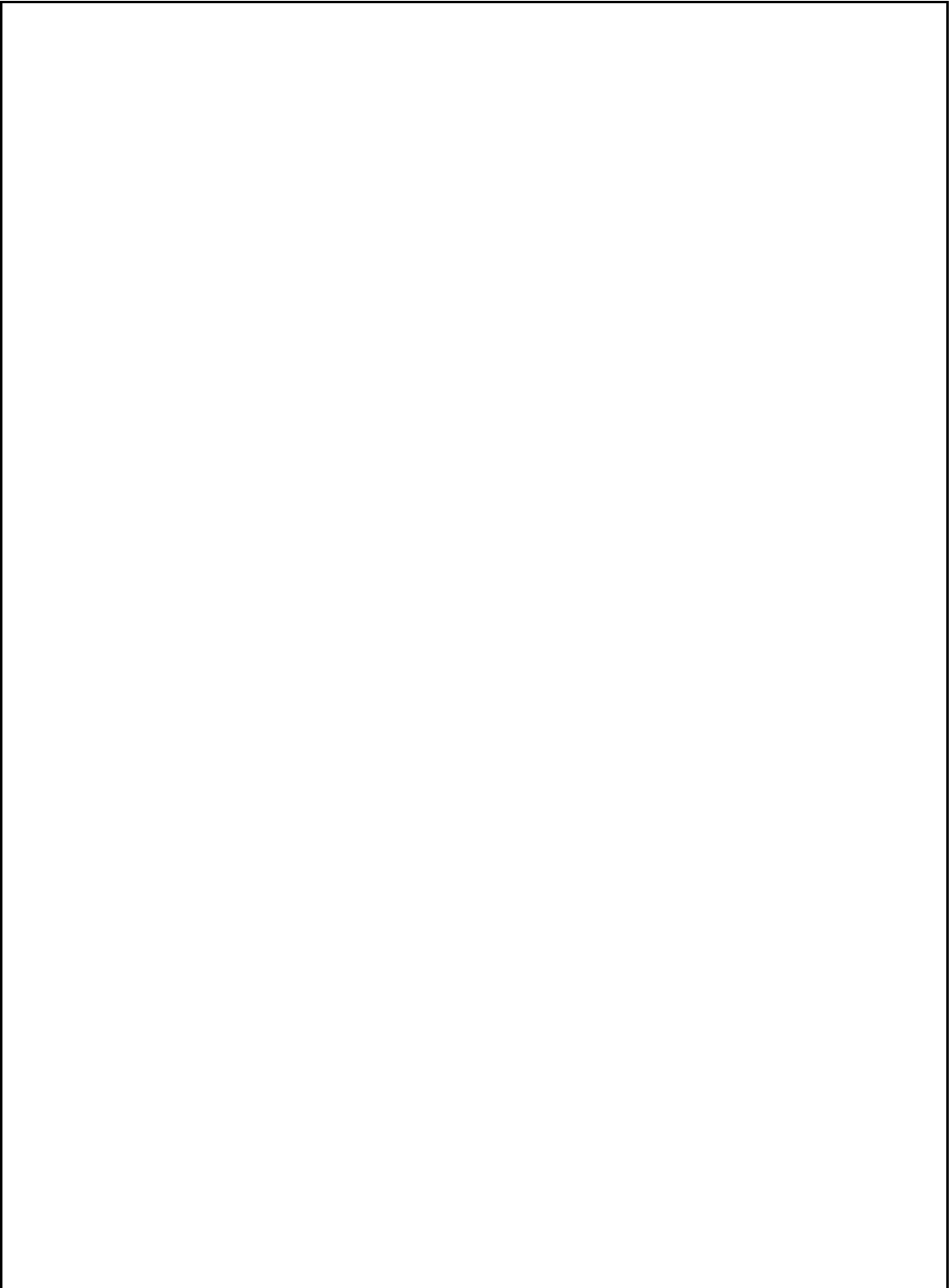


36th ANNUAL REPORT

2018 - 2019



SIBAR
AUTOPARTS LIMITED



COMPANY INFORMATION
BOARD OF DIRECTORS

Shri. Pemmasani Veerananarayana	-	Managing Director
Shri. Pemmasani Ravichandra	-	Whole-Time Director
Shri. Pemmasani Madhu Pratap	-	Whole-Time Director
Smt. Pemmasani Sugunamma	-	Non-Executive Director
Shri. Ramachandra Chowdary Amineni	-	Independent Director (up to 31.03.2019)
Shri. Narayana Yadla	-	Additional / Independent Director (w.e.f. 14.11.2018)
Shri. Bhuvanagiri Purushotham Jetty	-	Chairman & Independent Director
Shri. Rajesh katragadda	-	Additional/Independent Director (w.e.f. 14.08.2019)

