnishings; medical reimbursement; club fees and leave travel concession for himself and his family; personal accident insurance and such other perquisites and allowances in accordance with the rules of the company or as may be agreed to by the Board of Directors; such perquisites or allowances and allowances in accordance with the Rules of the Company or as may be agreed to by the Board of Directors; such perquisites and allowances shall be restricted to an amount equal to the annual salary

- ii) For the purpose of calculating the above ceiling, perquisites shall be evaluated as per Income-tax Rules, wherever applicable. In the absence of any such Rules, perquisites shall be evaluated at actual cost.
- iii) Company's contribution to Provident Fund and Superannuation or Annuity fund, to the extent these neither singly or together are not taxable under the Income-tax Act, Gratuity payable as per the rules of the Company and encashment of leave at the end of the tenure, shall not be included in the computation of limits for the remuneration or perquisites aforesaid
- iv) Provision for car for use on Company's business and telephone at residence will not be considered as perquisites. Personnel long distance calls on telephones and the use of car for private purpose shall be billed by the Company

Explanation : For the above purpose family means spouse, dependent children and dependent parents



None of the Directors except Sri P.Veeranaryana is concerned or interested in this Resolution.

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

"RESOLVED THAT pursuant to the provisions of section 198, 269, 309, 310 and 311 read with schedule XIII of the Companies Act, 1956 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) and pursuant to Articles of Association of the company Remuneration Committee of the Board of Directors of the Company be and is hereby approve and recommend to the Board the alteration in the remuneration structure payable to Mr. P.Madhu Pratap, Technical Director of the Company with effect from April 1, 2012 on the salary, allowance and perquisites as under:

1. **Salary :** ₹.65,000/- (Rupees Sixty Five thousand only)
2. i) In addition to the above, the Technical Director shall also be entitled to perquisites and allowances like accommodation (furnished or otherwise) or house rent allowances in lieu thereof; reimbursement of expenses or allowances for utilities such as gas, electricity, water, furnishings; medical reimbursement; club fees and leave travel concession for himself and his family; personal accident insurance and such other perquisites and allowances in accordance with the rules

of the company or as may be agreed to by the Board of Directors ; such perquisites or allowances and allowances in accordance with the Rules of the Company or as may be agreed to by the Board of Directors; such perquisites and allowances shall be restricted to an amount equal to the annual salary

- ii) For the purpose of calculating the above ceiling , perquisites shall be evaluated as per Income-tax Rules, wherever applicable . In the absence of any such Rules, perquisites shall be evaluated at actual cost.
- iii) Company's contribution to Provident Fund and Superannuation or Annuity fund , to the extent these neither singly or together are not taxable under the Income-tax Act, Gratuity payable as per the rules of the Company and encashment of leave at the end of the tenure, shall not be included in the computation of limits for the remuneration or perquisites aforesaid
- iv) Provision for car for use on Company's business and telephone at residence will not be considered as perquisites. Personnel long distance calls on telephones and the use of car for private purpose shall be billed by the Company

Explanation : For the above purpose family means spouse , dependent children and dependent parents

None of the Directors except Sri P. Madhu Pratap is concerned or interested in this Resolution.

By Order of Board of Directors

P. Veeranarayana
(Vice Chairman & Managing Director)

P. Madhupratap
(Technical Director)

Place: Tirupati

Date: July 25, 2012

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 of the Company. A form of proxy is enclosed. Proxies, in order to be effective, must be received at the Registered Office of the Company not less than forty eight hours before the commencement of the Meeting.
- 2) The Register of Members and Transfer Books of the Company will remain closed from Tuesday, 21st August ,2012 to Monday , 27th August ,2012 (both days inclusive).
- 3) Shareholders are requested to notify change in address if any, immediately to the Company's Registered Office.
- 4) Shareholders are requested to bring their copies of Annual Reports to the Meeting.
- 5) Copies of the Annual Report will not be available for distribution to shareholders at the Meeting hall.
- 5) Shareholders attending the Meeting are requested to complete the enclosed attendance slip and deliver the same at the entrance of the Meeting hall.
- 6) Shareholders intending to require information about accounts to be explained in the meeting are requested to inform the company at least 7-days in advance of the Annual General Meeting.
- 7) Members are requested to note that herein after all shares related transactions i.e., transfer, transmission, transposition, nomination, change of name etc., are being handled by the company/ through share registrars.

