

30th

Annual Report 2015-16



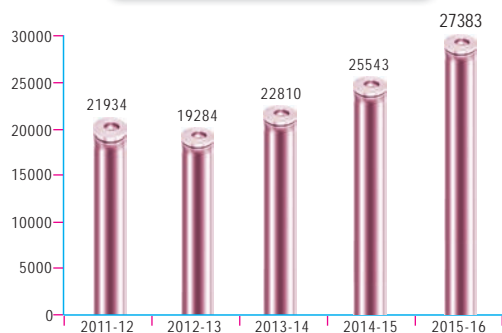
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PISTON & RINGS

SAMKRG PISTONS AND RINGS LIMITED

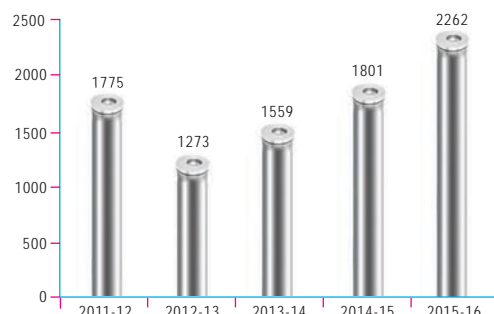
(AN ISO/TS 16949 : 2002 Company)

PERFORMANCE HIGHLIGHTS

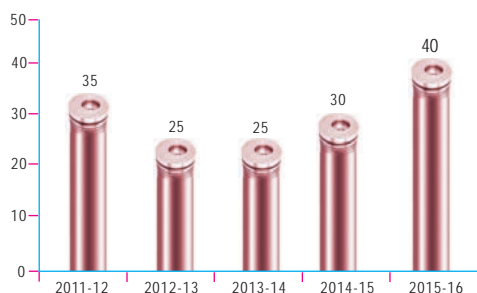
SALES (Gross) Rs. in lacs



PROFIT BEFORE (TAX) Rs. in lacs



DIVIDEND %



Gross Fixed Assets



SAMKR G PISTONS AND RINGS LIMITED

Rs. in lacs

Particulars	2015-16	2014-15	2013-14	2012-2013	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07
Sales (Gross)	27382.56	25543.09	22810.03	19284.49	21933.89	19751.54	15033.04	11610.18	11288.33	10163.97
Sales (Net)	24520.09	23247.38	20562.72	17344.91	19923.59	16935.44	13260.28	9912.92	9388.90	8332.06
PBDIT	3587.53	3419.34	3005.85	2781.91	3212.82	2627.07	2120.09	1729.55	2088.40	2221.70
Profit before tax	2261.71	1800.82	1559.17	1272.93	1775.14	1467.15	1011.85	613.61	836.72	920.46
Profit after tax	1570.15	1231.51	1074.60	866.93	1177.79	992.15	710.85	448.28	581.97	579.54
Profit after tax (%)	6.40	5.30	5.23	5.01	5.91	5.86	5.36	4.52	6.19	6.96
Dividend paid	392.82	294.62	245.51	245.51	343.72	441.92	392.82	294.62	343.72	343.72
Dividend %	40	30	25	25	35	45	40	30	35	35
Share Capital	982.05	982.05	982.05	982.05	982.05	982.05	982.05	982.05	982.05	982.05
Reserves & Surplus	8237.85	7493.06	6563.38	5776.03	5311.26	4162.83	3577.95	3620.83	2636.16	2449.77
Net worth	9219.90	8475.11	7545.43	6758.08	6293.31	5144.88	4560.00	4602.88	3618.21	3431.82
Gross Fixed Assets	21511.47	19836.24	18607.67	17488.61	16296.28	14296.96	13151.96	12937.28	14866.69	12907.47
EPS (Rs)	15.99	12.54	10.94	8.83	12.00	10.10	7.24	4.56	5.93	5.90
Book value/Share (Rs)	93.88	86.30	76.83	68.82	64.08	52.39	46.43	46.67	36.84	34.95
Debt Equity	Zero Debt	Zero Debt	Zero Debt	0.21	0.27	0.10	0.05	0.08	0.14	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	Director
Shri S Madhava Rao	Director
Shri V Chakrapani	Director
Shri A Venkateswara rao	Director
Ms. N Rishita	Director

