

BOARD OF DIRECTORS

Sri P Veerananarayana	Vice Chairman and Managing Director
Sri P Madhuprathap	Technical Director
Sri K Subbaiah	Director
Sri Ramachandra Chowdary Amineni	Director
Sri K. Rajendra Prasad	Nominee Director (APIDC)

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.252 A, 2nd Floor,
 Lotus Pond Road, MLA Colony,
 Road No.12, Banjara Hills,
 Hyderabad - 500 034.

REGISTRAR & SHARE TRANSFER AGENTS

Bigshare Services Pvt Ltd (H.O.)
 E-2/3, Ansa Industrial Estate,
 Sakivihar Road, Saki Naka,
 Andheri (E), Mumbai - 400 072.

COMPANY LAW CONSULTANTS

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.)

306, 3rd Floor, Right Wing, Amrutha Ville,
 Opp. Yasoda Hospital, Raj Bhavan Road,
 Somajiguda, Hyderabad - 500 082

LISTING

The Stock Exchange, Mumbai

30th ANNUAL GENERAL MEETING

Date: Saturday, 14th September, 2013

Time: 3.00 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 30th Annual General Meeting of the Company will be held at its Registered Office at D4 & D5, Industrial Estate, Renigunta Road, Tirupati - 517506 (AP) at 3 P.M. on Saturday September 14, 2013 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance sheet as at March 31, 2013 and the **statement** of Profit and Loss for the year ended on that date together with the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of **Mr. P.Madhu Pratap** 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,

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 a Special Resolution :

"RESOLVED THAT Mr. K. Rajendra Prasad (Nominee of APIDC) who was appointed as an Additional Director of the company by the Board of Directors on 29TH October 2012 pursuant to Section 260 of the Companies Act, 1956 to hold office up to the date of this Annual General Meeting be and is hereby appointed as a Director of the company."

By Order of Board of Directors

P. Veerananarayana
(Vice Chairman & Managing Director)

P. Madhupratap
(Technical Director)

Place: Tirupati

Date: July 27, 2013

NOTES:

- 1) **The relative explanatory statement pursuant to section 173 (2) of the Companies Act, 1956 in respect of the special Business is annexed hereto.**
- 2) 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.
- 3) The Register of Members and Transfer Books of the Company will remain closed from **Tuesday the 10th September 2013 to Saturday the 14th September 2013 (both days inclusive).**
- 4) Shareholders are requested to notify change in address if any, immediately to the Company's Registered 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 at least 7-days in advance of the Annual General Meeting.
- 8) Members are requested to note **that** all shares related transactions i.e., transfer, transmission, transposition, nomination, change of name etc., are being handled by the company/ through share registrars.

**DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT
AT THE AGM**

Particulars	P. Madhuratap	K. Rajendra Prasad
Date of Birth	29.05.1974	30-08-1957
Qualifications	M.TECH	M.COM,LL.B
Experience in specific functional area	Technical Matters	Finance & Accts.
Directorships held in other Public Limited Companies (except foreign and section 25 companies)	---	8
Membership/Chairmanship of committees of other Public Companies (includes audit committee and share holders grievance committee only)	---	---
Number of shares held in the Company	197100	---

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE
COMPANIES ACT, 1956**

ITEM NO. 4

The Andhra Pradesh Industrial Development Corporation has nominated Mr. K.Rajendra Prasad as its Nominee Director and accordingly your Board has appointed him as an additional director on 29th October 2012 to hold office up to this Annual General Meeting. The Company has received a letter from a member proposing his candidature for the office of director. Your Board recommends his appointment.

None of the Directors may be deemed to be concerned or interested in the resolution.

By Order of Board of Directors

P. Veerananarayana
(Vice Chairman & Managing Director)

P. Madhupratap
(Technical Director)

Place: Tirupati

Date: July 27, 2013

DIRECTORS' REPORT

The Directors submit the 30th Annual Report of the company together with the Audited Statements of the accounts for the year ended March 31, 2013.