**EXPLANATORY STATEMENT PURSUANT
TO SECTION 173(2) OF THE
COMPANIES ACT, 1956****ITEM NO.4 to 6**

The present Authorised Share Capital of the Company is ₹. 10,00,00,000 consisting of 1,00,00,000 Equity Shares of ₹.10 each. The present subscribed, issued and paid-up equity share capital of the Company is ₹.5,53,51,000 consisting of 55,35,100 equity shares of ₹.10 each.

With a view to increase the capital base and raise the net worth, the Board of Directors have decided to increase the Authorised capital by creation of additional 5000000 Equity Shares of ₹.10 each. The revised Authorised Share Capital will be ₹. 15,00,00,000 divided into 1,50,00,000 Equity Shares of ₹.10 each. This requires the approval of the members under Section 94(1)(a) of the Companies Act, 1956 for which necessary resolution is proposed as set out in Item No.4.

As a consequence, the Capital Clause in the Memorandum of Association (Clause V) and the Articles of Association (Article 4) have to be amended and the necessary Resolutions are proposed under Item No.5 and 6 for the approval of the Members. The Board of Directors recommends the passing of the Resolutions.

None of the Directors is in any way concerned or interested in the said resolutions. A Copy of the Memorandum and Articles of Association of the Company along with the proposed alterations is available for inspection at the Registered Office by any member during the business hours on any working day.

ITEM NO. 7

The revision in remuneration payable to Mr. P.Veeranarayana , Managing Director , was revised at the 27th Annual General Meeting held on 9th September '10 on the terms and

conditions more particularly set out in the resolution of the said meeting and his salary was increased from ₹. 21,000 to ₹. 50,000/- . Taking into consideration the contribution and performance of Mr. P.Veeranarayana and based on the recommendation of Remuneration Committee, the Board of Directors have approved the revised remuneration payable to the said Whole-time Director; in their meeting held on 25th July , 2012; subject to approval of shareholders in the Annual General Meeting and approvals from the Central Government and such other authorities as may be necessary. The broad particulars of revised remuneration payable to Mr. P.Veeranarayana are given in the proposed resolution No. 7. The revision in remuneration would require the approval of the shareholders of the Company pursuant to Sections 198, 269, 309, 310, 311 read with Schedule XIII of the said Act and other applicable provisions of the Companies Act, 1956. This may be treated as an abstract of the terms of contract of Mr. P.Veeranarayana , Whole-time Director with the Company as required under Section 302 of the Companies Act, 1956.

None of the other Directors except Mr. P.Veeranarayana, interested or concerned in the aforesaid Resolution. Your Directors recommend the above resolution for your approval.

ITEM NO. 8

The revision in remuneration payable to Mr. P. Madhu Pratap , Technical Director, was revised at the 27th Annual General Meeting held on 9th September '10 on the terms and conditions more particularly set out in the resolution of the said meeting and his salary was increased per month from ₹. 20,000 to

₹. 45000/- . Taking into consideration the contribution and performance of Mr. P. Madhu Pratap and based on the recommendation of

Remuneration Committee, the Board of Directors have approved the revised remuneration payable to the said Whole-time Director; in their meeting held on 25th July, 2012; subject to approval of shareholders in the Annual General Meeting and approvals from the Central Government and such other authorities as may be necessary. The broad particulars of revised remuneration payable to Mr. P. Madhupratap are given in the proposed resolution No. 7. The revision in remuneration would require the approval of the shareholders of the Company pursuant to Sections 198, 269,

309, 310, 311 read with Schedule XIII of the said Act and other applicable provisions of the Companies Act, 1956. This may be treated as an abstract of the terms of contract of Mr. P. Madhupratap, Whole-time Director with the Company as required under Section 302 of the Companies Act, 1956.