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 Bonhapally Narasapur Taluk Medak District, Telangana
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PLANT - II (PISTON RINGS)	Sy.No.33, Varisam Pydibhimavaram Ranastalam Mandal Srikakulam District, A.P.
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PLANT - III (PISTONS & PINS)	Sy.No.232 Arinama Akkivalasa Allinagaram, Etcherla Mandal Srikakulam District, A.P.
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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 Thirtieth (30th) Annual General Meeting of the Members of the SAMKRG PISTONS AND RINGS LIMITED will be held on Thursday the 18th August, 2016 at 10.30 A.M at Hotel Grandeur, 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 2016 and Profit and Loss Account for the year ended on that date together with Directors' report and Auditors' report thereon.
2. To approve and ratify interim Dividend on Equity shares.
3. To appoint a Director in place of Shri S Karunakar who retires by rotation and being eligible offers himself for re-appointment.
4. To ratify the appointment of auditors of the Company to hold office until the conclusion of the Annual general Meeting for Financial year 2016-17 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 in the 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.

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 Abridged 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 11th August 2016 to 17th August 2016 (Both days inclusive).
5. Pursuant to Section 124(5) of the Companies Act, 2013, all unclaimed / unpaid dividends up to the financial year ended 31st March, 2008 have been transferred to the Investor Education and Protection Fund established by the Central Government as per Section 125(1) of the Companies Act, 2013.
6. Members, who have not yet en-cashed their dividend warrant(s) for the financial years from 2008-09 to 2014-15, are requested to make their claims to the Company without any delay.
7. 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.
8. The Members are requested to:
 - i) Intimate changes, if any, in their registered address at an early date.
 - ii) 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.
9. The Annual Listing fee for the year 2016-17 has been paid to BSE 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.

Instructions about Voting:

The Members are requested to opt for one mode of voting, i.e. either through e-voting or postal ballot. If a member casts votes by both modes, then voting done through a valid e-Voting shall prevail and physical ballot form voting of that Member shall be treated as invalid. Please refer the following detailed instructions for both voting.

I. Voting through electronic means:

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is providing Members facility to exercise their right to vote at the Postal Ballot by electronic means through e-voting Services provided by Central Depository Services (India) Limited (CDSL). The instructions for e-voting are as under:

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on “Shareholders” tab.
- (iii) Select the “Samkrp Pistons and Rings Limited” from the drop down menu and click on “SUBMIT”
- (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 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	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
	<ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.
	<ul style="list-style-type: none"> 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.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.
	<ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.

- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) Members holding shares in physical form will then reach directly 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 <Samkrg 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 changed 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) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same

- (xx) 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, under help section or write an email to helpdesk.evoting@cdslindia.com.
- II. The voting period begins on 14-08-2016 (9.00 AM) and ends on 17-08-2016 (6.00 PM). During this period shareholders’ of the Company, holding shares either in Physical form or in Dematerialized form, as of 10-08-2016 (i.e., the cut-off date) may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- III. 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 under help Section or write an email to helpdesk.evoting@cdslindia.com or admin@samkrg.com
- IV. 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 the cut-off date i.e.10-08-2016.
- V. **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.
- VI. 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 Sunday the 14th day of August 2016, at 9.00 AM and ends on Wednesday the 17th day of August 2016 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 i.e. 10.08.2016, 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 under help section or write an email to helpdesk.evoting@cdslindia.com.

BY ORDER OF THE BOARD
 For SAMKRG PISTONS AND RINGS LIMITED

Place : Hyderabad
 Date : 23.05.2016

Sd/-
S.D.M. RAO
 CHAIRMAN & MANAGING DIRECTOR

Director's Report

DEAR SHAREHOLDERS

Your Directors are pleased to present 30th Annual Report and the Audited Accounts of the Company for the year ended March 31, 2016.

