

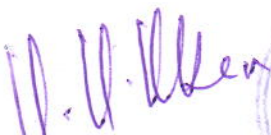




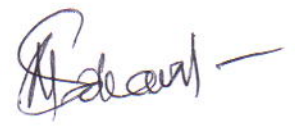
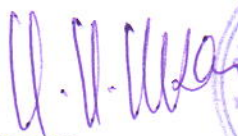

FORM A

( Pursuant to Clause 31(a) of Listing Agreement )

S.NO	Particulars	Details
1.	Name of the Company	Samkrp Pistons and Rings Limited
2	Annual Standalone Financial statements for the year ended	31 <sup>st</sup> March, 2015
3	Type of Audit Observation	Disputed sales tax liability to be considered as and when the demand is raised after hearing of the case.
4	Frequency of Observation	Once
5	To be signed by:	
	Man aging Director	Mr. S D M Rao 
	Audit Committee Chairman	Mr. S Madhava Rao 
	Auditors of the Company	Refer our Audit Report dated 25.05.2015 on the standalone financial statements of the company For M/s. Ravi & Keshav Chartered Accountants Registration No. 003187S  K K Kesavan Proprietor Membership No. 017489 Hyderabad, 

# FORM B

( Pursuant to Clause 31(a) of Listing Agreement )

S.NO	Particulars	Details
1.	Name of the Company	Samkrg Pistons and Rings Limited
2	Annual Financial statements for the year ended	31 <sup>st</sup> March, 2015
3	Type of Audit Observation	Disputed sales tax liability to be considered as and when the demand is raised after hearing of the case.
4	Frequency of Observation	Once
	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report	
	Additional comments from the Board / Audit Committee Chair	
5	To be signed by:	
	Man aging Director	Mr. S D M Rao 
	Audit Committee Chairman	Mr. S Madhava Rao 
	Auditors of the Company	Refer our Audit Report dated 25.05.2015 on the standalone financial statements of the company For M/s. Ravi & Keshav Chartered Accountants Registration No. 003187S  K K Kesavan Proprietor Membership No. 017489 Hyderabad, 

# 29<sup>th</sup>

## Annual Report 2014-15



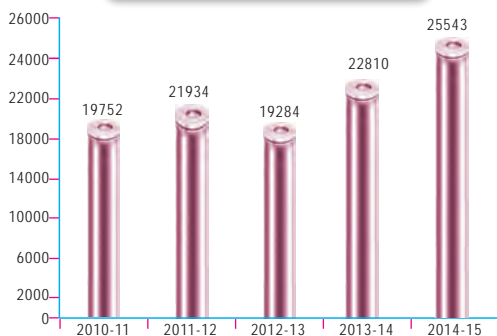
**Sam**  
PISTON & RINGS

### **SAMKRG PISTONS AND RINGS LIMITED**

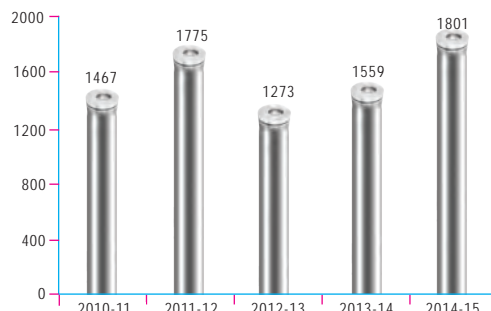
( AN ISO/TS 16949 : 2002 Company )

## PERFORMANCE HIGHLIGHTS

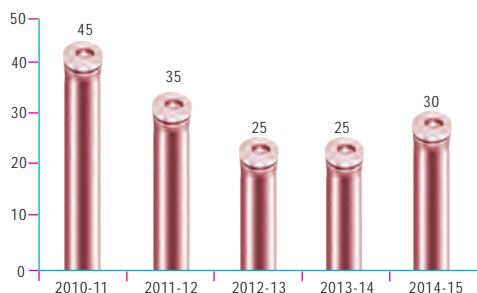
**SALES (Gross) Rs. in lacs**



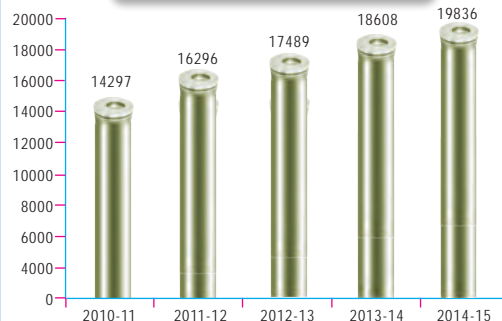
**PROFIT BEFORE (TAX) Rs. in lacs**



**DIVIDEND %**



**Gross Fixed Assets**



## SAMKR G PISTONS AND RINGS LIMITED

Rs. in lacs

Particulars	2014-15	2013-14	2012-2013	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06
Sales (Gross)	25543.09	22810.03	19284.49	21933.89	19751.54	15033.04	11610.18	11288.33	10163.97	9206.45
Sales (Net)	23247.38	20562.72	17344.91	19923.59	16935.44	13260.28	9912.92	9388.90	8332.06	7756.73
PBDIT	3419.34	3005.85	2781.91	3212.82	2627.07	2120.09	1729.55	2088.40	2221.70	941.77
Profit before tax	1800.82	1559.17	1272.93	1775.14	1467.15	1011.85	613.61	836.72	920.46	808.13
Profit after tax	1231.51	1074.60	866.93	1177.79	992.15	710.85	448.28	581.97	579.54	656.12
Profit after tax (%)	5.30	5.23	5.01	5.91	5.86	5.36	4.52	6.19	6.96	8.46
Dividend paid	294.62	245.51	245.51	343.72	441.92	392.82	294.62	343.72	343.72	294.62
Dividend %	30	25	25	35	45	40	30	35	35	30
Share Capital	982.05	982.05	982.05	982.05	982.05	982.05	982.05	982.05	982.05	982.05
Reserves & Surplus	7493.06	6563.38	5776.03	5311.26	4162.83	3577.95	3620.83	2636.16	2449.77	2379.92
Net worth	8475.11	7545.43	6758.08	6293.31	5144.88	4560.00	4602.88	3618.21	3431.82	3361.97
Gross Fixed Assets	19836.24	18607.67	17488.61	16296.28	14296.96	13151.96	12937.28	14866.69	12907.47	11804.29
EPS (Rs)	12.54	10.94	8.83	12.00	10.10	7.24	4.56	5.93	5.90	6.68
Book value/Share (Rs)	86.30	76.83	68.82	64.08	52.39	46.43	46.87	36.84	34.95	34.23
Debt Equity	Zero Debt	Zero Debt	0.21	0.27	0.10	0.05	0.08	0.14	ZERO DEBT	ZERO DEBT

## BOARD OF DIRECTORS

Shri S D M Rao	Chairman & Managing Director
Shri S Karunakar	Whole Time Director
Shri S Kishore	Whole Time Director
Shri M N Thakkar	Independent Director
Shri S Madhava Rao	Director
Shri V Chakrapani	Independent Director
Shri A Venkateswara rao	Director (w.e.f 2nd February 2015)
Ms. N Rishita	Director (w.e.f 2nd February 2015)
Dr. V Venkat Reddy	Director (Retired on 2nd February 2015)

Auditors	M/s. Ravi & Keshav Chartered Accountants Hyderabad
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Bankers	State Bank of India
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Registered Office	1-201, Divyashakti Complex 7-1-58, Ameerpet Hyderabad - 500 016 Tel : 040 - 23730596 Fax : 040 - 23730216
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### *Factories*

PLANT - I (PISTONS & PINS)	Sy.No.537, Temple Road Bonthapally Narasapur Taluk Medak District, Telangana
PLANT - II (PISTON RINGS)	Sy.No.33, Varisam Pydibhimavaram Ranastalam Mandal Srikakulam District, A.P.
PLANT - III (PISTONS & PINS)	Sy.No.232 Arinama Akkivalasa Allinagaram, Etcherla Mandal Srikakulam District, A.P.

Registrar and Share Transfer Agent	M/s. XL Softech Systems Ltd 3, Sagar Society, Road No.2 Banjara Hills Hyderabad - 500034 Ph: 040-23553214
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## NOTICE

NOTICE is hereby given that the Twenty Ninth (29th) Annual General Meeting of the Members of the **SAMKRG PISTONS AND RINGS LIMITED** will be held on **Monday the 21st September, 2015 at 10.30 A.M at Hotel Grandeur, Opp: J C Brothers, Beside New Science College, Main Road, Ameerpet, Hyderabad - 500073** to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the company as at 31st March 2015 and Profit and Loss Account for the year ended on that date together with Directors' report and Auditors' report thereon.
2. To declare a Dividend on Equity shares.
3. To ratify the appointment of auditors of the Company to hold office until the conclusion of the Annual general Meeting for Financial year 2015-16 and the payment of remuneration as fixed by the board of directors and 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 139 of the Companies Act, 2013 and the rules made there under, including statutory modifications thereto or re-enactments thereof for the time being in force, and pursuant to the recommendations of the audit committee of the Board of directors, the appointment of M/s. Ravi & Keshav, chartered Accountants, Hyderabad (Membership Number 017489) which was made AGM 2014 for Three Consecutive Audit-years ending on the conclusion of AGM for FY 2016-17 be and is hereby ratified and confirmed for the remaining audit period on such remuneration as fixed by the board of directors"

"RESOLVED FURTHER THAT the directors of the Company jointly and severally be and are hereby authorised to do all such acts, matters and things as may be necessary to give effect to the above resolution and to certify and upload the e-forms.

### SPECIAL BUSINESS

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

"RESOLVED that the pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 Mr. S.Madhava Rao, who was appointed as Independent Director in the Previous Annual General Meeting held on 27th September, 2014 in respect of whom the company has received a notice pursuant to the provisions of section 152 of the Companies Act, 2013 along with the requisite deposit proposing the candidate of Mr. S.Madhava Rao (DIN00160487) for the office of the Director be and is hereby appointed as **Director retiring by Rotation**.

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

"RESOLVED that the pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 Mr. A.Venkateswara Rao, (DIN07147620) who was appointed as additional Director by the Board on 02nd February, 2015 and who in terms of section 161(1) of the Companies Act, 2013 holds office up to the date of Annual General Meeting and in respect of whom the company has received a notice pursuant to the provisions of section 152 of the Companies Act, 2013 along with the requisite deposit proposing the candidate of Mr. A.Venkateswara Rao for the office of the Director be and is hereby appointed as **Director elected by small shareholders** of the company to hold office for a period of 3 consecutive years from the date of this meeting to 2018."

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

"RESOLVED that the pursuant to the provisions of Sections 149, 152 and any other applicable

provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 Ms. Nama Rishita (DIN07143463) who was appointed as additional Director by the Board on 02nd February, 2015 and who in terms of section 161(1) of the Companies Act, 2013 holds office up to the date of ensuing Annual General Meeting and in respect of whom the company has received a notice pursuant to the provisions of section 152 of the Companies Act, 2013 along with the requisite deposit proposing the candidate of Ms. Nama Rishita for the office of the Director be and is hereby appointed as woman Director retiring by Rotation"

#### NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. Proxies in order to be effective should be duly stamped, completed and signed and must be deposited at the registered office of the Company not later than 48 hours before the commencement of meeting.
3. Members/Proxies should bring their copy of Annual reports along with Attendance Slip duly filled in for attending the meeting.
4. The Register of the members and Share Transfer Books of the Company will remain closed from 15th September 2015 to 21st September 2015 (Both days inclusive).
5. The dividend on equity shares as recommended by the Board of Directors, if declared at the 29th Annual General Meeting shall be paid to the members whose names appear on the Company's register of members as on 14th September, 2015.
6. *In respect of shareholding in dematerialised form, dividend will be paid to the Beneficial Owners as per list to be furnished by the Depositories directly through ECS wherever ECS facility is available subject to availability of bank account details. In case the said details have not been provide to the concerned Depository Participant or there is any change, the same may please be intimated to the concerned Depository Participant immediately.*
7. *In respect of shares held in Physical form to those members whose names appear in the register of members up to end of Business hours on 14th September, 2015.*
8. Pursuant to Section 205A of the Companies Act, 1956, all unclaimed / unpaid dividends up to the financial year ended 31st March, 2007 have been transferred to the General Revenue Account of the Central Government.
9. Consequent upon the introduction of Section 205(C) by the Companies (Amendment) Act, 1999, the amount of dividend remain unpaid or unclaimed for the period of seven years from the date of its transfer to the Unpaid Dividend Account of the Company is required to be transferred to the Investor Education and Protection Fund set up by the Government of India and no payment shall be made in respect of any such claims by the Fund.
10. Members, who have not yet en-cashed their dividend warrant(s) for the financial years from 2008 to 2013-2014, are requested to make their claims to the Company without any delay.
11. **In the terms of notification issued by SEBI, the Equity Shares of the Company are under compulsory Demat trading for all Investors from 24th July, 2000. Shareholders are advised to hold their shares in Demat mode and to send their Share Certificates along with Dematerialisation request to the RTA through their Depository Participants.**
12. The Members are requested to:
  - i) Intimate changes, if any, in their registered address at an early date.
  - ii) The Members are requested to use ECS facility for receiving Dividend by filling and deposit the ECS form enclosed in this report.
  - iii) Members who have multiple Folios in identical names or joint names in the same order are requested to intimate to the company those folios to enable the company to consolidate all such share holdings into a single folio.
13. *The Annual Listing fee for the year 2015-16 has been paid to Bombay Stock Exchange Ltd.*

## GREEN INITIATIVE IN CORPORATE GOVERNANCE

Rule 11 of the Companies (Accounts) Rules, 2014, permits circulation of Annual Report through electronic means to such of the members whose e-mail address are registered with NSDL-CDSL or with the company to receive the documents in electronic form and physical copies to those shareholders whose email address have not been either registered with the company or with the DPs.

To support this green initiative of the Government members are requested to register their e-mail address and also intimate changes, if any, with the DPs, in case shares are held in Dematerialized form and with STA, in case the shares are held in physical form.

### I. The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 15-09-2015 (9.00 a.m.) and ends on 18-09-2015 (6.00 p.m.) During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on cut-off date (record date) of 20-08-2015 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (iii) Click on Shareholders
- (iv) 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.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
DOB	<p>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.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> <li>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 (iv).</li> </ul>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) 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 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.

- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant < **Samkrig Pistons and Rings Limited** > on which you choose to vote.
- (xii) 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.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) 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.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) 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.
- (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](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto: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](mailto: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.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- II. In case you have any queries or issues or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help Section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or [admin@samkrig.com](mailto:admin@samkrig.com)
- III. The voting rights of shareholders shall be in proportion to the shares held by them in the paid up equity share capital of the company as on 20-08-2015.
- IV. **Mr. V B S S Prasad**, Practicing Company Secretary (F.C.S No.4139), has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

- V. The Scrutinizer shall within a period not exceeding three working days from the conclusion of the e-voting period unblock the votes in the presence of at least two witnesses not in the employment of the Company and make Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman / Managing Director of the Company.

In case of members receiving the physical copy:

- (A) In case of members receiving the physical copy, Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- (B) The voting period begins on Tuesday the 15th day of September 2015, at 9.00 AM and ends on Saturday the 18th of September 2015 at 6.00 PM. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 20.08.2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

BY ORDER OF THE BOARD  
For SAMKRG PISTONS AND RINGS LIMITED

S.D.M. RAO

CHAIRMAN  
& MANAGING DIRECTOR

Place : Hyderabad  
Date : 25.05.2015

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## EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.

### ITEM NO.4

Mr. S Madhava Rao is a Non-Executive Independent Director of the Company. He Joined the Board of Directors of the Company in 1988 Mr. S Madhava Rao is the Chairman of the Audit Committee and investor Relationship Committee of the Board of Directors of the Company

Mr S Madhava Rao is a Post Graduate in Industrial Engineering and Management and having 29 years experience in Hyderabad Allwyn Limited, Hyderabad, in R&D, Production, Plant Engineering, P.P.C, Industrial Engineering and Quality Control.

Mr. S Madhava Rao is holds 500 shares of the Company vide Folio No. 13279520.

Mr. S Madhava Rao was appointed as independent Director in the Annual general Meeting held on 27th September, 2014, To comply with the provisions of Section 152 of the Companies Act, 2013, proposed to appoint him as Director retiring by rotation. A notice has been received from the member proposing Mr. S Madhava Rao as a candidate for the office of Director of the Company.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail his services as Director. Accordingly, the Board recommends the resolution in relation to his appointment as an Director retiring by rotation, for the approval by the shareholders of the company.

Mr. S Madhava Rao being an appointee, deemed to be concerned or interested in the resolution set out at Item No.4, this Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchange.

**ITEM NO.5**

The Company at present have 8733 no of small shareholders and the Board proposes to appoint Mr. A.Venkateswara Rao as Director elected by small shareholders.

He was appointed as Additional Director of the Company with effect from 2nd February, 2015 and he holds office till the conclusion of the ensuing Annual General Meeting.

**Mr. Akula Venkateswara Rao** is a Post Graduate in Industrial Engineering and having 20 years experience in Blast Furnaces, in Rurkela Steel Plant (SAIL) and 13 Years in Textiles Managing Multiple Units / Locations.

He holds 65 shares of the company vide Folio No. 1205140000182628.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail his services as an Independent Director, Accordingly, the Board recommends the resolution in relation to his appointment as an independent small shareholder Director, for the approval by the shareholders of the company.

Except **Mr. Akula Venkateswara Rao** being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No.5, this Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchange.

Your directors recommend the resolution for approval as Special Resolution.

**ITEM NO.6**

**Ms. Nama Rishita** is a Non-Executive Independent Director of the Company. She was appointed as additional Director of the Company with effect from 02nd February, 2015 and she holds office till the conclusion of the ensuing Annual General Meeting.

**Ms. Nama Rishita** is a Post Graduate in Human Resource Management from University of Bradford, U.K worked as H.R Generalist in a Recruitment agency in Bradford, U.K

She holds 50,000 equity shares in the company, vide Folio No. 33490146.

To comply with the provisions of Section 152 of the Companies Act,2013, proposed to appoint her as Director retiring by rotation. A notice has been received from the member proposing **Ms. Nama Rishita** as a candidate for the office of Director of the Company.

The Board considers that her continued association would be of immense benefit to the Company and it is desirable to continue to avail her services as Woman Director retiring by rotation. Accordingly, the Board recommends the resolution in relation to her appointment as Woman Director retiring by rotation, for the approval by the shareholders of the company.

**Ms. Nama Rishita** being an appointee, **SDM RAO**, Managing Director, **Mr. S.Karunakar**, Whole time Director and **S. Kishore**, Whole time Director of the Company are deemed to be concerned or interested, financial or otherwise, in the resolution set out at Item No.6, this Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchange.

Your directors recommend the resolution for approval as Special Resolution.

BY ORDER OF THE BOARD  
 For **SAMKRG PISTONS AND RINGS LIMITED**

Place : Hyderabad  
 Date : 25.05.2015

**S.D.M. RAO**  
 CHAIRMAN  
 & MANAGING DIRECTOR

## Director's Report to the Shareholders

Your Directors are pleased to present 29th Annual Report and the Audited Statement of Accounts of the Company for the year ended March 31, 2015.

### FINANCIAL RESULTS: (₹ In lacs)

	2014-2015	2013-2014
Gross Sales	25543.09	22810.03
Less: Excise Duty	2295.71	2247.31
Income from Operations	23247.38	20562.72
Total Expenditure	19861	17577.59
Other Income	33.52	20.72
Operating Profit (PBDIT)	3419.34	3005.85
Financial Cost	461.99	467.81
Cash Profit	2957.35	2538.04
Depreciation	1156.53	1045.06
Profit before Exceptional Item	1800.82	1492.98
Exceptional Item	-	66.18
Profit after Exceptional Item	1800.82	1559.17
Provision for Taxation		
i) Current Year	510.00	450.00
ii) Deferred Taxation	37.86	34.57
Net Profit before Extraordinary Item	1252.97	1074.60
Extraordinary Item	21.46	-
Profit after Extraordinary Item	1231.51	1074.60

**Note:** Figures have been re-grouped wherever necessary to confirm to current period classification.

### OPERATIONS:

The Company achieved the gross turnover of ₹ 25543.09 lakhs during 2014-15 as against ₹ 22810.04 lakhs in the previous year 2013-14 there by recorded an increase of 12%.

The company R&D expenditure is ₹ 127.86 lakhs i.e., 0.55% of sales during the year to catch up with up- gradation of technology and to meet OEM's ever demanding quality and new developments requirement to improve life cycle of their product meeting Euro III norms.

The operation of the Company on the whole has been satisfactory.

Your company has posted Net turnover of ₹ 23247.38 lacs as compared to ₹ 20562.72 lacs for the previous

year an increase of 13.06%.

Earnings Before Depreciation, Interest and Tax (PBDIT) at ₹ 3419.34 lakhs as against previous year of ₹ 3005.85 Lakhs. The Profit Before Tax was at ₹ 1800.82 lakhs as compared to ₹ 1559.17 lakhs in 2013-14 an increase of 15.50%

### LISTING OF EQUITY SHARES

The Company's equity shares are listed on BSE Ltd., Feroz Jeejeebai Towers, Dalal Street, Mumbai 400001.

### MEETINGS OF THE BOARD OF DIRECTORS

During the year ended March 31st, 2015, 4 (four) Board Meetings were held. The dates on which the Board Meetings were held are 19.05.2014, 06.08.2014, 15.10.2014 and 02.02.2015.

### DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 134 of the Companies Act, 2013 with respect to the Directors' Responsibility Statement, the Board of Directors of the Company hereby confirms:

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- 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 and loss of the company for that period;
- the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- the directors had prepared the annual accounts on a going concern basis; and
- the directors, in the case of a listed company, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- the directors had devised proper systems to ensure compliance with the provisions of all

applicable laws and that such systems were adequate and operating effectively.

The Company's Internal Auditors have conducted periodic audit to provide reasonable assurance that the Company's established policies and procedures have been followed. The Audit Committee of the Board meets once in a quarter with Internal Auditors to review internal control and financial reporting issues.

#### STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS UNDER SECTION 149(6)

The Independent Directors have submitted the declaration of independence as required pursuant Sec.147 of the Companies Act, 2013 stating that they meet the criteria of independence as provided in Sec. 149(6).

#### NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee consists of the following Directors namely Mr. V Chakrapani, Mr. M N Thakkar and Mr. S. Madhava Rao.

Brief description of terms of reference:

- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board for their appointment and removal;
  - Carry on the evaluation of every director's performance;
  - Formulation of the criteria for determining qualifications, positive attributes and independence of a director;
  - Recommend to the Board a policy relating to the remuneration of the directors, key managerial personnel and other employees;
  - Formulation of criteria for evaluation of independent Directors and the Board;
  - Devising a policy on Board diversity; and
  - Any other matter as the Board may decide from time to time.
  - Nomination and Remuneration policy
- The objective of the Policy.
1. To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may

be appointed in Senior Management and Key Managerial positions and to determine their remuneration.

2. To determine remuneration based on the Company's size and financial positions and trends and practices on remuneration prevailing in peer companies.
3. To carry out evaluation of the performance of Directors.
4. To provide them reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
5. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

#### PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS UNDER SECTION 136.

The company has neither issued any Loans, Guarantees nor made any investments during the Financial year.

#### PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERRED TO Sec. 188(1)

Related parties to Sec. 188(1) is prepared in form No. AOC-2 pursuant to Sec. 134(3)(h) of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014 and the same is enclosed as **Annexure-1** to this report.

#### TRANSFER OF AMOUNTS TO RESERVES

The Company proposes to transfer an amount of ₹ 153.94 lakh to the general reserve for the financial year ended 31st March, 2015.

#### DIVIDEND

In view of requirement of funds for the operations of the company and to meet with Capital expenditure with internal accruals and also to improve liquidity, your Directors recommend a dividend of ₹ 3.00 per equity share i.e 30% for the Year Ended 31st March 2015 as against ₹ 2.50 per equity share i.e.25% in the previous year.

#### EXTRACT OF ANNUAL RETURN

The Extract of Annual Return is prepared in Form MGT-9 as per the provisions of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2014 and the same is enclosed as **Annexure - 2** to this report.



The conservation of energy, technology absorption, foreign exchange earnings and outgo pursuant to provisions of Sec. 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014. Attached herewith as Annexure-3.

#### RISK MANAGEMENT COMMITTEE

Risk management committee consists of the following Directors:

1. Mr. S.D.M. Rao - Managing Director
2. Mr. S Madhava Rao - Director
3. Mr. V Chakrapani - Director

#### RISK MANAGEMENT POLICY

The company has taken all the steps to mitigate the following risks:

**Raw material prices :** Ours is a continuous high volume manufacturing industry. Our profitability will depend on change in the price in raw materials and input costs.

**Foreign currency Risks:** Exchange rate fluctuations may some times effect. Adequate steps were taken.

**Competition and Price Pressure:** The Company is facing stiff competition in the segments of OEMs and aftermarket as well as price pressure from the OEMs which playing major roll on the profitability of the company.

#### CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility committee consists of the following Directors:

S.No.	Name	Designation
1	Mr. V Chakrapani	Chairman
2	Mr. S Kishore	Member
3	Mr. S Madhava Rao	Member

Corporate social responsibility policy was adopted by the Board of Directors on the recommendation of corporate social responsibility committee.

Report on corporate social responsibility as per Rule 8 of Companies (Corporate Social Responsibility) Rules, 2014 is prepared and the same is enclosed as annexure - 4.

#### BOARD OF DIRECTORS

Ms. N Rishita appointed as Independent director on 02.02.2015 and she is eligible offer to be appointed as director (women) of the company.

Shri Akula Venkateswara Rao, appointed as Independent director on 02.02.2015 representing minority shareholders and he is eligible offer to be appointed as director of the company.

#### DIRECTORS AND KEY MANAGERIAL PERSONNEL WHO WERE APPOINTED OR HAVE RESIGNED DURING THE YEAR

Mr. V Venkat Reddy has been resigned on 2nd February, 2015

Sri. S.Madhava Rao, Sri.V. Chakrapani and Sri.M.N.Thakkar were appointed as independent Directors to hold office for a term of 5 Years in the AGM held on 18th September, 2014.

Further Mr. Akula Venkateswara Rao was appointed as Additional Director (independent) and Ms. Nama Rishitha was appointed as Additional director (Independent woman Directors).

#### DEPOSITS

The Company has not accepted any Deposits in terms of Sec.73 of the Companies Act, 2013 and the rules made there under and hence compliance with the same as not applicable.

#### AUDITORS

##### Statutory Auditors

The Company, in terms of Section 139(a) and (2) of the Act 2013, is required to appoint statutory auditors for a term of five consecutive years i.e., till the conclusion of sixth annual general meeting and ratify their appointment, during the period, in every annual general meeting by an ordinary resolution.

The period for which any firm has held office as auditor prior to the commencement of the Act 2013 will be taken into account for calculating the period of five consecutive years, as per the fourth proviso to Section 139(s) of the Act 2013 read with Rule 6(3) of the Companies (Audit and Auditors) Rules, 2014.

M/s. Ravi & Kesav, Chartered Accountants, Hyderabad, who were earlier appointed as statutory auditors of the Company, at the Annual General Meeting held on 27th September, 2013, are eligible to be appointed for the remaining period of three years out of the first term of five consecutive years in terms of the Act 2013.

The Company has obtained necessary certificate under Section 141 of the Act 2013 from the auditor conveying their eligibility for the above appointment. The audit committee and board received their eligibility criteria,

as laid down under section 141 of the Act 2013 and recommended their appointment as auditors for the aforesaid period.

#### **Audit Committee**

Composition Audit Committee included in Corporate Governance report.

#### **Corporate Governance**

Pursuant to the provisions of the Clause 49 of the Listing Agreement a report on Corporate Governance and a certificate from the Statutory Auditors regarding the Compliance of conditions of Corporate Governance are annexed to and form part of this Annual Report.

#### **VIGIL MECHANISM**

The Board of Directors have adopted whistle Blower policy. The Whistle Blower policy aims for conducting the affairs in the fair and transparent manner by adopting highest standards of professionalism, honest, integrity and ethical behavior. All permanent employees of the Company are covered under the Whistle Blower Policy.

A mechanism has been established for employees to report concerns about unethical behavior, actual or suspected fraud or violation of Code of Conduct and Ethics. It also provides for adequate safeguards against the victimization of employees who avail of the mechanism and allows direct access to the chairperson of the audit committee in exceptional cases.

#### **SECRETARIAL AUDIT REPORT**

As per the provisions of Section 204 of the Companies Act, 2013, the Board of Directors have appointed Mr. V B S S Prasad, Practicing Company Secretary (C.P.No: 4605) as Secretarial Auditor to conduct Secretarial Audit of the Company for the Financial year ended 31st March, 2015.