None of the other Directors except Mr. P. Madhupratap, interested or concerned in the aforesaid Resolution. Your Directors recommend the above resolution for your approval.

By Order of Board of Directors

P. Veerananarayana
(Vice Chairman & Managing Director)

P. Madhupratap
(Technical Director)

Place: Tirupati

Date: July 25, 2012

DIRECTORS' REPORT

Your Directors have pleasure in submitting the 29th Annual Report of the company together with the Audited Statements of the accounts for the year ended March 31, 2012.

1. FINANCIAL RESULTS:

The brief financial results of the company for the year ended March 31, 2012 are given hereunder

(₹. in lacs)

| PARTICULARS | 2011-12 | 2010-11 |
|---|---------------|--------------|
| Revenue including other income | 1205.41 | 1075.47 |
| Profit before exceptional and extraordinary items and tax | 43.38 | 26.06 |
| Prior Period Items | 3.09 | 3.15 |
| Exceptional Items | 294.33 | 0.00 |
| Profit before extraordinary items and tax (V – VI) | (254.04) | 22.91 |
| Extraordinary Items | 507.65 | 0.00 |
| Profit before Tax | 253.61 | 22.91 |
| Tax Expense | | |
| (1) Current Tax | 0.00 | 0.00 |
| (2) Differred Tax | 1.87 | 1.04 |
| Profit (Loss) for the year | 251.74 | 21.86 |

2. OPERATIONS:

Your company has reported improved performance during the year under review. For the financial year ended 31st March, 2012 the gross revenue of the company was ₹. 1205.41 as against ₹.1075.47 lacs during the previous year registering a growth of 12% over the previous year. Profit before accounting of the exceptional and ex ordinary items amounted to ₹. 43.38 lacs as against ₹. 26.06 lacs during the previous year. The company has written off development Expenditure not capitalized amounting to ₹. 294.33 lacs as there is no future benefit arising from the above expenditure and it is shown as Exceptional item.

The Company has incurred a net loss amounting to ₹. 254.04 lacs during the financial year mainly on account of the exceptional item of development expenditure written off

against profit of ₹. 22.91 lacs before extraordinary items and tax . In pursuance of compromise settlement with IDBI , Central Bank of India and State Bank of India during the year under review , they have waived interest of ₹. 507.65 lacs which was shown as Extraordinary Item . In view of waiver of interest by financial institution/banks profit before tax amounted to ₹. 253.61 lacs as against previous year profit of ₹. 22.91 lacs.

The outlook for the future appears to be good with expected revival of economic growth.

3. DIVIDEND:

The Board has not recommended Dividend for the year 2011-12 due to accumulated losses

4. DIRECTORS RESPONSIBILITY STATEMENT:

Pursuant to the requirements of Section 217(2AA) of the Companies Act, 1956, the directors hereby confirm that

- In preparing the Annual Accounts for the year 2011-12, the applicable accounting Standards have been followed and no material departure is there.
- That the directors had selected such accounting policies and applied then consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affair of the Company at the end of the financial year and of the profit or loss of the Company for that period.
- That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- That the Directors had prepared the an-

nual accounts on a going concern basis.

5. DIRECTORS :

Mr.A. Ramachandra Choudary , Director retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment.

6. DEPOSITS :

The Company has not accepted any deposits from the public within the meaning of Section 58A of the Companies Act, 1956.

7. CORPORATE GOVERNANCE:

The Report on Corporate Governance , Management Discussion and Analysis forming Part of this report is enclosed.

8. REPLY TO AUDITORS COMMENTS:

Regarding the auditors comments on confirmation of balances from Debtors and Creditors, we submit that we have already sent the letters to the Debtors and Creditors to confirm the balances; we have received some of the confirmation letters.