Financial Results (₹ In Lakhs)

	2015 -16	2014-15
Gross Sales	27394.71	25543.09
Less: Excise Duty	2874.62	2295.71
Net Sales	24520.09	23247.38
Total Expenditure	20971.05	19861.56
Other Income	38.49	33.52
Operating Profit (PBDIT)	3587.53	3419.34
Interest	155.21	461.99
Cash Profit	3432.32	2957.35
Depreciation	1170.57	1156.53
Profit before Exceptional Item	2261.71	1800.82
Exceptional Item	0	0
Profit after Exceptional Item	2261.71	1800.82
Provision for Taxation		
i) Current Year	630.45	510.00
ii) Deferred Taxation	40.00	37.86
Net Profit before Extraordinary Item	1591.30	1252.97
Extraordinary Item	21.15	21.46
Profit after Extraordinary Item	1570.15	1231.51

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

OPERATIONS:

The Company achieved the gross turnover of ₹ 27395 Lakhs during year 2015-16 as against ₹ 25543 Lakhs in the previous year 2014-15 there by recorded an increase of 7.25%. Your company has posted Net turnover of ₹ 24520 Lakhs during year 2015-16 as compared to ₹ 23247 Lakhs for the previous year 2014-15 i.e. an increase of 5.48% only because of reduction in export sales due to slowdown in Europe, USA and Russia.

The company R&D expenditure is ₹ 122.60 Lakhs i.e., 0.50% 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 operations of the Company on the whole have been satisfactory.

Earnings Before Depreciation, Interest and Tax (PBDIT) at ₹ 3588 lakhs as against previous year of ₹ 3419 Lakhs. The Profit Before Tax was at ₹ 2262 lakhs as compared to ₹ 1801 lakhs in 2014-15 an increase of 25.60%.

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, 2016, 5 (Five) Board Meetings were held. The dates on which the Board Meetings were held are 25.05.2015, 05.08.2015, 10.11.2015, 08.02.2016 and 09.03.2016.

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 participation of Annual Accounts the applicable accounting standards have been followed and that there have been no 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 as at March 31, 2016 and the profit loss account to 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 the Companies Act, 1956, 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, 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 186:

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)

The particulars of contracts or arrangements with related parties referred to Section 188(1) are prepared in form No.AOC-2 pursuant to Section 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 ₹ 196.27 lakh to the general reserve for the financial year ended 31st March, 2016.

DIVIDEND

The Board of Directors of the company at its meeting held on 9th March, 2016 have declared Interim dividend at 40% on equity share i.e ₹ 4.00 per share on face value of ₹ 10/- each.

The Board of Directors of the Company now recommended that the interim dividend be the final dividend for the year ended 31st March, 2016.

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.

Information with respect to 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 is prepared and annexed as Annexure -3 to this report.

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

Shri S Karunakar, Director who is liable to retire by rotation at this Annual General Meeting and being eligible, offers himself for reappointment.

DEPOSITS

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

AUDITORS

Statutory Auditors

At the Annual General Meeting held on 18th September, 2014 M/s. Ravi & Keshav, Chartered Accountants, were appointed as statutory Auditors of the Company to hold office till the conclusion of the Annual General Meeting to be held in the calendar year 2017. In terms of 1st proviso to section 139(1) of the Companies Act, 2013, the appointment of auditors shall be placed for ratification at every Annual General Meeting. Accordingly appointment of M/s. Ravi & Keshav, Chartered Accountants is placed for ratification by shareholders. In the regard, the Company has received a certificate from the Auditors to the effect, if they are appointed, it will be in accordance with the provisions of Section 141 of the Companies Act, 2013.

Auditors Report

There are no qualifications, reservations or adverse remarks made my M/s M/s Ravi & Keshav, chartered Accountants, Hyderabad Chartered Accountants (ICAI Reg. No.003187S) Statutory Auditors in their report for the Financial Year ended March 31st 2016.

Audit Committee

Composition Audit Committee included in Corporate Governance report.

Corporate Governance

A separate report on Corporate Governance is annexed as part of the Annual Report along with the Auditor's Certificate on its compliance.

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 behaviour. 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 behaviour, 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 AUDITOR 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, 2016.

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 qualifications 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, 2016.