Secretarial Audit Report issued by Mr. V B S S Prasad, Practicing Company Secretary in form MR-3 is enclosed as **Annexure - 5** to this Annual Report.

There are no qualification in Secretarial Audit Report.

#### **PARTICULARS OF APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL.**

The Statement of particulars of Appointment and Remuneration of Managerial Personnel as per Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as enclosed as per **Annexure - 6** to this Annual Report.

#### **INSURANCE**

All properties and insurable interests of the Company

including building, plant & machinery and stocks have been fully insured.

#### **CHANGE IN NATURE OF BUSINESS**

There is no change in the Company's nature of business during the financial year ending March 31st, 2015.

#### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

The company has well defined internal control systems and procedures for ensuring optimum utilization of various resources, Investment decisions involving Capital Expenditure or taken up only after due appraisal and review. Internal audit function covers and carried out periodically and reviewed by the Audit Committee to ensure that all policies and procedures are adhered to, and all statutory obligations complied with.

#### **SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS**

No such orders have been received.

#### **MATERIAL CHANGES AND COMMITMENTS**

There are no Material changes and commitments in the business operations of the Company from the Financial year ended 31st March, 2015 to the date of signing of the Director's Report.

#### **POLICY ON SEXUAL HARASSMENT**

The Company has adopted policy on Prevention of Sexual Harassment of Women at Workplace in accordance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During the Financial year ended 31st March, 2015, the company has not received any Complaints pertaining to Sexual Harassment.

#### **ACKNOWLEDGEMENTS**

Your Directors wish to place on record their appreciation for the cooperation and support of Bankers, Customers, Business Associates, Shareholders, dealers, and suppliers who are enabling the Company to achieve its goals. The Directors also place on record their appreciation made by the employees at all levels.

On behalf of the Board of Directors

**S.D.M. RAO**  
 CHAIRMAN  
 & MANAGING DIRECTOR

Place : Hyderabad  
 Date : 25.05.2015

**RELATED PARTY DISCLOSURES:**

The disclosure pertaining to the related party transactions as required by the accounting standard (as-18) issued by the institute of Chartered Accountants of India, as applicable are indicated below:

Related Parties Transactions For The Year Ended 31.03.2015				
Sl. No.	Names Of Related Parties & Description Of Relationship	Nature of Transaction	Amount Paid During Year	Balance Outstanding (To)/ From ₹
1	Shri S.D.M. Rao - Chairman & M.D	Unsecured Loan		0
		Interest	5492671	
		Principle	59500000	
2	Shri S.D.M. Rao HUF - Chairman & MD	Unsecured Loan		0
		Interest	266096	
		Principle	5000000	
3	Shri S. Karunakar - Director	Unsecured Loan		0
		Interest	272877	
		Principle	2000000	
4	Shri S. Karunakar HUF - Director	Unsecured Loan		0
		Interest	160274	
		Principle	3000000	
5	Shri S. Karunakar - Director	Rent Paid/ Payable	1308000	
6	Shri S. Kishore - Director	Unsecured Loan		0
		Interest	272877	
		Principle	2000000	
7	Shri S. Kishore HUF - Director	Unsecured Loan		0
		Interest	163973	
		Principle	3000000	
8	Shri S. Kishore - Director	Rent Paid/ Payable	11880000	
9	Smt. S. Saraswathi - W/o S.D.M. Rao	Rent Paid/ Payable	1272000	
10	Saraswathi Enterprises (Firm)	Rent Paid/ Payable	5508000	
11	Smt. S. Saraswathi - W/o S.D.M. Rao	Unsecured Loan		0
		Interest	2564795	
		Principle	65500000	
12	Key Management Personnel	Remuneration And Commission Paid		
	- Shri S.D.M. Rao - Chairman & M.D		3900000	
	- Shri S. Karunakar - Director		8100000	
	- Shri S. Kishore - Director		8100000	

The company had taken on lease of properties from the Directors of the Company and relatives of the Directors of the Company for the staff at factory, Visakhapatnam and at Hyderabad and office at Visakhapatnam

## ANNEXURE - 2

**FORM NO. MGT 9**  
**EXTRACT OF ANNUAL RETURN**

as on financial year ended on 31.03.2015

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of Company (Management &amp; Administration) Rules, 2014.

**I REGISTRATION & OTHER DETAILS:**

i	CIN	L27310TG1985LC005423
ii	Registration Date	30th March, 1985
iii	Name of the Company	SAMKRG PISTONS AND RINGS LIMITED
iv	Category/Sub-category of the Company	Manufacturing
v	"Address of the Registered office & contact details"	1-201, Divyashakti Complex, 7-1-58, Ameerpet, Hyderabad - 500016
vi	Whether listed company	YES
vii	Name , Address & contact details of the Registrar & Transfer Agent, if any.	M/s. XL Softech Systems Ltd, 3, Satar Society, Road No.2, Banjara Hills, Hyderabad - 500034, Ph: 040-23545915

**II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the company shall be stated

Sl. No	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	AUTOMOBILE PISTON ASSEMBLES	84099114	100%
2			
3			
4			

**III PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES**

Sl. No.	Name & Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of Shares Held	Applicable Section
NIL					

## IV. SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	6567839		6567839	66.88	6567839		6567839	66.88	0.00
b) Central Govt. or State Govt.									
c) Bodies Corporates									
d) Bank/FI									
e) Any other									
<b>SUB TOTAL: (A) (1)</b>	<b>6567839</b>	<b>0</b>	<b>6567839</b>	<b>66.88</b>	<b>6567839</b>	<b>0</b>	<b>6567839</b>	<b>66.88</b>	<b>0.00</b>
<b>(2) Foreign</b>									
a) NRI- Individuals									
b) Other Individuals									
c) Bodies Corp.									
d) Banks/FI									
e) Any other ...									
<b>SUB TOTAL (A) (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>
<b>Total Shareholding of Promoter (A) = (A)(1) + (A)(2)</b>	<b>6567839</b>	<b>0</b>	<b>6567839</b>	<b>66.88</b>	<b>6567839</b>	<b>0</b>	<b>6567839</b>	<b>66.88</b>	<b>0.00</b>
<b>B. PUBLIC SHAREHOLDING</b>									
<b>(1) Institutions</b>									
a) Mutual Funds		1200	1200	0.01		1200	1200	0.01	0.00
b) Banks/FI		2100	2100	0.02		2100	2100	0.02	0.00
c) Central govt									
d) State Govt.									
e) Venture Capital Fund									
f) Insurance Companies									
g) FIIS									
h) Foreign Venture Capital Funds									
i) Others (specify)									
<b>SUB TOTAL (B)(1):</b>	<b>0</b>	<b>3300</b>	<b>3300</b>	<b>0.03</b>	<b>0</b>	<b>3300</b>	<b>3300</b>	<b>0.03</b>	<b>0.00</b>



Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
(2) Non Institutions										
a) Bodies corporates										
i) Indian	238378	2350	240728	2.45	147451	2350	149801	1.53	-90927.00	-0.93
ii) Overseas										
b) Individuals										
i) Individual shareholders holding nominal share capital upto ₹ 1 lakhs	2005540	323776	2329316	23.72	2175709	317376	2493085	25.39	163769.00	1.67
ii) Individuals shareholders holding nominal share capital in excess of ₹ 1 lakhs	526576	100143	626719	6.38	398255	83393	481648	4.90	-145071.00	-1.48
c) Others (specify)										
NRI'S	50148	2450	52598	0.54	108816	3450	112266	1.14	59668.00	0.61
BODIES ( CLEARING MEMB)					12561		12561	0.13	12561.00	0.13
SUB TOTAL (B)(2):	2820642	428719	3249361	33.09	2842792	406569	3249361	33.09	0.00	0.00
Total Public Shareholding (B) = (B)(1)+(B)(2)	2820642	432019	3252661	33.12	2842792	409869	3252661	33.12	0.00	0.00
C. Shares held by Custodian for GDRs & ADRs										
Grand Total (A+B+C)	9388481	432019	9820500	100	9410631	409869	9820500	100	0.00	0.00

## (ii) Share Holding of Promoters

SI No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year	
		No of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No of shares	% of total shares of the company	% of shares pledged encumbered to total shares		
1	Saripalli Saraswathi	2630211	26.78	NIL	2630211	26.78	NIL	0	0.00
2	Saripalli Dali Mru-tyanjaya Rao	1673320	17.04	NIL	1673320	17.04	NIL	0	0.00
3	Saripalli Kishore	647155	6.59	NIL	647155	6.59	NIL	0	0.00
4	Saripalli Karunakar	586971	5.98	NIL	586971	5.98	NIL	0	0.00
5	Nama Ratnakumari	417668	4.25	NIL	417668	4.25	NIL	0	0.00
6	S Sharmila	182350	1.86	NIL	182350	1.86	NIL	0	0.00
7	S Padma	218800	2.23	NIL	218800	2.23	NIL	0	0.00
8	Tanneru Arunaku-mari	111364	1.13	NIL	111364	1.13	NIL	0	0.00
9	Rishita Nama	50000	0.51	NIL	50000	0.51	NIL	0	0.00
10	Sri Anusha Nama	50000	0.51	NIL	50000	0.51	NIL	0	0.00
	<b>Total</b>	<b>6567839</b>	<b>66.88</b>		<b>6567839</b>	<b>66.88</b>			<b>0.00</b>

## (iii) Change in Promoters' Shareholding (specify if there is no change)

SI. No.		Share holding at the beginning of the Year		Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
	At the beginning of the year	No Changes in Promoters shareholding during the year			
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/sweat equity etc)				
	At the end of the year	No Changes in Promoters shareholding during the year			

## (iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters &amp; Holders of GDRs &amp; ADRs)

Sl. No	For Each Of The Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No of shares	% of total shares of the company
1	IFB Automation Private Limited	120100	1.22	0	0
2	Narippen Obhrai	65069	0.66	65069	0.66
3	Sunil A Hinduja	87188	0.89	60000	0.61
4	Vibha S Hinduja	62100	0.63	55000	0.56
5	S Mohnish	80143	0.82	47650	0.49
6	Sunita Santosh Goenka	41397	0.42	41397	0.42
7	Subhra Bikash Banerjee	30275	0.31	28416	0.29
8	S Lakshmi Charishma	0	0	25543	0.26
9	Navneet Mohta	0	0	25000	0.25
10	Pradeep R Datar	12100	0.12	18622	0.19

## (v) Shareholding of Directors &amp; KMP

Sl. No.	For Each of the Directors & KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No of shares	% of total shares of the company
1	Mr. S D M Rao				
	At the beginning of the year	1673320	17.04	1673320	17.04
	At the end of the year	1673320	17.04	1673320	17.04
2	Mr. S Karunakar				
	At the beginning of the year	586971	5.98	586971	5.98
	At the end of the year	586971	5.98	586971	5.98
3	Mr. S Kishore				
	At the beginning of the year	647155	6.59	647155	6.59
	At the end of the year	647155	6.59	647155	6.59
4	Mr. S Madhava Rao				
	At the beginning of the year	500	0.01	500	0.01
	At the end of the year	500	0.01	500	0.01
5	Mr. V Chakrapani				
	At the beginning of the year	Nil	Nil	Nil	Nil
	At the end of the year	Nil	Nil	Nil	Nil
6	Mr. M N Thakkar				
	At the beginning of the year	Nil	Nil	Nil	Nil
	At the end of the year	Nil	Nil	Nil	Nil
7	Ms. N Rishita				
	At the beginning of the year	50000	0.51	50000	0.51
	At the end of the year	50000	0.51	50000	0.51
8	Mr. A Venkateswara Rao				
	At the beginning of the year	0	0.00	65	0.00
	At the end of the year	0	0.00	65	0.00

**V INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment

		Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
	Indebtness at the beginning of the financial year				
i)	Principal Amount				
ii)	Interest due but not paid				
iii)	Interest accrued but not due				
	<b>Total (i+ii+iii)</b>				
	Change in Indebtedness during the financial year				
	Additions				
	Reduction				
	Net Change				
	Indebtedness at the end of the financial year				
i)	Principal Amount				
ii)	Interest due but not paid				
iii)	Interest accrued but not due				
	<b>Total (i+ii+iii)</b>				

N.A.

**VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**A. Remuneration to Managing Director, Whole Time Director and/or Manager:**

Sl. No.	Particulars of Remuneration	Name of the MD/WTD/Manager			Total Amount
1	Gross salary	S.D.M RAO, CMD	S KARUNA-KAR, WTD	S KISHORE, WTD	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	1500000	3300000	3300000	8100000
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	-
2	Stock option				
3	Sweat Equity				
4	Commission	2400000	4800000	4800000	12000000
	as % of profit				
	others (specify)				
5	Others, please specify				
	<b>Total (A)</b>	<b>3900000</b>	<b>8100000</b>	<b>8100000</b>	<b>20100000</b>
	<b>Ceiling as per the Act</b>				

**B. Remuneration to other directors:**

Sl. No	Particulars of Remuneration	Name of the Directors				Total Amount
		Mr. M N Thakkar	Mr. S Madhava Rao	Mr. V Chakrapani	Dr. V Venkat Reddy	
1	Independent Directors					
	(a) Fee for attending board committee meetings	6000	16000	16000	2000	40000
	(b) Commission					
	(c) Others, please specify					
	<b>Total (1)</b>	<b>6000</b>	<b>16000</b>	<b>16000</b>	<b>2000</b>	<b>40000</b>
2	Other Non Executive Directors					
	(a) Fee for attending board committee meetings	-	-	-	-	-
	(b) Commission	-	-	-	-	-
	(c) Others, please specify.					
	<b>Total (2)</b>					
	<b>Total (B)=(1+2)</b>	<b>6000</b>	<b>16000</b>	<b>16000</b>	<b>2000</b>	<b>40000</b>
	<b>Total Managerial Remuneration</b>					
	<b>Overall Ceiling as per the Act.</b>					

**C. Remuneration To Key Managerial Personnel Other Than MD/Manager/WTD**

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
			Company Secretary	CFO	Total
1	Gross Salary	CEO			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.				
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961				
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961				
2	Stock Option				
3	Sweat Equity				
4	Commission as % of profit				
	others, specify				
5	Others, please specify				
	<b>Total</b>				

**VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES**

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/Compounding Fees Imposed	Authority (RD/NCLT/ Court)	Appeal made if any (give details)
<b>A. Company</b>					
Penalty					
Punishment					
Compounding					
<b>B. Directors</b>					
Penalty					
Punishment					
Compounding					
<b>C. Other Officers in Default</b>					
Penalty					
Punishment					
Compounding					



## ANNEXURES TO DIRECTORS' REPORT FOR THE YEAR ENDED 31.03.2015

### ANNEXURE - 3

The conservation of energy, Technology absorption, Foreign Exchange earnings and outgo pursuant to the provisions of Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014.