With reference to the auditors comments for not updating the fixed assets register, the Company is in the process of updating the same.

9. PARTICULARS OF EMPLOYEES:

Particulars of employees pursuant to Section 217(2A) of the Companies Act, 195 read with the companies (particulars of Employees) rules, 1975 and forming part of the Directors

Report for the year ended March 31, 2012.

During the year under report, none of the employee of your company were in receipt of remuneration in excess of the limits prescribed for disclosure as per Section 217(2A) of the Companies Act, 1956 read with the Companies (particulars of Employees) Rules, 1975 as amended.

10. AUDITORS:

M/s SPC & Associates, Chartered accountants, formerly known as Sesha Prasad & Co., Hyderabad retire at the conclusion of the ensuing Annual General Meeting and being eligible, offer them self for reappointment and hence is recommended for reappointment.

11. CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION.

The particulars as prescribed under section 217(2A) (1) (e) of the Act, read with the companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988, are set out in an annexure to this report.

12. ACKNOWLEDGEMENTS

The Directors wish to express their appreciation of the continued co-operation of customers, vendors, investors, business associates, bankers and all the stakeholders . The Directors also wish to thank every member of the SIBAR family for their contribution , support and continued co-operation throughout the year.

For and on behalf of the Board.

P. Veerananarayana
(Vice Chairman & Managing Director)

P. Madhupratap
(Technical Director)

Place: Tirupati

Date: July 25, 2012

ANNEXURE TO THE DIRECTORS' REPORT
A) CONSERVATION OF ENERGY:

As a part of continuing efforts to conserve various resources, following steps were taken to conserve energy:

- s Electrical energy saving was achieved by installation of energy efficient motors, the production processes by eliminating high power consuming machines/equipments, optimization of central air conditioning plant, providing for automatic switch off for pump house motors, illumination systems, transparent roof sheets and use of CFL lamps in installation of natural draft air exhaust ventilators.

The Particulars of conservation of energy are as follows:

| Particulars | Units | Amount in ₹ |
|-------------|---------------|-------------|
| Diesel | 53459 Ltrs | 20,19,934 |
| Furnace Oil | 3,30,000 Ltrs | 1,22,77,651 |
| Electricity | 12,41,631 KWH | 58,01,199 |
| Coal | 17,000 KGs | 1,25,011 |

B) TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION :

The Company continuous to use latest technology is for improving productivity and quality of its product. No expenditure is incurred by the company attributable to Research , Development and Technological Absorption during the year under review

C) FOREIGN EXCHANGE EARNINGS AND OUTGO : NIL
MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management of M/s. Sibar Auto Parts Ltd, D4 & D5, Industrial Estate, Renigunta Road, Tirupati presents its Analysis Report

covering the Performance and Outlook of the Company. The Report contains business perspective and prospects based on the current environment and strategic options to steer the Company through unforeseen and uncontrollable external factors. Though company is facing several financial constraints company is able to perform better within available resources.

KEY OPPORTUNITIES INCLUDE

Expansion in the automobile and electrical components manufacturing is concentrated.

Previous year 2011-12 we manufactured electrical components 220 KV, 420 KV & 765 KV. In future we expect better growth in electrical components.

We have also taken new electrical component manufacturing for MNC Companies such as ABB and ALSTOM.

The job work turnover of electrical components has increased to 103.32 lakhs from 51.98 lakhs which shows 200% increase

KEY THREATS INCLUDE

Increase of price in Furnace oil, Aluminium and other inputs affects profit margin

PRODUCT-WISE PERFORMANCE (MAIN PRODUCTS)
Product Cumulative for the year-2011-12

Total melting for the year: 1232 tons out of which Job work: 853 tons and sales: 379 tons

OUTLOOK AND INITIATIVES FOR THE CURRENT YEAR

The management is working toward enhanced efficiencies in consumption of raw materials, reduction in input costs.