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, 2016 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, 2016, 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

Sd/-

S. D. M. RAO
 CHAIRMAN &
 MANAGING DIRECTOR

Place : Hyderabad
 Date : 23.05.2016

ANNEXURES TO DIRECTORS' REPORT FOR THE YEAR ENDED 31.03.2016
ANNEXURE - 1
RELATED PARTIES TRANSACTIONS FOR THE YEAR ENDED 31.03.2016

Sl. No.	Names of Related Parties & Description of Relationship	Nature of Transaction	Amount Paid During The Year	Balance Outstanding (To)/ From ₹
1	S.Karunakar-Director	Rent Paid / Payable	13,08,000	0
2	Shri S. Kishore - Director	Rent Paid / Payable	13,08,000	0
3	Smt. S. Saraswathi - Wo CMD	Rent Paid / Payable	12,72,000	0
4	Saraswathi Enterprises (Firm)	Rent Paid / Payable	62,40,000	0
5	Key Management Personnel			
	- Shri S.D.M. Rao - Chairman & M.D	Remuniration & Commission Paid	47,40,000	0
	- Shri S. Karunakar - Director		100,80,000	0
	- Shri S. Kishore - Director		100,80,000	0

Annexure-2
 FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN

as on financial year ended on 31.03.2016

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

I REGISTRATION & OTHER DETAILS:

i	CIN	L27310TG1985LC005423
ii	Registration Date	
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. XI 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	
A. Promoters									
(1) Indian									
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									
SUB TOTAL: (A) (1)	6567839	0	6567839	66.88	6567839	0	6567839	66.88	0.00
(2) Foreign									
a) NRI- Individuals									
b) Other Individuals									
c) Bodies Corp.									
d) Banks/FI									
e) Any other...									
SUB TOTAL (A) (2)	0	0	0	0	0	0	0	0	0.00
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	6567839	0	6567839	66.88	6567839	0	6567839	66.88	0.00
B. PUBLIC SHAREHOLDING									
(1) Institutions									
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)									
SUB TOTAL (B)(1):	0	3300	3300	0.03	0	3300	3300	0.03	0.00

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	147451	2350	149801	1.53	137647	2350	139997	1.43	-9804.00
ii) Overseas									-0.10
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 2 lakhs	2175709	317376	2493085	25.39	2362318	313773	2676091	27.25	183006.00
ii) Individuals shareholders holding nominal share capital in excess of ₹ 2 lakhs	398255	83393	481648	4.90	257466	71643	329109	3.35	-152539.00
c) Others (specify)									
NRI' S	108816	3450	112266	1.14	99389	2450	101839	1.04	-10427.00
BODIES (CLEARING MEMB)	12561		12561	0.13	2325		2325	0.02	-10236.00
SUB TOTAL (B)(2):	2842792	406569	3249361	33.09	2859145	390216	3249361	33.09	0.00
Total Public Shareholding (B)= (B)(1)+(B)(2)	2842792	409869	3252661	33.12	2859145	393516	3252661	33.121	0.00
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	9410631	409869	9820500	100	9426984	393516	9820500	100	0.00
									0.00

(ii) Share Holding of Promoters

Sl. 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	Saripally Saraswathi	2630211	26.78	Nil	2630211	26.78	Nil	0	0.00
2	Saripally Dali Mrutyunjaya Rao	1673320	17.04	Nil	1673320	17.04	Nil	0	0.00
3	Saripally Kishore	647155	6.59	Nil	647155	6.59	Nil	0	0.00
4	Saripally 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 Arunakumari	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
	TOTAL	6567839	66.88		6567839	66.88			0.00

(iii) Change in promoters' shareholding (specify if there is no change)

Sl. 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 & holders of gdrs & adrs)

Sl. No.	For each of the top 10 shareholders	Shareholding at the end 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	Narippen obhrai	65069	0.66	65069	0.66
2	Sunil a hinduja	60000	0.61	60000	0.61
3	Vibha s hinduja	55000	0.56	55000	0.56
4	S mohnish	47650	0.49	46100	0.47
5	Sunita santosh goenka	41397	0.42	41397	0.42
6	Subhra bikash banerjee	28416	0.29	15674	0.16
7	S lakshmi charishma	25543	0.26	25543	0.26
8	Vipul deepak shah	16589	0.17	16589	0.17
9	Pradeep r datar	18622	0.19	36000	0.37
10	Shama gurbachan singh	17100	0.17	17100	0.17