#### A. CONSERVATION OF ENERGY:

The Company has always been taking various energy conserving/saving measures at all points to manufacturing continuously.

Energy conservation measures taken:

- a. Introduced medium frequency induction furnace.
- b. Improved Power factors through installation of additional capacitors in all plants.
- c. Optimum use of Continuous running of sealed quench furnace technique.
- d. Implementation of energy efficient Silicon Crucible.
- e. Reduced lighting load.
- f. Introduced variable frequency drives.

#### B. TECHNOLOGY ABSORPTION:

##### (A) Research and Development (R&D)

##### 1. Specify areas in which R & D

: Training to upgrade in multi skill of employees in all the plants and all levels carried out by the Company by Japanese Consultants and German Consultants:

**On Design, Manufacturing process of Pistons & Rings and Casting Technology.**

##### I) On Design:

- i) Completed change over to twin casting Machines and tooling to reduce Aluminium Alloy consumption and to improve quality.
- ii) Developed complete steel ring packs for 2W, 3W, Cars & Trucks.
- iii) Developed flexible lines on CNC to reduce cycle times and on line inspection.
- iv) Developed Asymmetric Profile Piston Rings for both Nitrated & Chrome plate Rings.
- v) Developed Moly coating processes for piston & Rings.
- vi) Developed Asymmetric profile Pistons for Motorcycle with Japanese Technology.

##### II) Manufacturing Process:

- a. Engine testing to speed up Piston & Ring validation process to the Customer
- b. Developed light weight and high Strength pistons for meeting Euro III norms.
- c. Ring Carrier pistons for diesel engines 20 models for trucks and tractors for exports & 3W diesels during the year.

2. Benefits derived as a result of : 4 axis CNC profile turning M/c's to meet up gradation, process improvement, complicate profiles to meet Euro norms.

Technology absorption & up gradation ongoing process by Japanese.

consultancy agency and as a result of this, the Company has been able to develop pistons and rings meeting Euro III norms for futuristic engines and as a result new business operations both in domestic and exports.

Piston casting technology crown down and crown up processes and development of light weight high strength pistons in consultation with Japanese Consultants for 4S Motor Cycle Pistons and with German Consultants for Ring Carrier Diesel Piston.

3. Future plan of action:

- Development of Surface coatings for pistons & rings.
- Planning to develop cooling gallery pistons for diesel engines.
- Introduction of hard anodising plant for motorcycles and car pistons.
- Ceramic coating of pistons & rings.
- Practicing TPM

4. EXPENDITURE ON R & D:

(₹ In lakhs)

	2014-15	2013-14
a) Capital	52.30	50.89
b) Recurring	63.94	62.20
c) TOTAL	116.24	113.09
d) Total R & D Expenditure as A percentage of Sales.	0.50%	0.55%

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

- a. During the year, the company's senior executives travelled to various countries to explore new export markets for its products.

- b. Total foreign Exchange used and earned:

Total foreign Exchange used	:	₹ 604.73 lakhs
Total foreign Exchange earned	:	₹ 4559.87 lakhs

for and on behalf of the Board

Place : Hyderabad  
Date : 25.05.2015

S. D. M. RAO  
Chairman & Managing Director

## ANNEXURE - 4

### Report on Corporate Social Responsibility as per Rule 8 of Companies (Corporate Social Responsibility Policy)

1. A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes.
  - i. Promotion of education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
  - ii. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and Water; and
  - iii. Rural development projects.
  - iv. Web link: [www.samkrgpistonsandrings.com](http://www.samkrgpistonsandrings.com)

### 2. Composition of CSR Committee:

S.No.	Name	Designation
1	Mr. V Chakrapani	Chairman
2	Mr. S Kishore	Member
3	Mr. S Madhava Rao	Member

### 3. Average Net Profit for Last Three Financial Years:

Net Profit	For the Financial Year ended 31st March		
	2015	2014	2013
	₹ 1231.51 Lac	₹ 1074.60 Lac	₹ 866.93 Lac
Average Net Profit for the preceding Three Financial Years	₹ 1057.68 Lac		

### 4. Prescribed CSR Expenditure (2% of Average Net Profit) : ₹ 21.46 Lac

### 5. Details of CSR spend for the financial year:

- a. Total Amount Spent for the financial year : ₹ Nil
- b. Amount unspent, if any : ₹ 21.46 Lac

c. Member in which the amount spent during the financial year is detailed below:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub heads: 1) Direct expenditure on Projects or programs 2) Overheads.	Cumulative expenditure upto the reporting period.	Amount spent: Direct or through implementing agency.
1	Protected water supply to Peddaravu palli	Rural Development Project	Andhra Pradesh, Srikakulam Dist.	₹ 21.46 Lac	Nil	N.A	To be spent Directly
<b>TOTAL:</b>				₹ 21.46 Lac	Nil	N.A	

6. The Company has to spend two percent of average net profits of the Last three Financial Years.
7. We hereby confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives.

For and on behalf of Corporate Social Responsibility Committee

**Mr. Chakrapani**  
Chairman of the Committe

**Mr. S Kishore**  
Member

**Mr. S Madhava Rao**  
Member

Place : Hyderabad

Date : 25.05.2015

**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31.03.2015**  
**FORM NO. MR.3**

Pursuant to Section 204 (1) of the Companies Act, 2013 and the Rule 9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014

To  
The Members,  
M/s. Samkrg Pistons and Rings Limited  
Hyderabad.

1. We have conducted Secretarial Audit pursuant to Section 204 of the Companies Act 2013, on the compliance of applicable Statutory Provisions and the adherence to good corporate practices by M/s. Samkrg Pistons and Rings Limited (hereinafter called as "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.
2. The company is engaged in the business of manufacturing and supply of Automobile Pistons and Rings.
3. Based on our verification of the books, papers, minutes books, forms, returns filed and other records maintained by the Company and also the information and according to the examinations carried out by us and explanations furnished and representations made to us by the company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has during the Audit Period covering the Financial Year ended 31st March, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.
4. We have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s. Samkrg Pistons and Rings Limited (hereinafter called as "the Company") for the financial year from 1st April 2014 and ended with 31st March, 2015 ("Audit Period") according to the provisions of :
  - i) The Companies Act, 1956 (to the extent applicable) and the Companies Act, 2013 (the Act) and the Rules made there under;
  - ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') AND THE Rules made there under;
  - iii) The Depositories Act, 1996 and the Regulations and bye-laws framed there under;
  - iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and external Commercial Borrowings;
  - v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
    - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - b) The Securities and Exchange Board of India (Prohibition of Inside Trading) Regulations, 1992;
    - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.
    - d) The Securities and Exchange Board of India (Employee Stock Option Scheme) Guidelines 1999.
    - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008.
    - f) The Securities and Exchange Board of India (Registrars to an issue and share transfer agents) Regulations, 1993 regarding the Companies Act and dealing with client;



- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- h) The Securities and Exchange Board of India (buyback of Securities) Regulations, 1998;
- i) The following other laws as specifically applicable in the view of the Management.
  - (i) Income Tax act, 1961
  - (ii) Central Sales Tax Act, 1956
  - (iii) Telangana & Andhra Pradesh Value Added Tax
  - (iv) The payment of bonus Act, 1965
  - (v) Telangana & Andhra Pradesh Tax on Professions, Trades, Callings and Employments Act, 1987
  - (vi) Customs Act, 1962
  - (vii) Finance Act, 1994 (Service Tax)
  - (viii) Factories Act, 1948
  - (ix) Industrial Disputes Act, 1947
  - (x) Minimum Wages Act, 1948
  - (xi) The Payment of Gratuity Act, 1972
  - (xii) The Payment of Wages Act, 1936
  - (xiii) The Maternity Benefit Act, 1961
  - (xiv) A.P Shops & Establishment Act, 1988
  - (xv) The National and Festival Holidays Act, 1963
  - (xvi) The Employees Provident fund and Miscellaneous provisions act, 1952
  - (xvii) The Employment Exchanges (Compulsory Notification of Vacancies) Act, 1956
- 5. We have also examined compliance of the applicable Clauses of the Listing Agreements entered into by the Company with the BSE Limited.
- 6. We further report that, during the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above. However, please note for the Audit period:
  - (i) SEBI (ICDR) Regulations, 2009 are not applicable, as there being no further issues of any securities.
  - (ii) SEBI (ESOS & ESOP) Guidelines, 1999 are not applicable, as there being no schemes of the Company under the said Guidelines.
  - (iii) SEBI (Issue and Listing of Debt Securities) Regulations, 2008 are not applicable as there being no debt securities, which are listed on any of the recognized stock exchange.
  - (iv) SEBI (Delisting of Equity Shares) Regulations, 2009 are not applicable, as there being not instances of delisting of equity Shares.
  - (v) SEBI (Buyback of Securities) Regulations, 1998 are not applicable, as there being no instances of buy-back of shares
  - (vi) The Ministry of Corporate Affairs has not notified applicable Secretarial Standards under the Companies Act 2013, therefore, the same was not considered in the Audit.
  - (vii) The compliance of other specific applicable laws as listed in 4 (V) (i) above, were relied on the basis of representations and compliance certificates issued by the Managing director compliance officers and other officials of respective / concerned Departments of the company.
- 7. We further report that:
  - a. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the compositions of the Board

of Directors that took place during the period under review were carried out in compliance with the provisions of the act.

- b. Adequate Notice is given to all the Directors to Schedule the Board Meetings, agenda and detailed notes on agenda were sent at least 7 days in advance.
  - c. There exists a system for seeking and obtaining further information and clarifications on the agenda items before the meeting and meaningful participation at the meeting.
  - d. Majority decision is carried through and there were not instances of dissenting members in the Board of Directors.
  - e. It is also noted that the Company has a Internal Audit System to Constantly monitor the process for efficient compliances.
8. We further report that there exist adequate systems and processes in the Company that commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
9. We further report that during the audit period, there were no specific events / actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc., referred to the above.

V B S S PRASAD

Company Secretary

Place : Hyderabad

M.No: F4139

Date : 25.05.2015

CP No: 4605

## ANNEXURE - 6

Statement showing particulars of Employees pursuant to Rule 5 of Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014 for the year ended 31st March, 2015.

Name of the Employee	Age	Designation	Qualification & Experience	Date of commencement of employment	Remuneration	Particulars of last employment
Shri S.D.M. Rao	81 Years	Chairman & Managing Director	B.Sc, B.E Industrial Experience over 47 years	01.07.1987	39,00,000/-	A.P.S. Limited
Shri S. Karunakar	52 Years	Whole Time Director	B.E (Mechanical)	30.09.1998	81,00,000/-	N.A
Shri S. Kishore	50 Years	Whole Time Director	B.E (Mechanical)	30.09.1998	81,00,000/-	N.A

### NOTES:

1. Designation of Employee indicates the nature of his duties.
2. Remuneration includes Salary, Commission, House Rent Allowance and Perquisites.

## Management Discussion and Analysis Report

Auto Component Industry faced the heat of a global auto slowdown during first half of 2014. Indian Auto Industry recovered during July 2014.

The Company has very good opportunities because of valued customers both in Domestic OEM's and Replacement Market & Exports and also in time supplies, superior quality products and our technical expertise both from Japanese & German Consultants.

The Company has got very strong distribution network at their aftermarket sales because of imports from free trade zones the competition is very stiff and price sensitive.

### Outlook:

The company continues its drive for sustainable growth in this growing Domestic automotive industry. In view of strong support of OEM's and because of establishing good distribution net work, company is poised for good growth.

All the cost effective steps have been taken with technical support from Japan and to meet the challenges of price competition and also quality, delivery and logistics.

The company expects moderate demand growth in the automobile industry during 2014-15 and long term prospects for the industry remain strong in the line with the outlook for the OEM segment.

### FINANCIAL PERFORMANCE:

The Company earned total net revenue of ₹ 23247.38 lakhs compared with ₹ 20562.72 lakhs in the previous year and the operational expenses ₹ 21480.08 lakhs compared with ₹ 19090.47 lakhs incurred last year mainly on account of steep increase in raw material cost, power cost and employee benefits expenses.

Profit Before Depreciation, interest and tax (PBDIT) at ₹ 3385.82 lakhs. The Profit Before Tax was at ₹ 1800.82 lakhs before extra ordinary item of ₹ 21.46 lacs as compared to ₹ 1559.17 Lakhs in 2013-14 an increase of 15.50%. Company has been able to pay all the long term loans outstands and as of.

### HUMAN RESOURCES:

The Company maintains cordial industrial relations environment and the Company continues to establish its training facilities.

The Company encourages good talent in the rapidly challenging business and competitive environment. Adequate safety measures, training and development of the employees, continued to receive top priority.

### CAUTIONARY STATEMENT:

Statements in this Management Discussion and Analysis describing the Company's objective, projections, estimates and expectations may constitute forward looking statements within the meaning of applicable laws and regulations. Actual results might differ marginally or materially from those either expressed or implied.

### 10 YEARS RECORD:

A chart showing 10 Years performance is appended forming part of this report.

### EXPORTS:

The Export Turnover of ₹ 4932.53 lakhs during the year as against ₹ 4871.51 lakhs of the previous year 2013-14.

The Company is focusing exports to developed Countries like Europe, U.K, France, Germany, Brazil and Russia. The Company has plans to reach 25% to 30% of the Turnover during the next 2 years.

### POLLUTION CONTROL SAFETY & ENVIRONMENTAL PROTECTION:

We are complying all the norms prescribed by the statutory authorities' i. e. A. P. Pollution Control Board.

The Company very much concerned for safety of men and machines through safety awareness training programmes.

### DISCLOSURE OF PARTICULARS:

The information required under section 134(3)(m) of the Companies Act, 2013 is given in the Annexure-1 forming part of this report.

## REPORT ON CORPORATE GOVERNANCE

### (PURSUANT TO CLAUSE 49 OF LISTING AGREEMENT)

#### 1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE:

Samkrg Pistons and Rings Limited defines Corporate Governance as a process directing the affairs of the Company with integrity, transparency and fairness, so as to optimise its performance and maximize the long term shareholder value in legal and ethical manner, ensuring justice, courtesy and dignity in all transactions of the Company. Your Company is committed to good Corporate Governance in all its activities and process.