Chief Financial Officer

Shri. Pemmasani Madhu Pratap

Company Secretary & Compliance Officer

Ms. Sirisha Chintapalli

Registered Office:
CIN: L34201AP1983PLC003817

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

Phone: +91 -877-2271355, 2271366

Corporate Office:

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

Phone: +91 -877-2271355, 2271366

Registrars & Share Transfer Agents:

M/s. Bigshare Services Private Limited (H.O),

Bharat Tin works Building,

1st Floor, Opp. Vasant Oasis,

Next to Keys Hostel, Marol Maroshi Road,

Andheri (E), Mumbai - 400 059.

Auditors:

M/s. SPC & Associates,

Chartered Accountants

Plot No.252A, 2nd Floor,

MLA Colony, Near Lotus Pond,

Road No.12, Banjara Hills, Hyderabad - 500 034.

Secretarial Auditors:

M /s. P. S. Rao & Associates,

Company Secretaries

Flat No.10, 4th Floor, D. No.6-3-347/22/2

Ishwarya Nilayam, Opp: Sai Baba Temple,

Dwarakapuri Colony, Punjagutta,

Hyderabad- 500 082, Telangana, India

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

306, 3rd Floor, Right Wing, Amrutha Villae,

Opp. Yasoda Hospital, Somajiguda,

Raj Bhavan Road, Hyderabad - 500 082

Phones: 040-23374967

040-23370295

Email: bsshyd@bigshareonline.com

BOARD COMMITTEES
Audit Committee

Shri. B.P.Jetty	-	Chairman
Shri. Y Narayana	-	Member
Shri. K Rajesh	-	Member
Smt. P. Sugunamma	-	Member

Nomination and Remuneration Committee

Shri. Y Narayana	-	Chairman
Shri. B.P.Jetty	-	Member
Shri. K Rajesh	-	Member
Smt. P. Sugunamma	-	Member

Stakeholders Relationship Committee:

Shri. Y Narayana	-	Chairman
Shri. B.P.Jetty	-	Member
Shri. P. Madhu Pratap	-	Member

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NOTICE

Notice is hereby given that the 36th Annual General Meeting of the Members of Sibar Auto Parts Limited will be held on Monday, the 30th day of September, 2019 at 3:30 p.m. at the registered office of the company situated at D4 & D5, Industrial Estate, Renigunta Road, Tirupati, Andhra Pradesh-517506 to transact the following items of business:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Financial Statements of the Company for the Financial Year 2018-2019 together with the Report of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri. P Ravichandra (DIN: 00627413), who retires by rotation and being eligible, offers himself for re-appointment as Director.
3. **Appointment of Statutory Auditors of the Company**

To consider and, if thought fit, to pass the following resolution as Ordinary Resolution:

"RESOLVED THAT pursuant to Sections 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and Companies (Audit and Auditors) Rules, 2014 made thereunder and other applicable rules, if any, under the Act and pursuant to the SEBI (listing Obligations and Disclosure requirements) Regulations 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force) M/s. M M G S & Associates, Chartered Accountants (FRN: 010613S), be and are hereby appointed as the Statutory Auditors of the Company commencing from the conclusion of this Annual General Meeting till the conclusion of forty first Annual General Meeting at a remuneration of Rs. 2,00,000 (Two Lakhs Only) Per annum in addition to the re-imbursement of applicable taxes and actual out of pocket and travelling expenses incurred in connection with the audit and billed progressively."

SPECIAL BUSINESS:**4 TO CONSIDER AND APPROVE THE RE-APPOINTMENT OF SHRI. PEMMASANI VEERANARAYANA (DIN: 00644259) AS A MANAGING DIRECTOR OF THE COMPANY**

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

"RESOLVED THAT pursuant to the provisions of sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013, read with Schedule V of the said act and Companies (Appointment and Remuneration of Managerial Personal) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the recommendations of Nomination & Remuneration Committee and the Board of Directors, the consent of the members of the Company be and is hereby accorded for the re-appointment of Shri. Pemmasani Veerananarayana (DIN: 00644259) as a Managing Director of the Company for another term of three years effective from 5th Day of March, 2019."