(v) Shareholding of Directors & KMP

Sl. No.	For Each of the Directors & KMP	Shareholding at the end 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	65	0.001	65	0.001
	At the end of the year	65	0.001	65	0.001

V INDEBTEDNESS

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

Sl. No.		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				
	Total (i+ii+iii)				
	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				
	Total (i+ii+iii)				

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	3600000	3600000	8700000
	(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	3240000	6480000	6480000	16200000
	as % of profit				
	others (specify)				
5	Others, please specify				
	Total (A)	4740000	10080000	10080000	24900000
	Ceiling as per the Act				

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	Mr. Akula Venkateswara rao	Ms. Nama Rishita	
1	Independent Directors						
	(a) Fee for attending board committee meetings	4000	10000	20000	10000	10000	50000
	(b) Commission						
	(c) Others, please specify						
	Total (1)		10000	20000	10000	10000	50000
2	Other Non Executive Directors						
	(a) Fee for attending board committee meetings	-	-	-			-
	(b) Commission	-	-	-			-
	(c) Others, please specify.						
	Total (2)						
	Total (B)=(1+2)		10000	20000	10000	10000	50000
	Total Managerial Remuneration						
	Overall Ceiling as per the Act.						

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1	Gross Salary				
	(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				
	Total				

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)
A. Company					
Penalty					
Punishment			None		
Compounding					
B. Directors					
Penalty					
Punishment			None		
Compounding					
C. Other Officers in Default					
Penalty					
Punishment			None		
Compounding					

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 and planning to meet the requirements of Euro IV.

2. Future plan of action:

- Development of Surface coatings for pistons & rings.
- Planning to develop cooling gallery pistons for diesel engines.
- PVC Coating for Rings for Scooters, motorcycles and car pistons.
- Ceramic coating of pistons.
- Practicing TPM

3. EXPENDITURE ON R & D:

(₹ In lakhs)

	2015-16	2014-15
a) Capital	49.04	52.30
b) Recurring	73.56	63.94
c) Total	122.60	116.24
d) Total R & D Expenditure as A percentage of Sales	0.50%	0.50%

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

- a. During the year, the company's senior executives are in continuous interaction of prospective Customers for various countries to explore new export markets for its products.

- b. Total foreign Exchange used and earned:

Total foreign Exchange used : ₹ 904.68 lakhs

Total foreign Exchange earned : ₹ 4102.74 lakhs

for and on behalf of the Board

Sd/-

S. D. M. RAO

Chairman & Managing Director

Place : Hyderabad

Date : 23.05.2016

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

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 31 st March (₹ In Lakhs)		
	2015	2014	2013
	₹ 1231.51 Lakhs	₹ 1074.60 Lakhs	₹ 866.93 Lakhs
Average Net Profit for the preceding Three Financial Years	₹ 1057.68 Lakhs		

4. Prescribed CSR Expenditure (2% of Average Net Profit) : ₹ 21.15 Lakhs

5. Details of CSR spend for the financial year 2014-15

- a. Total Amount Spent for the financial year : ₹ 16.58 Lakhs.
- b. Amount unspent, if any : ₹ 4.58 Lakhs

6. Details of CSR spend for the financial year 2015-16

- a. Total Amount Spent for the financial year : Nil.
- b. Amount unspent, if any : ₹ 21.15 Lakhs

c. Manner 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.	₹ 21.15 Lakhs	₹ 16.58 Lakhs	16.58 Lakhs	Spent Directly
TOTAL				₹ 21.15 Lakhs			

7. The Company has to spend two percent of average net profits of the Last three Financial Years.

8. We hereby confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives.

ANNEXURE - 5
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31.03.2016
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
1-201, Divyashakti Complex
7-1-58, Ameerpet,
Hyderabad - 500 016.