1. FINANCIAL RESULTS:

The brief financial results of the company for the year ended March 31, 2013 are given hereunder

(₹. in lacs)

PARTICULARS	2012-13	2011-12
Revenue including other income	1099.48	1205.41
Profit before exceptional and extraordinary items and tax	11.23	43.38
Prior Period Items	0.17	3.09
Exceptional Items	0.00	294.33
Profit before extraordinary items and tax (V – VI)	11.07	(254.04)
Extraordinary Items	184.51	507.65
Profit before Tax	195.58	253.61
Tax Expense		
(1) Current Tax	0.00	0.00
(2) Differred Tax	(1.76)	1.87
Profit (Loss) for the year	197.34	251.74

2. OPERATIONS:

For the financial year ended 31st March, 2013 the gross revenue of the company was ₹ 1099.48 lacs as against ₹ 1205.41 lacs during the previous year. The main contributory factor for low turnover when compared with the previous turnover is due to frequent power breaks. Profit before accounting of the exceptional and extraordinary items amounted to ₹ 11.23 lacs as against ₹ 43.38 lacs during the previous year. The low profit is on account of increase in costs of diesel and electricity.

In pursuance of settlement with Sibar Finance Limited during the year under review, it has waived an amount of ₹33.14 lacs towards its debt which was shown as Extraordinary Item. Further the company accounted profit on sale of land amounting to ₹151.37 lacs as Extraordinary item.

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 2012-13 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

- i) In preparing the Annual Accounts for the year 2012-13, the applicable accounting Standards have been followed and no material departure is there.
- ii) That the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period.
- iii) 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.

- iv) That the Directors had prepared the annual accounts on a going concern basis.

5. DIRECTORS:

Mr.P.Madhu Pratap , Technical Director retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. Mr K.Rajendra Prasad was appointed as an additional Director on 29.10.2012

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 and have received some of the confirmation letters.

9. PARTICULARS OF EMPLOYEES:

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.

8. AUDITORS:

M/s SPC & Associates, Chartered accountants, Hyderabad retire at the conclusion of the ensuing Annual General Meeting and being eligible, offer them selves for reappointment

11. CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION.

The particulars as prescribed under section 217 (1) (e) of the Companies Act 1956, 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 27, 2013

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:

- ✧ 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	1,03,002 Ltrs	49,78,796
Furnace Oil	2,90,000 Ltrs	1,16,27,053
Electricity	10,60,704 KWH	72,44,699
Coal	34,990 KGs	2,88,528

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 2012-13 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 ALSTOM.

KEY THREATS INCLUDE

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

PRODUCT-WISE PERFORMANCE (MAIN PRODUCTS)

Product Cumulative for the year-2012-13

Total melting for the year: 997.068 tons out of which Job work: 693.380 tons and sales: 303.688 tons

OUTLOOK AND INITIATIVES FOR THE CURRENT YEAR

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

SOME RISKS & CONCERNS

- * The man power cost per ton of finished product still remains high.
- * Old depreciated plants, requires high maintenance cost and some are obsolete.
- * Huge investments required for revamp/replacement/modernization of the old plants.

INTERNAL CONTROL SYSTEMS & THE ADEQUACY

Internal controls are supported by Internal Audit and Management Reviews. Company ensures existence of adequate internal control through documented policy and procedures to be followed by the executives at various levels.

With the objective of improving the systems and removing bottlenecks, systems review is carried out and policies and procedure manuals are implemented.

As part of good Corporate Governance the Audit Committee constituted by the Board periodically reviews the internal controls, Audit Programmes, Financial Results, Recommendations of the Auditors and Management's Replies to those Recommendations.

REVIEW OF FINANCIAL PERFORMANCE:

The Financial Performance of the company are elaborated in the Director's Report

CAUTIONARY STATEMENT

Statement in this Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations. Actual results might differ substantially or materially from those expressed or implied. Important developments that could affect the Company's operations global or domestic or both, significant changes in political and economic environment in India or key markets abroad, tax laws, litigation, manpower cost, exchange rate fluctuations, interest and other costs.

For and on behalf of the Board

For **SIBAR AUTO PARTS LIMITED**

P. Veerananarayana
(Vice Chairman & Managing Director)

P. Madhupratap
(Technical Director)

Place: Tirupati

Date : July 27, 2013

REPORT ON CORPORATE GOVERNANCE

(Pursuant to clause 49 of listing agreement with stock exchanges)

Your company is committed to good governance, based on an effective independent Board, separation of supervisory role from executive management and constitution of Committees to oversee critical areas

1. A brief statement on Company's Philosophy on Code of Corporate Governance

Corporate Governance for the company means achieving high level of accountability, efficiency, responsibility and fairness in all areas of operation. Our workforce is committed towards the protection of the interest of the stake holder's viz. shareholders, creditors, investors, customers, employees, etc. Our policies consistently undergo improvements keeping in mind our goal of maximization of value of all the stakeholders. The goal is achieved through:

- * Infusion of best expertise in the Board.
- * Consistent monitoring and improvement of the human and physical resources.
- * Introducing regular checks and audits and continuous improvements in already well-defined systems and procedures.
- * Board / Committee meetings at short intervals to keep the Board informed of the recent Happenings.