"FURTHER RESOLVED THAT pursuant to the provisions of Section 197 and other applicable provisions, if any, of the Companies Act, 2013, read with Schedule V of the said act and Companies (Appointment and Remuneration of Managerial Personal) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the recommendations of Nomination & Remuneration Committee and the Board of Directors, the consent of the members of the Company be and is hereby accorded to increase the remuneration of Shri. Pemmasani Veerananarayana (DIN: 00644259), Managing Director to Rs. Rs. 36,00,000/- (Rupees Thirty-six Lakhs only) per annum and other superannuation benefits as per service rules of the Company, and such perquisites as approved by the Nomination and Remuneration Committee, with effective from 1st Day of April, 2019."

"FURTHER RESOLVED THAT Shri. Pemmasani Veerananarayana in addition to above mentioned Salary is also eligible for a commission of 3% on net profits of the Company arrived in pursuance of Section 198 of the Companies Act, 2013."

"FURTHER RESOLVED THAT the overall amount of remuneration payable to Shri. Pemmasani Veerananarayana shall not exceed 5% of net profits of the Company arrived in pursuance of Section 198 of the Companies Act, 2013."

"FURTHER RESOLVED THAT in the event the Company does not have profits or the profit of the Company is inadequate in any financial year during his tenure as referred above, the amount of Salary and perquisites referred above shall be paid as minimum remuneration in terms of Section II of Part II of Schedule V to the Companies Act, 2013."

5. TO CONSIDER AND APPROVE THE RE-APPOINTMENT OF SHRI. PEMMASANI MADHU PRATAP (DIN: 00644254) AS A WHOLE-TIME DIRECTOR OF THE COMPANY

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

"RESOLVED THAT pursuant to the provisions of sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013, read with Schedule V of the said act and Companies (Appointment and Remuneration of Managerial Personal) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the recommendations of Nomination & Remuneration Committee and the Board of Directors, the consent of the members of the Company be and is hereby accorded for the re-appointment of Shri. Pemmasani Madhu Pratap (DIN: 00644254) as a Whole-Time Director of the Company for another term of three years effective from 1st Day of August, 2019."

"FURTHER RESOLVED THAT pursuant to the provisions of Section 197 and other applicable provisions, if any, of the Companies Act, 2013, read with Schedule V of the said act and Companies (Appointment and Remuneration of Managerial Personal) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the recommendations of Nomination & Remuneration Committee and the Board of Directors, the consent of the members of the Company be and is hereby accorded to increase the remuneration of Shri. Pemmasani Madhu Pratap (DIN: 00644254), Whole Time Director to Rs. 33,00,000/- (Rupees Thirty-Three Lakhs only) per annum and other superannuation

benefits as per service rules of the Company, and such perquisites as approved by the Nomination and Remuneration Committee, with effective from 1st Day of April, 2019."

"FURTHER RESOLVED THAT Shri. Pemmasani Madhu Pratap in addition to above mentioned Salary is also eligible for a commission of 3% on net profits of the Company arrived in pursuance of Section 198 of the Companies Act, 2013."

"FURTHER RESOLVED THAT the overall amount of remuneration payable to Shri. Pemmasani Madhu Pratap shall not exceed 5% of net profits of the Company arrived in pursuance of Section 198 of the Companies Act, 2013."

"FURTHER RESOLVED THAT in the event the Company does not have profits or the profit of the Company is inadequate in any financial year during his tenure as referred above, the amount of Salary and perquisites referred above shall be paid as minimum remuneration in terms of Section II of Part II of Schedule V to the Companies Act, 2013."

6. TO CONSIDER AND APPROVE THE INCREASE IN REMUNERATION OF SHRI. PEMMASANI RAVICHANDRA (DIN: 00627413) WHOLE- TIME DIRECTOR OF THE COMPANY

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

"RESOLVED THAT pursuant to the provisions of Section 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof), applicable clauses of the Articles of Association of the Company and recommendation of the Nomination and Remuneration Committee and approval of Board of Directors, approval of the Company be and is hereby accorded to increase the remuneration of Shri. Pemmasani Ravichandra (DIN: 00627413), Whole-Time Director to Rs. 31,20,000 per annum (Rupees Thirty-One Lakhs Twenty Thousand only) and other superannuation benefits as per service rules of the Company, and such perquisites as approved by the Nomination and Remuneration Committee, with effective from 1st Day of April, 2019."