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, 2016 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 2015 and ended with 31st March, 2016 (“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) Telangana Shops & Establishment Act, 2014 & 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:

- a. the applicable Clauses of the Listing Agreements entered into by the Company with the BSE Limited
- b. the applicable regulations of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and
- c. the applicable Secretarial Standards

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 exchanges.
- (iv) SEBI (Delisting of Equity Shares) Regulations, 2009 are not applicable, as there being no instances of delisting of equity Shares except de-recognition of Delhi Stock Exchange by the SEBI.
- (v) SEBI (Buyback of Securities) Regulations, 1998 are not applicable, as there being no instances of buy-back of shares.

(vi) 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 an Internal Audit System to constantly monitor the process for efficient compliances.
 - f. Required forms were filed with MCA, additional fee paid wherever required.
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.

Sd/-

V B S S PRASAD

Company Secretary

M.No. : 4139

CP No. : 4605

Place : Hyderabad

Date : 19.05.2016

Annexure to the Secretarial Audit Report

To
The Members,
M/s. SAMKRG PISTONS AND RINGS LIMITED
1-201, Divyashakti Complex
7-1-58, Ameerpet,
Hyderabad - 500 016

Our Secretarial Audit Report of even date is to be read along with this letter:

1. It is the responsibility of the management of the Company to maintain Secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.
2. Our responsibility is to express an opinion on these Secretarial records, Standards and procedures followed by the Company with respect to secretarial compliance.

3. We believe that audit evidence and information obtained from the company's Management is adequate and appropriate for us to provide a basis for our opinion.
4. Wherever required, we have obtained the management's representations about the compliance of laws, rules and regulations and happening of events etc.
5. The secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Sd/-

V B S S PRASAD

Company Secretary

M.No. : 4139

CP No.: 4605

Place : Hyderabad

Date : 19.05.2016

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, 2016.

Name of the Employee	Age	Designation	Qualification & Experience	Date of commencement of employment	Remuneration & Commission	Particulars of last employment
Shri S.D.M. Rao	82 Years	Chairman & Managing Director	B.Sc, B.E Industrial Experience over 48 years	01.07.1987	47,40,000/-	A.P.S Limited
Shri S. Karunakar	53 Years	Whole Time Director	B.E (Mechanical)	30.09.1998	100,80,000/-	N.A
Shri S. Kishore	51 Years	Whole Time Director	B.E (Mechanical)	30.09.1998	100,80,000/-	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 has slow growth. Indian Industry is now growing as potential Global automotive supplier with very good export potential as the developing Countries comes out of recession slowly.

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 2016-17 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 ₹ 24520 lakhs compared with ₹ 23247 lakhs in the previous year and the operational expenses ₹ 22297 lakhs compared with ₹ 21480 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 ₹ 3588 lakhs. The Profit Before Tax was at ₹ 2262 lakhs before extra ordinary item of ₹ 21.15 Lakhs as compared to ₹ 1801 Lakhs in 2014-15 an increase of 26%. Company has no long term loans.

HUMAN RESOURCES

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

The Company encourages good talent and introduced skill development programme 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 is attached

EXPORTS

The Export Turnover of ₹ 4643 lakhs during the year as against ₹ 4933 lakhs of the previous year 2014-15.

The Company is focusing exports to developed Countries like Europe, U.K, France, Germany, Brazil and Russia. The Company has plans to reach 25% 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. Telangana State & A. P. Pollution Control Board.

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

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

Report pursuant to Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, compliance with the requirements of Corporate governance is set out below:

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 2015-2016 the Board of Directors met 5 (Five) times on are 25.05.2015, 05.08.2015, 10.11.2015, 08.02.2016 and 09.03.2016.

The following table gives the composition of Directors and their attendance at the Board meetings held on the dates above mentioned, and the Twenty Ninth Annual General Meeting held on 21st September, 2015.

Name of the Director	Category	No of Board meetings attended	Attendance at Last AGM	No. of directorships held in other companies
Mr. S.D.M Rao	ED	5	YES	NIL
Mr. M.N. Thakkar	NED	2	YES	4
Mr. S Madhava Rao	NED	3	YES	NIL
Mr. V Chakrapani	NED	5	YES	NIL
Mr. S Karunakar	ED	5	YES	NIL
Mr. S Kishore	ED	5	YES	NIL
Mr. A Venkateswara rao	NED	5	YES	NIL
Ms. Nama Rishita	NED	5	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 Karunakar, Director, retire by rotation at the forth coming Annual General Meeting and seek re-appointment.