#### 2. BOARD OF DIRECTORS:

- a) The present strength of Board of Directors is consists of Eight, three are Executive Directors, and the other Four are Non Executive Directors (NED):

During the year, there was no pecuniary relationship or business transaction by the Company with any non-executive Director, other than the sitting fee for attending the Board/Committee meetings.

The Board of Directors and the management of Samkrg Pistons and Rings Limited are committed to:

- Ensuring discipline, transparency and accountability and shareholder value.
- To provide adequate customer service focussing the activities on customer expectations and meeting them and
- Comply with all statutory / regulatory requirements.

- b) Details of Board Meetings:

During the Financial Year 2014-2015 the Board of Directors met 4 (Four) times on 19th may 2014, 06th August 2014, 15th October 2014 and 02nd February 2015.

The following table gives the composition of Directors and their attendance at the Board meetings held on the dates above mentioned, and the Twenty Eighth Annual General Meeting held on 18th September, 2014.

Name of the Director	Category	No of Board meetings attended	Attendance at Last AGM	No. of outside directorships held
Mr. S.D.M Rao	ED	3	YES	Nil
Mr. M.N. Thakkar	NED	3	NO	4
Mr. S Madhava Rao	NED	4	YES	1
Mr. V Chakrapani	NED	4	YES	Nil
Mr. S Karunakar	ED	4	YES	Nil
Mr. S Kishore	ED	3	YES	Nil
Dr. V Venkat Reddy	NED	1	YES	Nil

ED - Executive Director, NED - Non Executive Director

- c) Information placed before the Board:

Apart from the items that are required to be placed before the Board for its approval, under the statutes the following are also tabled for Board's Periodic Review / Information.

- Minutes of meetings of Audit Committee and other Committees of the Board;
- Annual operating plans, capitals & revenue budgets and updates;
- Quarterly financial results of the Company;
- Materially important show cause, demand, prosecution and penalty notices;
- Information on recruitment and remuneration of senior officers, just below the Board level;
- Non-compliance of any regulatory, statutory or listing requirements and shareholder services.
- Important labour problems and their proposed solutions;

d) **Directors seeking re-appointment:**

Shri S Madhava Rao and Shri V Chakrapani, Directors, retire by rotation at the forth coming Annual General Meeting and seek re-appointment.

Shri S Madhava Rao

Shri S Madhava Rao (71) is a Post Graduate in Industrial Engineering and Management and having 30 years experience in Hyderabad Allwyn Limited, hyderabad in R&D, Production, Plant Engineering, P.P.C, Industrial Engineering and Quality Control.

Shri V Chakrapani

Shri V Chakrapani, is a Graduate in Chemical Engineering and 36 years practical experience for his credit in Indian Paper Industry. He has worked in big paper mills like A.P.P.M Rajahmundry, Ashok Paper Mills, Assam, Shree Rayalaseema Paper Mills, Karnool and Ballarpur Paper Industries Ltd. Worked in Planning implementation, erection and commissioning and in the modernisation / Modification of these units.

**Code of Conduct**

We at Samkrp Pistons and Ring Limited have laid down a code of conduct for all Board Members and Senior Management personnel of the Company. The code of conduct is available on the Website of the Company i.e [www.samkrgpistonsandrings.com](http://www.samkrgpistonsandrings.com) the code has been circulated to all the members of the Board and Senior Management and they have affirmed compliance with the code of conduct. A declaration signed by the Managing Director to this effect is attached to the Annual Report.

**3. BOARD COMMITTEES:**

The Company currently has the following committees of the Board:

- a. Audit Committee
- b. Nomination & remuneration committee
- c. Stakeholders relationship grievance and share transfer committee
- a. **Audit Committee:**

Terms of Reference of Audit Committee of the Board of Directors are as under:

The Audit Committee during the year ended 31st March, 2015 comprised of Three members out of whom there are two Non-Executive Independent Directors and on Non-Executive Director Viz., Shri S Madhava Rao (Chairman and Non-Executive Independent Director of the Committee), Shri M N Thakkar (Non-Executive Independent Director) and Mr. V Chakrapani (Non-Executive Director) who are financially literates and chairman is an expert in financial management.

Representatives of the Management, Finance Department and Statutory Auditors are invitees to the Meeting of the Audit Committee.

- o Review of accounting and financial policies and practices of the company.
- o Review of the company's financial reporting process, and its financial statements.
- o Review of risk management and policies and practices.
- o Review of the internal control and internal audit system.
- o To review quarterly, half yearly and annual financial results before submission to the board.

Name	No. of Meetings Held	No of Board meetings attended	No of Board meetings attended through Conference call
Mr. S Madhava Rao (Chairman)	4	4	Nil
Mr. V Chakrapani	4	4	Nil
Mr. M.N. Thakkar	4	3	Nil

The audit committee met on four occasions i.e 19th may 2014, 16th August 2014, 15th October 2014 and 02nd February 2015.

The audit committee reviewed the concurrent audit reports and follow up including internal control systems prevailing in the company. Committee expressed its satisfaction on Accounts.

**b. Nomination & remuneration committee:**

**Executive Directors**

The compensation of the executive directors comprises of fixed component and a performance incentives/commission. The compensation is determined based on the levels of the responsibility and scales prevailing in the industry. The executive directors are not paid sitting fee for any Board or Committee meetings attended by them.

**Non-Executive Directors**

Non Executive Directors are paid sitting fee only.

The Remuneration committee presently comprises of Three non-executive directors i.e. shri. V. chakrapani, Mr. M.N. Thakkar and Mr. S Madhava Rao).

The Committee met twice during the year and all the committee members attended the meetings.

**REMUNERATION OF DIRECTORS:**

The details of remuneration paid/payable to all the directors for the year 2014-15 are:

**i. Non executive directors (sitting fee only)**

Mr. M.N. Thakkar	₹ 6000/-
Mr. S. Madhava Rao	₹ 16000/-
Mr. V. Chakrapani	₹ 16000/-
Dr. V. Venkat Reddy	₹ 2000/-

**ii. Managing/whole time Director (No Sitting fee)**

	Managing Director (₹)	% To Net Profit	Wholetime Director (₹)	% To Net Profit	Wholetime Director (₹)	% To Net Profit
Fixed						
Salary	15,00,000/-		33,00,000/-		33,00,000/-	
Perquisites	NIL		NIL		NIL	
Variable						
Commission	24,00,000/-		48,00,000/-		48,00,000/-	
Total	39,00,000/-	3.17%	81,00,000/-	6.58%	81,00,000/-	6.58%

**c. Shareholders/Investor Relationship Committee:**

The Shareholders/Investor Grievances committee comprises two Directors names as follows :

Shri. S Madhava Rao	Chairman	Non Executive
Shri. S Karunakar	Member	Executive

The Committee met twice during the year. The details on which the meetings were held are : 06.08.2014 & 02.02.2015. All the members have attended all the meetings and the Manager - commercial is the compliance officer of the company.

The company has attended to most of the investor's grievances/correspondence within a period of 15 days from the date of receipt. At most all the rest of the grievances was attended within the maximum period of 30 days. All Transfers were completed within the maximum period of 30 days.

#### 4. ANNUAL GENERAL MEETINGS:

Year	Location of holding AGM	Date and Time of AGM
2013-2014	Hotel Grandeur, opp: J C Brother, Beside New Science College, Main road, Ameerpet, Hyderabad - 500073	18th September, 2014 at 10.30 A.M
2012-2013	Hotel Grandeur, opp: J C Brother, Beside New Science College, Main road, Ameerpet, Hyderabad - 500073	27th September, 2013 at 10.30 A.M
2011-2012	Hotel Athithi Inn, Dharam Karam Road, Ameerpet, Hyderabad.	27th September, 2012 at 10.30 A.M

#### Special Resolutions passed during the previous three Annual General Meetings:

- 28th Annual General Meeting  
A Special Resolution for re-appointment of Shri S D M Rao, Chairman & Managing Director.
- 27th Annual General Meeting
  1. A special Resolution for re-appointment of Shri S Karunakar, Whole time Director for next 5 years was passed.
  2. A special Resolution for re-appointment of Shri S Kishore, Whole time Director for next 5 years was passed.
- 26th Annual General Meeting  
No Special Resolutions passed in 26th Annual General Meeting.

#### 5. DISCLOSURES:

The Company complied with all the regulations of the Stock Exchanges, Securities and Exchange Board of India and other statutory bodies regulating the capital markets. No stretchers or penalties were imposed on the company. There are no transactions with related parties having potential conflict with the interest of the company at large. Other transactions are adequately disclosed in the notes to Annual Accounts.

#### 6. MEANS OF COMMUNICATION:

Quarterly Financial Results of the Company are forwarded to the Mumbai Stock Exchange and published in Financial Express/Business Standard (English) and Andhra Prabha (Telugu). Annual results/share holding pattern etc., of the company posted on the SEBI EDIFAR.

#### 7. POSTAL BALLOT:

The company did not pass any resolution by postal ballot during the Financial year 2014-15.

#### 8. GENERAL SHAREHOLDER INFORMATION:

Date, Time and Venue of the 29th Annual General Meeting	: 21th September, 2015 At Hotel Grandeur Opp: J C Brothers, Beside New Science College, Main Road, Ameerpet, Hyderabad - 500073
Financial Calendar	: April to March
First quarter results	: 2nd week of August 2015
Second quarter results	: 2nd week of November 2015



Third quarter results	: 2nd week of February 2016
Results for the year ending Mar,2015	: End of May 2017
Date of Book Closure	: 15.09.2015 to 21.09.2015 (Both days inclusive)
Dividend Payment date	: Within 30 days from Date of AGM
Listing On Stock Exchanges	: Bombay Stock Exchange Limited
Stock Code	: 520075 (BSE)
Demat ISIN No for CDSL and NSDL	: INE706B01012
Dematerialisation of shares	: 95.84% of the paid up capital has been Dematerialised as on 31.03.2015

**Stock Performance:**

The performance of the company's shares on the BSE is given in the chart below:

**MARKET PRICE DATA ON Company's SCRIP ON BSE DURING THE YEAR 2014-2015:**

Month	High Rate (₹)	Low Rate (₹)
April, 2014	70.00	58.00
May, 2014	76.55	57.00
June, 2014	95.45	66.75
July, 2014	109.90	85.00
August, 2014	120.00	92.00
September, 2014	173.40	113.25
October, 2014	182.45	151.15
November, 2014	173.40	154.15
December, 2014	164.70	137.35
January, 2015	229.80	145.00
February, 2015	208.90	165.00
March, 2015	176.90	144.10

Outstanding ADR/GDR	: Not Issued
Registered Office	1-201, Divya Shakti Complex 7-1-58, Ameerpet , Hyderabad - 500016 Ph.No.040-23730596, 23735578, Fax 040-23730216 E-mail: admin@samkrg.com
Plant Locations	: PLANT-I (Pistons)Sy.No.537, Temple Road, Bonthapally Narsapur Taluk, Medak District.  PLANT-II (Rings)Sy.No.33, Varisam, Pydibhimavaram, Ranastalam Mandal, Srikakulam District.  PLANT-III(Pistons)Sy.No.232, Arinama, Akkivalasa, Allinagaram, Etcherla Mandal, Srikakulam District.
Investors' correspondence & share Transfer Agent in Physical form & In Electronic Mode	: M/s XL Softech Systems Ltd 3, Sagar Society, Road No.2 Banjara Hills, Hyderabad - 500034 , Tel(040) 23553214
Trading in shares (Electronic Form) on Stock Exchanges	: Made Compulsory for all categories of Investors w.e.f 26-12-2000 as per SEBI's mandate
Compliance Officer	: Mrs. N Ratna Kumari

Share transfers are registered and returned within a period of thirty days from the date of receipt, if the documents are in order in all respects.

Secretarial Audit : Secretarial Audit is being carried out every quarter by a practising Company Secretary and audit report is placed before the Board for its perusal and filed regularly with the Stock Exchanges within the stipulated time.

Description	No. of Shareholders	%	No. of Shares	%
Promoters	10	0.11	6567839	66.88
Individuals	8638	96.16	2974733	30.29
FII's, NRIs/OCB	167	1.86	124827	1.27
Financial Institutions and Banks	2	0.02	2100	0.02
Mutual Funds	2	0.02	1200	0.01
Bodies Corporate	164	1.83	149801	1.53
<b>TOTAL</b>	<b>8983</b>	<b>100.00</b>	<b>9820500</b>	<b>100.00</b>

Range	No. of Shareholders	%	No. of Shares	%
1 - 5000	7952	88.52	1189472	12.11
5001 - 10000	566	6.30	459451	4.68
10001 - 20000	262	2.92	395514	4.03
20001 - 30000	85	0.95	212799	2.17
30001 - 40000	28	0.31	102940	1.05
40001 - 50000	24	0.27	114008	1.16
50001 - 100000	34	0.38	250234	2.55
100001 & Above	32	0.36	7096082	72.26
<b>TOTAL</b>	<b>8983</b>	<b>100.00</b>	<b>9820500</b>	<b>100.00</b>

### DECLARATION ON CODE OF CONDUCT

This is to confirm that the Board has laid down a code of conduct for all Directors and Senior Management personnel of the Company. It is further confirmed that all Director and Senior Management personnel of the Company affirmed compliance with the Code of Conduct of the company for the financial year ended on 31st March, 2015 as envisaged in clause 49 of the listing agreement with stock exchanges.

Place : Hyderabad

Date : 25.05.2015

S.D.M. RAO

CHAIRMAN & MANAGING DIRECTOR

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### CERTIFICATE BY CEO/CFO

Pursuant to the provisions of Clause 49 of the Listing Agreement with the Stock Exchanges, it is hereby certified that for the financial year ended March 31, 2015:

We have reviewed the financial statements and the cash flow statements for the year and that to the best of our knowledge and belief, these statements:

Do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

Together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year that are fraudulent, illegal or violative of the Company's Code of Conduct.

We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and 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 the steps we have taken or propose to take, to rectify these deficiencies.

We have indicated to the Auditors and the Audit Committee:

Significant changes in internal control over financial reporting during the year;

Significant change in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and Instances of significant fraud, if any, 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's internal control system over financial reporting.