"FURTHER RESOLVED THAT Shri. Pemmasani Ravichandra in addition to above mentioned Salary is also eligible for a commission of 3% on net profits of the Company arrived in pursuance of Section 198 of the Companies Act, 2013."

"FURTHER RESOLVED THAT the overall amount of remuneration payable to Shri. Pemmasani Ravichandra shall not exceed 5% of net profits of the Company arrived in pursuance of Section 198 of the Companies Act, 2013."

"FURTHER RESOLVED THAT in the event the Company does not have profits or the profit of the Company is inadequate in any financial year during his tenure as referred above, the amount of Salary and perquisites referred above shall be paid as minimum remuneration in terms of Section II of Part II of Schedule V to the Companies Act, 2013."

7. TO CONSIDER AND APPROVE THE APPOINTMENT OF SHRI. NARAYANA YADLA (DIN: 02596053) AS AN INDEPENDENT DIRECTOR OF THE COMPANY:

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, 160 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder, read with Schedule IV to the Companies Act, 2013 and Regulation 16(1)(b) & 17(1A) and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), Shri Narayana Yadla (DIN: 02596053), who was appointed as an Additional Director of the Company by the Board of Directors in their meeting held on 14th November, 2018 as per Section 161(1) of the Companies Act, 2013 and who holds his office as such upto the date of this ensuing Annual General Meeting and who attains the age of 75 years as on 01.06.2020 and in respect of whom the Company has received a notice in writing from a member under Section 160(1) of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company, for a period of five consecutive years commencing from 14th November, 2018."

8. TO CONSIDER AND APPROVE THE APPOINTMENT OF SHRI. RAJESH KATRAGADDA (DIN: 02727491) AS AN INDEPENDENT DIRECTOR OF THE COMPANY

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 Sections 149, 150, 152, 160 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder, read with Schedule IV to the Companies Act, 2013 and Regulation 16(1)(b) and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), Rajesh Katragadda (DIN: 02727491), who was appointed as an Additional Director of the Company by the Board of Directors in their meeting held on 14th August, 2019 as per Section 161(1) of the Companies Act, 2013 and who holds his office as such upto the date of this ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under Section 160(1) of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company, for a period of five consecutive years commencing from 14th August, 2019."

**By order of the Board of Directors
For Sibar Auto Parts Ltd**

**Sd/-
Pemmasani Veerananarayana
Managing Director
DIN: 00644259**

**Place: Tirupati
Date: 26.08.2019**

NOTES:

- 1 Explanatory statement pursuant to Section 102 of the Companies Act, 2013, setting out the material facts concerning each item of Special Business is annexed hereto.
- 2 A member entitled to attend and vote at the meeting is entitled to appoint one or more proxy to attend and, on a poll, to vote instead of himself. A proxy need not be a member of the company. The instrument appointing the proxy should be deposited at the registered office of the company not less than 48 hours before the commencement of the meeting.
A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- 3 Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
- 4 Corporate Members intending to send their authorised representative to attend the Meeting are requested to send to the company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
- 5 In case of joint holders attending the Meeting, only such joint holders who are higher in the order of names will be entitled to vote.
- 6 The Register of Members and Share Transfer Books will remain closed from Tuesday, September 24, 2019 to Monday, September 30, 2019 (both days inclusive).
- 7 Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered Office of the Company on all working days, during business hours upto the date of the Annual General Meeting.
- 8 Members holding shares in Physical form are requested to advise any change of address immediately to the Company/ Registrar and Share Transfer Agent M/s. Bigshare Services Pvt. Ltd, Hyderabad Branch.
- 9 The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their Demat accounts. Members holding shares in physical form may submit their PAN to the M/s. Bigshare Services Pvt. Ltd, Hyderabad Branch.
- 10 Members desirous of receiving any information on the accounts or operations of the company are requested to forward his/her queries to the company at least seven working days prior to the meeting, so that the required information can be made available at the meeting.
- 11 Members who are holding Physical Shares in identical order of names in more than one folio are requested to send to the Company or to the Company's Share Transfer agent, the details of such folios together with the Share Certificates for consolidating their holding into single folio. The Share Certificates will be returned to the members after making requisite changes thereon.
- 12 Members are requested to mandatorily quote their Registered Folio No. or Demat Account No. and Depository Participant Identification Number (DPID No) on all correspondence with the company.
- 13 Securities and Exchange Board of India [SEBI] vide PR No. 51/2018, except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository. Hence, the Company is hereby request all the members who were held shares in the physical form are convert their shares into dematerialized mode.
- 14 Members are advised to update their email IDs with Company's RTA and/or concerned Depository participants as soon as possible.