2. Board of Directors

2.1 Composition of the Board

The company meets the requirement as is stipulated under clause 49 of the listing agreement, as the Chairman of the Board is an executive chairman and the number of independent directors is half of the total number

of directors. The number of non- executive directors is more than 50% of the total number of directors. The non-executive Directors are independent Directors i.e. independent of management and free from any business or other relationship that could materially influence their judgment. All the independent directors satisfy the criteria of independence as defined under listing agreement with Indian Stock Exchanges' Corporate Governance standards. None of the directors are inter se related to each other except Sri P. Madhu Pratap, Executive director of the company is son of Sri P. Veernarayana, Chairman and Executive director of the company.

None of the directors on the board is a member of more than 10 committees and chairman of more than 5 committees across all the companies in which he is a director.

The composition of the Board is as under:

The Board of Sibar Auto parts limited is headed by **Sri P. Veernarayana**, aged 63 years, who is the Vice Chairman & Managing Director.

Sri P. Madhu Pratap aged 38 years, is a promoter and Technical director of M/s Sibar Auto Parts limited. He has a rich experience in management and administration. He is a Post-graduate in Master of Engineering and has a good exposure in the area of castings

Sri K. Subbaiah aged about 57 years, is an Independent & non-executive director and also of M/s Sibar Auto Parts Limited. He has acquired an expertise in management and promotion of business.

Sri A.R. Chowdary aged about 76 years is an independent & non-executive director He is a retired Assistant General Manager of the State Bank of India. He has held responsible positions in SBI and has rich experience in the field of Finance and Banking.

Sri K. Rajendra Prasad aged 56 years, is an Independent & non-executive director of M/s Sibar Auto Parts Limited and also a nominee director from APDIC. He is a post – graduate in Master of Commerce. He is holding the post DGM in APIDC, Hyderabad.

Other information regarding the Board is given below:

No. of other Directorships and Committee Memberships /Chairmanships				
Name of the director	Category	Other director ships	Committee member ships	Committee chairman ships
Sri P. Veerananarayana	Promoter & executive chairman	Nil	Nil	Nil
Sri P. Madhu Pratap	Promoter & executive director	Nil	2	Nil
Sri K. Subbaiah	Independent & non-executive	1	3	1
Sri K. Rajendra Prasad	Independent & non-executive (Nominee Director)	Nil	Nil	Nil
Sri A.R. Chowdary	Independent & non-executive	Nil	1	1

Meetings and attendance

During the year 2012-2013, 6 (Six) Board Meetings were held on 19.04.2012, 16.05.2012, 25.07.2012, 27.08.2012, 29.10.2012, 01.02.2013.

Attendance record of the Directors in the meetings is as under:

Name of the director	No. Board meetings attended	Attended last AGM held on Aug 27, 2012,
Sri P. Veerananarayana	6	Yes
Sri P. Madhu Pratap	6	Yes
Sri K. Subbaiah	6	Yes
Sri K. Eswaraiah	Nil	No
Sri A. R.Chowdary	6	Yes
Sri K. Rajendra Prasad	Nil	No

2. Audit committee

The Audit Committee formed in pursuance of Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956 is

instrumental in overseeing the financial reporting besides reviewing the quarterly, half yearly, annual financial results of the company; it reviews company's financial and risk management policies and the internal control systems, internal audit systems, etc. through discussions with internal and external auditors.

Powers of Audit Committee

The audit committee shall have powers, which should include the following:

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

Presently the Committee is consisting of Sri. K. Subbaiah, Sri. A.R. Chowdary and Sri. P. Madhu Pratap and Sri K. Subaiah is the chairman of the committee.

During the year 2012-13, **four** meetings of the committee were held on 19.04.2012, 25.07.2012, 29.10.2012, 01.02.2013. The composition and attendance in the committee is as under:

Name of the director	Position held in the Company	No.Committee meetings attended
Sri K. Subbaiah	Chairman of the Committee	4
Sri A. R.Chowdary	Member	4
Sri P. Madhu Pratap	Member	4

3. Remuneration committee Purpose

The Company has constituted a Remuneration committee in terms of schedule XIII of the Companies, act 1956 read with clause 49 of the Listing Agreement. Presently the Remuneration Committee comprises of Sri A.R. Chowdary , Sri. K. Subbaiah and Sri P. Madhu Pratap. Sri A.R.Chowdary is the