Place : Hyderabad

Date : 25.05.2015

S.D.M. RAO

CHAIRMAN & MANAGING DIRECTOR

## AUDITORS REPORT

To

The Members of

**SAMKRG PISTONS AND RINGS LIMITED**

We have audited the accompanying financial statements of **SAMKRG PISTONS AND RINGS LIMITED** ("The company") [and in which are incorporated the Branch at VISAKHAPATNAM.], which comprise the balance sheet as at 31st March, 2015, the statement of profit and loss, the cash Flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

The company's Board of Directors are responsible for the matters stated in section 134(5) of the companies Act, 2013 ("The Act") with respect to 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 principles generally accepted in India, including the Accounting standards specified under section 133 of the Act, read with Rule 7 of the companies (Accounting ) Rules , 2014 .This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgment and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the standards on Auditing specified under section 143 (10) of the Act. Those standards require that we 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 the 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 financial control relevant to the company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, of the state of affairs of the company as at 31st march 2015, and its profit and loss and its cash flows for year ended on that date.

**Emphasis of Matters**

We draw attention to the following matters in the Notes to the financial statements:

- a) Note 2-contingent liabilities- to the financial statements which, describes the pending uncertainty related to the outcome of the appeal filed with ADC(CT) WITH REGARDS TO THE ENTRY TAX BY the company .

Our opinion is not modified in respect of these matters.

**Report on Other Legal and Regulatory Requirements**

As required by section 143 (3) of the Act, we report that:

- a. We have sought and obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b. In our opinion, proper books of accounts as required by law have been kept by the company so far as it appears from our examination of those books at Head office and at Branch at Visakapatnam.
- c. The balance sheet, the statement of profit and loss, and the cash flow statement dealt with by this Report are in agreement with the books of accounts maintained at head office and at Branch at Visakapatnam.
- d. in our opinion, the aforesaid financial statements comply with accounting standards specified under section 133 of the Act, with Rule 7 the companies (accounting ) Rules , 2014.
- e. on the basis of the written representation received from the directors as on 31st march 2015, taken on record by the board of directors, none of the directors is disqualified as on 31st march 2015, from being appointed as a directors in terms of section 164 (2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, to our separate report in "Annexure A".
- g. With respect to the matters to be included in the auditor's reporting in accordance with Rule 11 of the companies (Audit AND Auditors ) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :
  - i. The company has disclosed the impact of pending litigation on its financial position in its financial statements -Refer Note 2- contingent liabilities to the financial statements;
  - ii. There has been delay of three months in transferring amounts, required to be transferred, to the investor Education and protection fund by the company. REFER NOTE -10 to the financial statements.

For M/s.RAVI & KESHAV  
Chartered Accountants  
(Firm registration no003187S)

Place : Hyderabad  
Date : 25-05-2015

(K.K. KESAVAN)  
Proprietor  
M NO 17489

**ANNEXURE TO AUDITORS REPORT**

(AS PER CARO 2015)

(STATEMENT REFERRED TO IN PARAGRAPH 1N OF REPORT OF EVEN DATE)

***IN RESPECT OF ITS FIXED ASSETS***

1. (a) The company has maintained proper records showing the full particulars quantitative details And situation of fixed assets.
- (b) The company has program for phased physical verification of all its fixed assets which in our opinion is reasonable having regard to the size of the company and the nature of its assets. As informed, no material discrepancies were noticed on such verification.

***IN RESPECT OF ITS INVENTORIES***

2. (a) The management has conducted physical verification of the finished goods at reasonable intervals.
- (b) The procedure of physical verification of stock followed by management are considered reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) on the physical verification of stock as compared to book records no material discrepancies were noticed. The company is maintaining proper records of inventory.
- (d) on the basis of our examination of stock, we are satisfied that the valuation of stock is fair and in accordance with normally accepted accounting principles.

***IN RESPECT OF THE LOANS SECURED OR UNSECURED GRANTED OR TAKEN BY THE COMPANY TO/FROM COMAPANIES, FIRMS OR OTHER PARTIES IN THE REGISTER MAINTAINED SEC 301 OF THE COMPANIES ACT.***

3. According to the information and explanations given to us, The company had repaid all the unsecured loans taken from the directors and their relatives.

***INTERNAL CONTROL SYSTEM***

4. In our opinion and according to the information and explanation of given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regards to purchases of stores, spares parts including components, plants and machinery, equipment and other assets and for sale of the goods.
5. We have broadly reviewed the books of accounting to materials, labour and other item of cost maintained by the company pursuant to the rules made by the central Government for the maintenance of the cost records under section 148 (1) of the companies Act, 2013 and are of the opinion that, prime facie, the prescribed records and accounts have been maintained by the company. we have, however , not made a detailed examination of the records with a view to determine whether they are accurate and complete.
6. (a) The provident fund and employees state insurance dues have been regularly deposited with the appropriate authorities.
- (b) According to the information and explanation given to us the company does not have undisputed amount payable in respect of income Tax, wealth Tax , Excise Duty and customs Duty outstanding for a period more than six month from then date they become payable. In respect of sales Tax (Entry Tax) there is disputed amount of 22.47 lacs not deposited with sales Tax department. The company had filed an appeal with ADC (CT) PUNJAGUTTA DIVISION HYDERABAD AGAINST CERTAIN points in the order of the of the assessment year 2002-03.

SI. NO	NAME OF THE STATUE	NATURE OF DUES	AMOUNT IN LACS	FORUM WHERE DISPUTE IS PENDING
1	SALES TAX ACT	ENTRY TAX	22.47	ADC(CT)

In this regard please refer to the point 2-CONTINGENT LIABILITIES. to the other information to the NOTES TO THE ACCOUNTS. We are of the opinion that as and when the demand is raised after hearing of the case, the same will be accounted and settled since the period of the case is beyond the stipulated period.

There has been delay of three months in transferring amounts, required to be transferred, to the investor Education and protection fund by the company. REFER NOTE -10 to the financial statements

7. The company has no accumulated losses at the end of the financial year and, has not incurred any cash losses in the financial year under report and in the immediately preceding financial year.
8. In our opinion and according to the information and explanation given to us, the company has not defaulted in repayment of dues to financial institution /banks. The company has not issued any debentures.
9. According to the information and explanation given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions.
10. According to the information and explanation given to us, no fraud on or by the company has been noticed or reported during the course of the Audit.

For M/s.RAVI & KESHAV  
REG NO:003187S  
Chartered Accountants

(K.K. KESAVAN)  
Proprietor  
M NO 17489

Place : Hyderabad  
Date : 25-05-2015

To  
The Members of  
SAMKRG PISTONS AND RINGS LIMITED

We have reviewed the record concerning the company's compliance of conditions of Corporate Governance by SAMKRG PISTONS AND RINGS LIMITED for the year ended 31st March 2015 as stipulated in Clause 49 OF THE Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the certificate of Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We had conducted our review on the basis of the relevant records and documents maintained by the company and furnished to us for the review, and the information and explanations given to us by the company.

Based on such a review and best of our information and according to the explanations given to us, in our opinion, the company has complied with the conditions of Corporate Governance, as stipulated in Clause 49 OF 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 effectiveness with which the management has conducted the affairs of the Company.

For M/s.RAVI & KESHAV  
REG NO:003187S  
Chartered Accountants

(K.K. KESAVAN)  
Proprietor  
M NO 17489

Place : Hyderabad  
Date : 25-05-2015



**BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2015**

(₹ In Lacs)

Particulars	Note No	Figures as at the end of the Current Reporting Period	Figures as at the end of the Previous Reporting Period
<b>I. EQUITY AND LIABILITIES</b>			
(1) Shareholders' Funds		8475.11	7545.43
(a) Share Capital	1	982.05	982.05
(b) Reserves and Surplus	2	7493.06	6563.38
(c) Money Received Against Share Warrants		-	-
(2) Share Application Money pending Allotment		-	-
(3) Non-Current Liabilities		1802.25	3222.00
(a) Long - Term Borrowings	3	2.01	1416.66
(b) Deferred Tax Liabilities(Net)		204.43	166.57
(c) Other long-term Liabilities	4	1172.90	1306.71
(d) Long-term Provisions	5	422.91	322.07
(4) Current Liabilities		4940.57	5047.74
(a) Short-Term Borrowings	6	1735.95	2146.40
(b) Trade Payables		1834.68	1599.99
(c) Other Current Liabilities		402.40	343.70
(d) Short-term Provisions	7	967.54	957.65
<b>TOTAL</b>		<b>15217.93</b>	<b>15815.18</b>
<b>II. ASSETS: NON CURRENT-ASSETS</b>			
(1) (a) Fixed Assets			
(i) Tangible Assets		10342.05	10248.71
(ii) Intangible Assets	8	10120.19	10048.14
(iii) Capital Work-in-progress		-	-
(iv) Intangible Assets Under progress			
(b) Non-Current Investments			
(c) Deferred Tax Assets (Net)			
(d) Long-term Loans and Advances	9	221.86	200.57
(e) Other Non-Current Assets			
(2) Current Assets		4875.88	5566.47
(a) Current Investments			
(b) Inventories	10	1468.29	1883.50
(c) Trade Receivables	11	3099.40	3185.84
(d) Cash and Cash Equivalents	12	48.20	263.83
(e) Short-term Loans and Advances	13	162.64	113.04
(f) Other Current Assets	14	97.35	120.26
<b>TOTAL</b>		<b>15217.93</b>	<b>15815.18</b>

THIS IS THE FORM OF BALANCE SHEET REFERRED TO IN OUR REPORT OF EVEN DATE

For M/S Ravi & Keshav  
 Chartered Accountants  
 Firm Registration No:0031875

for and on behalf of Board of Directors

K.K.Kesavan  
 Proprietor  
 Membership No. : 017489

S.D.M Rao  
 Chairman & Managing Director

M.N. Thakkar  
 Director

Place : Hyderabad  
 Date : 25.05.2015

**PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015**

(₹ In Lacs)

	Particulars	Note No	Figures as at the end of the Current Reporting Period	Figures as at the end of the Previous Reporting Period
I	Revenue from Operations	1	23247.38	20562.72
II	Other Income	2	33.52	20.72
III	<b>Total Revenue</b>		<b>23280.90</b>	<b>20583.44</b>
IV	<b>Expenses</b>			
	Cost of Materials Consumed	3	11516.93	10711.99
	Purchase of Stock in Trade	4	251.06	265.37
	Change in Inventories of Finished Goods, Work in Progress and Stock in Trade	5	404.56	136.73
	Employees Benefits Expenses	6	4806.30	3477.85
	Finance Cost	7	461.99	467.81
	Depreciation and Amortization Expenses	8	1156.53	1045.06
	Other Expenses	9	2882.71	2985.65
	<b>Total Expenses</b>		<b>21480.08</b>	<b>19090.46</b>
V	<b>Profit Before Exceptional and Extraordinary Items and Tax (III-IV)</b>		<b>1800.82</b>	<b>1492.98</b>
VI	Exceptional Items		-	66.18
VII	<b>Profit Before Extraordinary Items and Tax (V+VI)</b>		<b>1800.82</b>	<b>1559.16</b>
VIII	Extraordinary Items		21.46	0
IX	<b>Profit Before Tax (VII-VIII)</b>		<b>1779.36</b>	<b>1559.16</b>
X	<b>Tax Expenses</b>		<b>0</b>	
	(1) Current Tax		510.00	450.00
	(2) Deferred Tax		37.86	34.57
XI	<b>Profit (Loss) for the period from Continuing Operations (IX-X)</b>		<b>0</b>	
			1231.51	1074.59
XII	<b>Profit (Loss) from Discontinuing Operations</b>		<b>0</b>	<b>0</b>
			0	
XIII	<b>Tax Expense of Discontinuing Operations</b>		<b>0</b>	<b>0</b>
XIV	<b>Profit (Loss) from Discontinuing Operations (After Tax) (XII-XIII)</b>		<b>0</b>	<b>0</b>
			0	
XV	<b>Profit (Loss) for the period (XI-XIV)</b>		<b>1231.51</b>	<b>1074.59</b>
XVI	<b>Earning Per Share</b>			
	(1) Basic		12.54	10.94
	(2) Diluted		12.54	10.94

THIS IS THE FORM OF PROFIT AND LOSS ACCOUNT REFERRED TO IN OUR REPORT OF EVEN DATE

 For M/S Ravi & Keshav  
 Chartered Accountants  
 Firm Registration No:0031875

for and on behalf of Board of Directors

 K.K.Kesavan  
 Proprietor  
 Membership No. : 017489

 S.D.M Rao  
 Chairman & Managing Director

 M.N. Thakkar  
 Director

 Place : Hyderabad  
 Date : 25.05.2015

## SIGNIFICANT ACCOUNTING POLICIES

### (a) Basis of accounting and preparation of financial statements

The financial statements has been prepared under the historical cost convention on an accrual basis, to comply with the generally accepted accounting principles in India ("Indian GAAP"), the Accounting Standards prescribed in the Companies (Accounting Standards) Rules, 2006 (as amended), the relevant provisions of the Companies Act, 1956, the relevant provisions of the Companies Act, 2013 to the extent applicable and the guidelines issued by the Securities and Exchange Board of India ("SEBI"). The financial statements are presented in Indian rupees rounded off to the nearest thousand.

### (b) Use of estimates

The preparation of the financial statements in conformity with the Indian GAAP requires the Management to make estimates and assumption that affect the reported accounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements and the reported period. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made.

### (c) Current and non-current classification

All assets and liabilities are classified into current and non-current.

#### Assets

An asset is classified as current when it satisfies any of the following criteria:

- i. It is expected to be realised in, or is intended for sale or consumption in, the company's normal operating cycle.
- ii. It is held primarily for the purpose of being traded.
- iii. It is expected to be realised within 12 months after the reporting date; or
- iv. It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

#### Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- i. It is expected to be settled in the company's normal operating cycle;
- ii. It is held primarily for the purpose of being traded;
- iii. It is due to be settled within 12 months after the reporting date; or
- iv. The company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

#### **Operating cycle**

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. The company's operating cycle is within a period of 12 months.

#### **(d) Inventories**

Traded goods are valued at lower of weighted average cost and net realisable value. Goods in transit as valued at cost or below.

#### **(e) Cash flow Statement**

Cash flows are reported using the indirect method, whereby net profit/loss before tax is adjusted for the effects of transactions of a non cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities of the company are segregated.

Cash and cash equivalents for the purpose of cash flow comprise cash at bank and in hand and short term investments with an original maturity of three months or less.