Remote E-Voting

1. The items of business as set out in the Notice may be transacted through electronic voting system. Therefore, the Company is providing facility for voting by electronic means. Pursuant to Section 108 of the Companies Act 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time and in force as on date and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to offer remote e-voting facility, as an alternate, to its members in respect of the business to be transacted at the AGM.
2. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Monday, September 23, 2019, are entitled to vote on the resolutions set forth in this Notice. Eligible members who have acquired shares after the dispatch of the Annual Report may approach the Company for required assistance in connection with generation of the User ID / Password in order to exercise their right to vote by electronic means. The remote e-voting period will commence at 9.00 A.M. on Friday, September 27, 2019 and will end at 5.00 P.M. on Sunday, September 29, 2019. The members will not be able to cast their votes electronically beyond the date and time mentioned above.
3. The Company has appointed Mr. M B Suneel, Practicing Company Secretary (Membership No. 31197 and CP No. 14449) to act as the Scrutinizer to conduct and scrutinize the voting process in a fair and transparent manner. The Members desiring to vote through electronic mode may refer to the detailed procedure on remote e-voting given hereunder:

PROCEDURE FOR REMOTE E-VOTING:

The remote e voting period begins at 9.00 A.M. on Friday, September 27, 2019 and will end at 5.00 P.M. on Sunday, September 29, 2019. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. September 20, 2019, may cast their vote electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter.

- A. **In case of members receiving e-mail (for members whose e-mail address are registered with the Company/Depositories)(i)** The shareholders should log on to the remote e-voting website www.evotingindia.com.

- (ii) Click on "Shareholders" tab.
- (iii) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vi) If you are a first time user follow the steps given below:

For Members holding shares in Demat/ Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> ▪ Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Attendance Slip indicated in the PAN field
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> ▪ Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member ID / folio number in the Dividend Bank details field as mentioned in instruction (iii).

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for remote e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For Members holding shares in physical form, the details can be used only for remote e-voting on the resolutions contained in this Notice.
- (x) Click on the **EVSN** for the relevant **<SIBAR AUTO PARTS LTD>** on which you choose to vote.
- (xi) On the voting page, you will see "**RESOLUTION DESCRIPTION**" and against the same the option "**YES/NO**" for voting. Select the option **YES** or **NO** as desired. The option **YES** implies that you assent to the Resolution and option **NO** implies that you dissent to the Resolution.
- (xii) Click on the "**RESOLUTIONS FILE LINK**" if you wish to view the entire Resolution details.
- (xiii) After selecting the resolution you have decided to vote on, click on "**SUBMIT**". A confirmation box will be displayed. If you wish to confirm your vote, click on "**OK**", else to change your vote, click on "**CANCEL**" and accordingly modify your vote.
- (xiv) Once you "**CONFIRM**" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvi) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xviii) Note for Non – Individual Shareholders and Custodians
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporate.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xviii) In case you have any queries or issues regarding remote e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

B. In case of members receiving the physical copy of Notice of AGM (for members whose e-mail ids are not registered with the Company/Depositories):

Please follow all the steps from Sl. No. (i) to Sl. No. (xviii) to cast vote

- A. Copy of the Notice together with Annual Report 2018-19 are being sent by to those Members whose names appear in the Register of Members / statements of beneficial ownership maintained by the Depositories as on the close of business hours on Friday, the 30th day of August, 2019. Any person who becomes a member of the Company after the said date and holding shares as on the cut-off date i.e. Monday, the 23rd day of September 2019 may obtain user ID and Password by sending an email request to ibsshyd@bigshareonline.com. Members may also send a request to the Company Secretary by writing to him at the registered office of the Company.
- B. The Chairman shall, at the general meeting, at the end of discussion on the resolutions on which voting is to be held, allow voting, with the assistance of scrutinizer, by use of ballot or polling paper or by using an electronic voting system for all those members who are present at the general meeting but have not cast their votes by availing the remote e-voting facility.
- C. The Scrutinizer shall immediately after the conclusion of voting at the AGM, first count the votes cast at the Meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least 2 witnesses not in the employment of the Company and make not later than 48 hours of conclusion of the Meeting a consolidated Scrutiniser's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same and declare the result of voting forthwith.