#### **(f) Revenue Recognition**

Sales are recognised on dispatch of goods and upon transfer of property in the goods to customers. Sales are inclusive of excise duty, as applicable.

Income from shared services (services provided to Group companies) is recognised by the Company on accrual basis. Income in excess of billings is disclosed under Other current assets as unbilled revenues.

#### **(g) Other income**

Interest income is recognised using the time proportion method, based on the transactional interest rates. Dividend income is recognised when the Company's right to receive dividend is established.

#### **(h) Fixed Assets, Depreciation, Impairment**

Fixed Assets are stated at cost/professional valuation less accumulated depreciation. Cost includes freight, installation cost, duties and taxes, interest on specific borrowings utilised for financing the qualifying fixed assets and other incidental expenses.

Depreciation is provided on straight - line method at the rates specified in the Schedule XIV to the Companies Act, 1956 or based on the estimated economic useful lives whichever is higher.

#### **(i) Foreign Currency Transactions**

Transactions in foreign currency are recorded at the exchange rates prevailing on the date of the transactions. Monetary assets and liabilities denominated in foreign currency are restated at the prevailing year end rates. The resultant gain/loss on account of foreign currency transactions are accounted in the statement of profit and loss. In respect of items covered by forward exchange contracts, the premium or discount arising at the inception of such a forward exchange contract is amortised as expense or income over the life of the contract. Any profit or loss arising on cancellation or renewal of such a forward contract is recognised in the statement of profit and loss.

## NOTES FORMING PART OF BALANCE SHEET

(₹ in Lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
<b>NOTE-1</b>		
<b>SHARE CAPITAL</b>		
Authorized	1250.00	1250.00
Issued, Subscribed and Paid Up	982.05	982.05
Par Value of Share (₹)	10	10
Shares Held By Share Holder Holding More Than 5% Share		
SDM Rao	1005044	1005044
SDM Rao-HUF	68276	68276
S. Saraswathi	2630205	2630205
S. Karunakar	522774	522774
S. Kishore	513035	513035
For the period of five years immediately proceeding the date as at the Balance Sheet prepared		
<b>Forfeited Shares (Amount Originally Paid Up)</b>		
10800 Shares A @ ₹ 5 Per Share    1.03.Lacs	0.54	0.54
9750 Shares @ ₹ 5 Per Share	0.49	0.49
<b>NOTE-2</b>		
<b>RESERVES AND SURPLUS</b>		
(I) Capital Reserve	56.03	56.03
(II) Securities Premium Reserve	163.92	163.92
(III) Revaluation Reserve	155.21	155.21
(IV) General Reserve	684.09	853.45
(V) Surplus in Statement of Profit and Loss	6412.36	5334.78
(VII) CSR Reserve	21.46	0.00
<b>TOTAL</b>	<b>7493.06</b>	<b>6563.39</b>

**NOTES FORMING PART OF BALANCE SHEET**

(₹ in Lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
THE CAPITAL RESERVE INCLUDES AN AMOUNT OF ₹ 1.03 LACS FORM FOREFEATURE OF SHARES AND SUBSIDY FROM THE GOVT. FOR SETTING UP THE UNIT IN BACKWARD AREA		
<b>GENERAL RESERVE</b>		
Opening Balance	853.45	1006.37
Add: Transfer from P/L A/C	153.94	134.32
Less: Earlier Years Tax & Dividend and Devidend Tax	323.31	287.25
<b>Net Reserve</b>	<b>684.09</b>	<b>853.44</b>
<b>Profit and Loss Account</b>		
Opening Balance	5334.79	4394.51
Add: Current Year Profit	1231.51	1074.60
Less: Transfer to General Reserve	153.94	134.32
<b>Net Profit and Loss Account</b>	<b>6412.36</b>	<b>5334.79</b>
<b>NOTE-3</b>		
<b>LONG TERM BORROWINGS</b>		
<b>FULLLY SECURED</b>		
Loans for Vehicles	2.01	16.66
<b>UNSECURED</b>		
Other Loans	0	1400.00
<b>TOTAL</b>	<b>2.01</b>	<b>1416.66</b>

The loan for vehicles from ICICI bank and the vehicle is hypothecated to ICICI bank the instalment for the next 12 months amounting 9.10 Lacs were considered under current liabilities.

The other loans are from directors were repaid fully. The interest were paid at 15% were paid for the period of holding the loan by the Company.

**NOTE-4**
**OTHER LONG TERM LIABILITIES**

Sales Tax Deferral Loan	1172.90	1306.71
<b>TOTAL</b>	<b>1172.90</b>	<b>1306.71</b>

**INTERST FREE SALES TAX LOAN IS REPAYABLE AS FOLLOWS:**

1. Plant-1A-Second Deferment Repayable In 14 Years Commenced from April 2012
2. Plant-II=First Deferment Repayable In 10 Years Commenced from 2004 and Second Deferment From April 2015
3. Plant-III-Repayable in 14 Years Commenced from April 2011  
an Amount of ₹ 148.82 Lacs Represents Repayable in the Next 12 Months had been shown under current liabilities.

## NOTES FORMING PART OF BALANCE SHEET

(₹ in Lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
<b>NOTE-5</b>		
<b>LONG TERM PROVISIONS</b>		
Provision for Gratuity	422.91	332.07
<b>TOTAL</b>	<b>422.91</b>	<b>332.07</b>

The employees who are become eligible had been considered for valuvation and the amount were worked and provided.

### NOTE-6

#### SHORT TERM BORROWINGS

##### Secured

Cash Credit-Stocks	1578.04	1966.42
ICICI Vehicle Loan	9.10	15.38
Sales Tax Deferrment Loan-Payable with in a year	148.82	164.60
<b>TOTAL</b>	<b>1735.95</b>	<b>2146.40</b>

Working capital loan with SBI is secured by hypothecation of all current assets including book debts on first charge basis and second charge on all fixed assets and immovable Properties of the Company.

### NOTE-7

#### SHORT TERM PROVISIONS

Other Provisions	517.04	637.65
Provision for Employees Benefits	450.50	320.00
<b>TOTAL</b>	<b>967.54</b>	<b>957.65</b>

The other provisions includes the power bill for the month of March amounting to 106.74 Lacs, etc.



## NOTES FORMING PART OF BALANCE SHEET

(₹ in Lacs)

### NOTE-8

#### FIXED ASSETS

Particulars	VALUE AS AT 01-04-2014	NET ADDITION/DELETION DURING THE YEAR	VALUE AS AT 31-03-2015
Land-Free Hold	189.61	0.00	189.61
Buildings	1696.82	1.79	1698.61
Plant and Machinery	15694.24	1158.38	16852.62
Electrical Installation	445.48	32.50	477.98
Furniture and Fixtures	136.88	25.49	162.37
Vehicles	250.45	10.43	260.88
Impairment of Assets	194.18	0.00	194.18
<b>TOTAL</b>	<b>18607.67</b>	<b>1228.58</b>	<b>19836.24</b>

1. The Fixed Assets Includes Self Made Machines.

2. The Cost Fixed Assets is Net of Cenvet Credit Availed and to be claimed.

Particulars	2014-15	2013-14
Net Block of Fixed Assets as on 01-04-2014	10048.14	9974.14
Additions during the year	1228.58	1119.06
Less: Depreciation provided during the year	1156.53	1045.06
<b>Net Block as on 31.03.2015</b>	<b>10120.19</b>	<b>10048.14</b>

Particulars	As at March 31, 2015	As at March 31, 2014
-------------	-------------------------	-------------------------

### NOTE-9

#### (D) LONG TERM-LOANS AND ADVANCES

Unsecured and Considered Good

APSEB Deposit	221.86	200.57
<b>TOTAL</b>	<b>221.86</b>	<b>200.57</b>

### NOTE-10

#### (B) INVENTORIES

Stores and Spares	225.06	235.77
Raw Materials	313.81	302.21
Semi Finished Goods	363.96	602.09
Finished Goods	539.50	705.94
Traded Goods	25.95	37.49
<b>TOTAL</b>	<b>1468.29</b>	<b>1883.50</b>

## NOTES FORMING PART OF BALANCE SHEET

The work-in-progress represents only part of the regular product that were under production and not covered for any reservation for warranty claims.

The finished goods were valued at lower of the cost of sale or realisable value.

The cost does not include excise duty component.

The excise duty is neither considered for opening stock nor closing stock. This method was followed consistently by the company. The raw materials including trade goods Stores and spares were valued at cost to the unit.

(₹ in Lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
<b>NOTE-11</b>		
<b>OUTSTANDING FOR A PERIOD OF MORE THAN SIX MONTHS</b>		
from the date they are due	198.75	66.75
Unsecured Considered Good-Others	2900.64	3119.09
<b>TOTAL</b>	<b>3099.40</b>	<b>3185.84</b>
<b>NOTE-12</b>		
<b>CASH AND CASH EQUIVALENTS</b>		
Cash in Hand	0.92	0.79
Balance with Banks	3.14	203.89
Margin Money with Banks	44.14	59.15
<b>TOTAL</b>	<b>48.20</b>	<b>263.83</b>
<b>NOTE-13</b>		
<b>SHORT TERM LOAN AND ADVANCES</b>		
<b>Secured Considerd Good</b>		
Advances to Staff	102.27	64.46
Other Deposits	8.25	8.03
<b>Unsecured Considered Good</b>		
Advances Suppliers	9.65	11.62
Other Advances	42.44	28.93
<b>TOTAL</b>	<b>162.64</b>	<b>113.04</b>
<b>NOTE-14</b>		
<b>(F) OTHER CURRENT ASSETS</b>		
Excise Duty Deposit	41.43	72.20
Service Tax	55.93	55.02
Vat Credit	0.00	-6.95
<b>TOTAL</b>	<b>97.35</b>	<b>120.27</b>

## NOTES FORMING PART OF STATEMENT OF PROFIT AND LOSS ACCOUNT

(₹ in Lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
<b>NOTE-1</b>		
<b>REVENUE FROM OPERATIONS</b>		
(A) Sale of Products	25532.67	22810.61
(B) Sale of Services		
(C) Other Operating Revenue	10.42	8.43
<b>TOTAL</b>	<b>25543.09</b>	<b>22810.04</b>
Less: Excise Duty	2295.71	2247.31
<b>Net Operating Revenue</b>	<b>23247.38</b>	<b>20562.73</b>
The Other Operating Revenue Represents Sale of Scrap		
<b>NOTE-2</b>		
<b>OTHER INCOME</b>		
(A) Interest Income-With Notes	4.32	3.59
Interest from Bank on Margin Money and Deposits with APSEB	27.89	16.51
(B) Dividend Income		
(C) Net Gain/Loss on Sale of Investments		
(D) Other Non-Operating Income (Net)	1.31	0.62
<b>TOTAL</b>	<b>33.52</b>	<b>20.72</b>
<b>NOTE-3</b>		
<b>COST OF MATERIAL CONSUMED</b>		
Opening Stock of Rawmaterial	273.95	357.76
Aluminium	2836.25	2362.10
Alloying Elements	879.66	873.48
Pin Steel	479.89	452.14
Customs Duty on Raw Materials	166.59	164.23
Direct Materials	915.77	910.45
Indirect Materials	548.41	105.86
Less: Cash Discount Received	-90.28	-70.68
<b>TOTAL</b>	<b>6010.24</b>	<b>5155.34</b>
Less: Closing Stock of Raw Material	273.77	273.95
<b>NET CONSUMPTION OF RAW MATERIAL</b>	<b>5736.47</b>	<b>4881.39</b>
Power and Fuel	1931.90	2208.81
Transportation	769.03	930.87
Consumption of Stores and Spares Opening Stock	235.77	200.21
Purchases	2097.98	1806.15
Less: Closing Stock	225.06	235.77
<b>Net Consumption of Stores and Spares</b>	<b>2108.69</b>	<b>1770.59</b>
Consumption of Packing Material Opening Stock	28.26	39.45
Purchases	982.61	909.15
Less: Closing Stock	40.05	28.26
<b>Net Consumption of Packing Materials</b>	<b>970.83</b>	<b>920.34</b>
<b>TOTAL CONSUMPTION OF RAW MATERIAL</b>	<b>11516.93</b>	<b>10712.00</b>

## NOTES FORMING PART OF STATEMENT OF PROFIT AND LOSS ACCOUNT

(₹ in Lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
<b>NOTE-4</b>		
<b>TRADED GOODS</b>		
Opening Stock	37.48	14.58
Stop Pegs	12.83	17.11
Circlips	134.03	113.16
Hump-Expanders	37.77	33.35
Coil Springs	34.59	42.19
Other Items	20.30	82.46
Closing Stock	-25.95	-37.48
<b>TOTAL</b>	<b>251.06</b>	<b>265.37</b>
<b>NOTE-5</b>		
<b>INCREASE/DECREASE IN STOCKS</b>		
<b>OPENING STOCK</b>		
Semi Finished Goods	0	0
Finished Goods	602.09	532.22
	705.94	912.54
<b>CLOSING STOCK</b>	<b>1308.03</b>	<b>1444.76</b>
Semi Finished Goods	363.96	602.09
Finished Goods	539.50	705.94
	903.46	1308.03
<b>INCREASE/DECREASE IN STOCKS</b>	<b>404.56</b>	<b>136.73</b>
<b>NOTE-6</b>		
<b>EMPLOYEES BENEFIT EXPENSES</b>		
(I) Salaries & Wages	4203.49	3093.74
(II) Contribution to Provident Fund and other Funds	184.45	131.18
(III) Staff Welfare Expenses	418.35	252.93
<b>TOTAL</b>	<b>4806.30</b>	<b>3477.85</b>
<b>NOTE-7</b>		
<b>FINANCE COST</b>		
(A) Interest Expenses	267.48	452.98
(B) Other Borrowing Cost	104.25	114.31
(C) Net Gain/ Loss on Foreign Currency Transactions and Translation-With Notes	90.26	-99.48
<b>TOTAL COST</b>	<b>461.99</b>	<b>467.81</b>

NOTES FORMING PART OF STATEMENT OF PROFIT AND LOSS ACCOUNT

(₹ in Lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
<b>NOTE-8</b>		
<b>DEPRECIATION AND AMORTIZATION EXPENSES</b>	<b>1156.53</b>	<b>1045.06</b>
<p>The total depreciation provided for the current financial year was 11.57 crores.  The depreciation was provided on straight line basis on the assets that were  put to use and calculated according to the period of use the depreciation  on assets whose value had reached 95% of the asset value were not  considered for depreciation.</p>		
<b>NOTE-9</b>		
<b>OTHER EXPENSES</b>		
Rent, Rates & Taxes	125.14	124.06
Printing & Stationary	48.07	54.83
Communicational Expenses	31.29	27.74
Conveyance & Travelling	125.11	121.54
Director's Sitting Fee	0.38	0.38
Insurance	7.29	10.00
Auditor's Remuneration	9.25	9.25
Legal & Professional Charges	3.71	6.04
Repairs & Maintenance	179.60	328.84
Sales Promotion	1739.99	1737.11
Advertisement	5.44	6.17
Miscellaneous Expenses	45.78	52.54
Gratuity	98.25	50.00
AP Vat	105.98	122.33
CST	357.43	329.36
Prior Period Expenses	0.00	5.46
<b>TOTAL</b>	<b>2882.71</b>	<b>2985.65</b>

**NOTE: 10**

The Extraordinary Item Represents the Provision Made for Corporate Social Responsibility for an Amount of ₹ 21.46 Lacs. Please Refer Corporate Social Responsibility Report by the Board of Directors.

**5. Other Information:****1. Retirement Benefits**

- A) The Company's Contribution to Provident Fund is Administered through Regional Provident Fund Commissioner and being Charged to Revenue as incurred.
- B) Leave Encashment is Accounted for on Cash basis of the actual payments made.

**2. Taxes And Income**

- A) **Current Tax:** Provision for Income Tax is determined in accordance with the provisions of income Tax Act 1961.
- B) **Deferred Tax Provision:** Deferred Tax is Recognized on Timing Differences Being the Differences Between Taxable Incomes and Accounting Income that Originate in one period and are capable of Reversal in one or more subsequent period(s). Provision had been made on the account of above as there exist deferment assets.
- C) The timing deference on account of depreciation charged on the assets as per the Companies Act and as per the Income Tax Act has been provided. The net deferred tax liability over the deferred tax assets was ₹ 37.86 Lacs and considered for the current year was ₹ 37.86 Lacs (Previous year ₹ 34.57 Lacs).

**Contingent Liabilities Not Provided For**

Disputed Amount of ₹ 25.68 Lacs towards A.P. Tax on Entry of Goods for the Assessment Year 2002-03 is pending with the ADC (CT) Punjagutta Division, Hyderabad against which we have already Paid an amount of ₹ 3.21 Lacs the case did not come for any hearing further.

**3. Details Under MASA****Sundry Creditors**

Disclosure under the micro and small enterprises development Act, 2006. Amount due to micro and small enterprises are disclosed on the basis of information Company regarding available with the status of the supplier is as follows:

Sl. No.	Particulars	2014-15		2013-14	
		Principal	Interest	Principal	Interest
1.	Principal amount and interest thereon due, Remaining unpaid at the end of the year.	353.79	Nil	405.03	Nil
2.	Interest paid during the year	Nil	Nil	Nil	Nil
3.	Interest due and payable (on the amount which have Been paid beyond the appointed date during the year)	NA	Nil	NA	Nil
4.	Interest remaining accrued and unpaid at the end of year	NA	Nil	NA	Nil
5.	Interest due of the previous year	NA	Nil	NA	Nil

4. Amount of exchange difference as per AS -11 accounting for the effects of changes in Foreign Exchange rates included in the finance cost was ₹ 90.26 Lacs (Previous year ₹ 99.48 Lacs)
5. Estimated amount of contracts remaining to be executed on capital account is ₹ 200.00 Lacs (Previous year ₹ 63.76 Lacs) against which advances has been paid ₹ 3.40 Lacs (Previous year ₹ 7.18 Lacs)

	2014-15	2013-14
6. Expenditure in Foreign Currency Travelling	6.13	9.37
7. Earnings in Foreign Currency (On Receipts Basis)	4559.87	4342.30

#### 8. Segment Reporting Under Accounting Standard - 17

The Company Operates in Singal Primary Business Segment Namely Manufacture of Auto Components - Piston Assemblies, hence no separate Disclosure is Required.

#### 9. Related Party Disclosures:

The Disclosure Pertaining to the Related Party Transactions as required by the accounting standard (AS-18) issued by the institute of chartered accountants of India, as applicable are indicated below.

Related Parties Transactions for the Year Ended 31.03.2015

Sl. No.	Names of Related Parties & Description of Relationship	Nature of Transaction	Amount Paid During The Year ₹	Balance Outstanding (To)/ From ₹
1	Shri S.D.M. Rao-Chairman & M.D	Unsecured Loan Interest Principle	5,492,671 59,500,000	0
2	Shri S.D.M. RAO HUF - Chairman & MD	Unsecured Loan Interest Principle	266,096 5,000,000	0
3	Shri S. Karunakar - Director	Unsecured Loan Interest Principle	272,877 2,000,000	0
4	Shri S. Karunakar Huf - Director	Unsecured Loan Interest Principle	160,274 3,000,000	0
5	Shri S. Karunakar - Director	Rent Paid / Payable	1,308,000	
6	Shri S. Kishore - Director	Unsecured Loan Interest Principle	272,877 2,000,000	0
7	Shri S. Kishore HUF - Director	Unsecured Loan Interest Principle	163,973 3,000,000	0
8	Shri S. Kishore - Director	Rent Paid / Payable	11,880,000	
9	Smt. S. Saraswathi - W/o S.D.M. Rao	Rent Paid / Payable	1,272,000	
10	Saraswathi Enterprises (Firm)	Rent Paid / Payable	5,508,000	
11	Smt. S. Saraswathi - W/o S.D.M. Rao	Unsecured Loan Interest Principle	2,564,795 65,500,000	0
12	Key Management Personnel - Shri S.D.M. Rao - Chairman & M.D - Shri S. Karunakar - Director - Shri S. Kishore - Director	Remuneratin & commission paid	3900000 8100000 8100000	

The company had taken on lease of properties from the Directors of the Company and relatives of the Directors of the Company for the Staff at Factory, Visakhapatnam and at Hyderabad and office at Visakhapatnam.

10. The Company had already Transferred Balance Funds In Un-Paid Dividend Account to Investors Education Fund Amount to ₹ 2.57 Lacs. The Amount was Deposited on Jan 2015 after a Delay of Three Months for the year 2006-07.

11. Payment To Auditors	2014-15	2013-14
(A) Auditor	7.75	7.75
(B) For Taxation Matters	1.50	1.50
<b>Total</b>	<b>9.25</b>	<b>9.25</b>

12. CIF Value of Imports

By the Company during the Financial Year in respect of

(A) Raw Material	431.80	432.36
(B) Components and Spare Parts	0	0
(C) Capital Goods	166.80	31.31

13. Consumption

Imported Raw Materials	431.80	432.36
Spare Parts		5.42
Components		0
<b>Total Indigenous Raw Material Spare Parts Components</b>	<b>8384.19</b>	<b>7134.53</b>
<b>Total of Percentage of Each</b>		
Indigenous	95.10	94.22
Imported	4.90	5.78

The Cost of Raw material does not include the power and fuel and transportation.

14. The Obligation Under EPCG Concessional Duty Scheme on Account Capital Equipments Imports Amounting To Amounting To ₹ 527.82 Lacs (Previous Year 183.29 Lacs)
15. The Company had not accepted any Deposits from public nor solicited any as per Companies Act Deposit Rules 2013.  
The Company had taken Security Deposits from our Dealers of our Products and Paying Interest at @9%. The Deposits are Repayable at the Closure of the Dealership only.
16. The Company Proposes to Declare a Dividend of ₹ 3.00 Per Shares on a Face Value of ₹ 10/- Per Share and the Total Amount Works Out to ₹ 294.62 Lacs.
17. Figures for the Previous Year has been regrouped/reclassified wherever necessary to be conformity with the current year format of revised Schedule VI.
18. The figures are rounded off to the nearest rupee.

Signature to Schedule 1 to 4 and 5(1) to 5(18)

For M/S Ravi & Keshav  
Chartered Accountants  
Firm Registration No:0031875

for and on behalf of Board of Directors

K.K.Kesavan  
Proprietor  
Membership No. : 017489  
Place : Hyderabad  
Date : 25.05.2015

S.D.M Rao  
Chairman & Managing Director

M.N. Thakkar  
Director



**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015**

		(₹ In Lacs)	
Particulars		Year Ended 31st March, 2015	Year Ended 31st March, 2014
<b>A.</b>	<b>Cash Flow from Operating Activities</b>		
	Net Profit Before Tax and Extraordinary Items	1800.82	1559.17
	<i>Adjustments For:</i>		
	Depreciation	1156.53	1045.06
	Sales Tax Deferment	-133.81	-230.77
	Interest	461.99	467.81
	Interest Earned	32.21	20.11
	Gratuity Provision	98.25	50.00
	<b>Operating Profit Before Working Capital Changes</b>	<b>3415.99</b>	<b>2911.38</b>
	<i>Adjustments For:</i>		
	Receivables	86.44	-24.56
	Inventories	415.21	173.25
	Loans & Advances	-47.98	-32.34
	Payables	299.30	-420.77
	<b>Cash Generated From Operations</b>	<b>4168.97</b>	<b>2606.96</b>
	Interest Paid	461.99	467.81
	Taxes Paid	542.9	400.00
	Gratuity Paid	6.57	4.10
	<b>Net Cash Flow from Operating Activities</b>	<b>3157.51</b>	<b>1735.05</b>
	Net Increase in Bank Borrowings	0.00	0.00
	<b>NET INCREASE IN CASH FLOW</b>	<b>3157.51</b>	<b>1735.05</b>
<b>B.</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Purchase of Fixed Assets (Net of Sale)	1228.58	727.06
	Interest Received	32.21	20.11
	Term Loans	1414.65	-13.93
	<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>2675.44</b>	<b>733.24</b>
<b>C.</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Proceeds from Unsecured Loans		
	Increase(Decrease) in Working Capital Loan (Net of Payments)	-410.45	-512.76
	Dividend and Dividend Tax	-287.25	-287.25
	<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>-697.70</b>	<b>-800.01</b>
	<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>-215.63</b>	<b>201.80</b>
	<b>CASH AND CASH EQUIVALENTS AS AT THE COMMENCEMENT OF THE YEAR</b>	<b>263.83</b>	<b>62.03</b>
	<b>CASH AND CASH EQUIVALENTS AS AT THE END OF THE YEAR</b>	<b>48.20</b>	<b>263.83</b>

**Notes:** The above Cash Flow Statement has been prepared under the indirect method as set out in the accounting Standard-3 on Cash Flow Statements. The previous figures were regrouped as per current year.

This is the Cash Flow Statement referred to in our report of even date

For M/S Ravi & Keshav

for and on behalf of Board of Directors

Chartered Accountants

Firm Registration No:003187S

K.K.Kesavan

S.D.M Rao

M.N. Thakkar

Proprietor

Chairman & Managing Director

Director

Membership No. : 017489

Place : Hyderabad

Date : 25.05.2015



## SAMKRG PISTONS AND RINGS LIMITED

Regd. Office : 1-201, Divyashakti Complex, 7-1-58, Ameerpet, Hyderabad - 500 016.

Name of Member in Capital Letter
Folio Number:
No.of Shares:

<b>ATTENDANCE SLIP</b>
PLEASE HAND OVER THIS ADMISSION SLIP AT THE ENTRANCE OF THE MEETING HALL

<b>29th ANNUAL GENERAL MEETING</b> 21st September, 2015 at 10.30 a.m.  <b>HOTEL GRANDEUR</b> Opp: J C Brothers, Beside New Science College, Main Road, Ameerpet, Hyderabad - 500073
---

<input type="checkbox"/> MEMBER	<input type="checkbox"/> PROXY
NAME OF THE PROXY IN CAPITAL LETTER	

I hereby register my presence at the meeting

Signature of the Member/Proxy



## SAMKRG PISTONS AND RINGS LIMITED

Regd. Office :1-201, Divyashakti Complex, 7-1-58, Ameerpet, Hyderabad - 500 016.

I/We -----  
-----  
-----  
-----  
-----

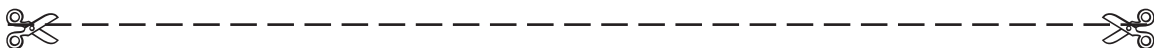
<b>PROXY FORM</b>	
FOLIO	NO.OF SHARES

in the district of ----- being a member / members of SAMKRG PISTONS AND RINGS LIMITED hereby appoint ----- of ----- or failing him as my / our Proxy to vote for me / us and on my / our behalf at the 29th ANNUAL GENERAL MEETING of the Company to be held on Monday, the 21st September, 2015 at 10.30 a.m. or any adjournment thereof at HOTEL GRANDEUR OPP: J C BROTHERS, BESIDE NEW SCIENCE COLLEGE, MAIN ROAD, AMEERPET, HYDERABAD - 500073.

Signed this .....day of ..... 2015

PROXY FORM MUST REACH COMPANY'S REGISTERED OFFICE NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING
--

FOR OFFICE USE ONLY	
PROXY NO.	DATE OF RECEIPT



Resolutions		For	Against
1	Audited Financial Statement, Report of the Board of Directors and Auditors		
2	Declaration of Dividend on Equity Shares		
3	Appointment of Auditors and Fixing their remuneration		
4	Appointment of S.Madhava Rao as Independent Director		
5	Appointment of Akula V enkateswara Rao as Small Shareholders' Independent Director		
6	Appointment of Nama Rishitha as Woman Director		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2015

Signature of shareholder \_\_\_\_\_

 Affix  
 one rupee  
 Revenue  
 stamp

Signature of Proxy Holder(s)

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered office of the Company, not less than 48 hours before the commencement of the meeting.
2. Shareholder/Proxy holder, as the case may be, is requested to sign and hand over this slip at the entrance of the meeting venue.
3. members are requested to advise the change of their address, if any, to the Company at the above Address.





Bonthapally - Piston & Pin Plant (Near Hyderabad)



Varisam - Rings Plant (Near Visakhapatnam)



Akkivalasa - Piston & Pin Plant (Near Visakhapatnam)

## PRINTED MATTER

If undelivered please return to:



### **SAMKRG PISTONS AND RINGS LIMITED**

( AN ISO/TS 16949 : 2002 Company)

Registered Office:

1-201, Divyashakti Complex, 7-1-58, Ameerpet, Hyderabad - 500 016.

E-mail: [admin@samkrg.com](mailto:admin@samkrg.com)

Website: [www.samkrgpistonsandrings.com](http://www.samkrgpistonsandrings.com)