A member can opt for only one mode of voting, i.e., either through remote e-voting or by Ballot. If a member casts votes by both modes, then voting done through remote e-voting shall prevail and Ballot shall be treated as invalid.

The results declared along with the Scrutinizer's Report will be posted on the Company's website and communicated to the Stock Exchange.

Annexure to the Notice**Explanatory Statement pursuant to Section 102 of the Companies Act, 2013****Item No.3:**

In terms of Section 139 of the Companies Act, 2013 ("the Act"), and the Companies (Audit and Auditors) Rules, 2014, made thereunder, the term of the present Statutory Auditors of the Company, M/s. SPC & Associates, Chartered Accountants (FRN: 005685S), will be expiring at the conclusion of the thirty six Annual General Meeting.

The Board of Directors at its meeting held on 14th day of August, 2019 after considering the recommendations of the Audit Committee, had recommended the appointment of M/s. M M G S & Associates, Chartered Accountants, as the Statutory Auditors of the Company for approval of the members. The proposed Auditors shall hold office for a period of five consecutive years from the conclusion of the thirty sixth Annual General Meeting till the conclusion of forty first Annual General Meeting of the Company.

M/s. M M G S & Associates is a Chartered Accountancy Firm registered with Institute of Chartered Accountants of India with Firm Registration No.010613S. The Firm provides range of services which include Audit & Assurance, Taxation, Accounting and Risk Advisory.

M/s. M M G S & Associates, Chartered Accountants, have consented to the aforesaid appointment and confirmed that their appointment, if made, will be within the limits specified under Section 141(3)(g) of the Companies Act, 2013. They have further confirmed that they are not disqualified to be appointed as the Statutory Auditors in terms of the Companies Act, 2013 and the rules made thereunder. Pursuant to Section 139 of the Companies Act, 2013, approval of the members is required for appointment of the Statutory Auditors and fixing their remuneration by means of an ordinary resolution.

Accordingly, approval of the members is sought for appointment of M/s. M M G S & Associates, Chartered Accountants as the Statutory Auditors of the Company and to authorise the Board of Directors, on the recommendation of the Audit Committee, to determine the remuneration payable to them.

None of the Directors, Key Managerial Personnel of the Company and their respective relatives is concerned or interested in the Resolution. The Board of Directors recommend the resolution for

Item No. 4

Shri. P. Veeranarayana, is a founder Promoter and Managing Director of the Company and has more than Four decades of Experience In the field of Automobile Engineering. His current term of appointment as a Managing Director of the Company has expired on 04.03. 2019. In view of the rich experience and expertise knowledge the Board of Directors at their meeting held on 14th February, 2019 considered that for smooth and efficient running of the business, the company should hire the services of Shri. P. Veeranarayana and has reappointed him as the Managing Director of the company for a further period of 3 years with effect from 05.03.2019 at a remuneration of Rs.36,00,000 (Rupees Thirty-Six Lakhs only) per annum as set out in the resolution. In addition to the above, he shall be entitled to receive the following:

1. Residential Accommodation (Furnished or Otherwise) or House Rent Allowances in lieu thereof.
2. Allowances for utilities such as gas, electricity, water, furnishings
3. Reimbursement of Medical expenses for self and family not exceeding one-month salary in a year
4. Club fees and leave travel concession for himself and his family 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 and allowances shall be restricted to an amount equal to the annual salary. For the purpose of calculating the said 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.
5. Company's contribution to Provident Fund and Superannuation or Annuity Fund, to the extent these either singly or together are not taxable under the Income-tax Act.
6. Gratuity and Encashment of leave at the end of tenure shall not be included in the computation of limits for the remuneration or perquisites thereof
7. Provision of Car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and the use of car for private purpose shall be billed by the Company.
8. For the above purpose family means spouse dependent children and dependent parents.

None of the other Directors of the Company is in any way concerned or interested except Shri. P.Veeranarayana, Shri. P. Madhu Pratap, Shri. Ravichandra and Smt. P. Sugunamma.