Code of Conduct

We at Samkrg 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 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, 2016 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.

- Review of accounting and financial policies and practices of the company.
- Review of the company's financial reporting process, and its financial statements.
- Review of risk management and policies and practices.
- Review of the internal control and internal audit system.
- 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. V Chakrapani (Chairman)	4	4	Nil
Mr. S Madhava Rao	4	3	1
Mr. M.N. Thakkar	4	2	1

The audit committee met on four occasions i.e 25th may 2015, 5th August 2015, 10th October 2015 and 8th February 2016.

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	₹ 8000/-
Mr. S. Madhava Rao	₹ 10000/-
Mr. V. Chakrapani	₹ 20000/-
Mr. A Venkateswara Rao	₹ 10000/-
Ms. Nama Rishita	₹ 10000/-

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

	S D M Rao Managing Director (₹)	% To Net Profit	S.KARUNAKAR Wholetime Director (₹)	% To Net Profit	S.KISHORE Wholetime Director (₹)	% To Net Profit
Fixed						
Salary	15,00,000/-		36,00,000/-		36,00,000/-	
Variable						
Commission	32,40,000/-		64,80,000/-		64,80,000/-	
Total	47,40,000/-	3.02%	100,80,000/-	6.42%	100,80,000/-	6.42%

c. Stakeholders relationship, grievance and share transfer 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 : 05.08.2015 & 08.02.2016. 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
2014-2015	Hotel Grandeur, opp: J C Brother, Beside New Science College, Main road, Ameerpet, Hyderabad - 500073	21 st September, 2015 at 10.30 A.M
2013-2014	Hotel Grandeur, opp: J C Brother, Beside New Science College, Main road, Ameerpet, Hyderabad - 500073	18 th September, 2014 at 10.30 A.M
2012-2013	Hotel Grandeur, opp: J C Brother, Beside New Science College, Main Road, Ameerpet, Hyderabad - 500073	27 th September, 2013 at 10.30 A.M

Special Resolutions passed during the previous three Annual General Meetings:

- 29th Annual General Meeting
There are no Special Resolutions
- 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.

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 2015-16.

8. GENERAL SHAREHOLDER INFORMATION:

Date, Time and Venue of the 30th Annual General Meeting	: 18th August, 2016 At Hotel Grandeur Beside New Science College, Main Road, Ameerpet, Hyderabad - 500073
Financial Calendar	: April to March
First quarter results	: Last week of July 2016
Second quarter results	: Last week of October 2016
Third quarter results	: Last week of January 2017
Results for the year ending Mar,2010	: End May 2017
Date of Book Closure	: 11th August 2016 to 17th August 2016 (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	: 95.99% of the paid up capital has been Dematerialised as on 31.03.2016

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 2015-2016

Month	High Rate (₹)	Low Rate (₹)
April, 2015	193.00	129.00
May, 2015	171.00	149.20
June, 2015	146.90	125.50
July, 2015	154.90	135.30
August, 2015	182.00	126.00
September, 2015	150.70	133.10
October, 2015	161.50	141.00
November, 2015	201.00	136.10
December, 2015	196.90	166.10
January, 2016	194.50	144.00
February, 2016	158.00	125.00
March, 2016	175.00	128.00

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, TempleRoad, 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)	: Made Compulsory for all categories of Investors w.e.f on Stock Exchanges 26-12-2000 as per SEBI's mandate
Compliance Officer	: Mrs. N Ratna Kumari
Share Transfer System	: 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.
Dividend Declared for the last 10 years	: 2004-05 - 50% 2005-06 - 30% 2006-07 - 35% 2007-08 - 35% 2008-09 - 30% 2009-10 - 40% 2010-11 - 45% 2011-12 - 35% 2012-13 - 25% 2013-14 - 25% 2014-15 - 30%
Closing price of Company's Shares on Stock Exchange, Mumbai on 31.03.2016	: ₹ 161.20
All Time high of Company's Share price on Bombay Stock Exchange Limited	: ₹ 201.00
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.

PATTERN OF SHAREHOLDING AS ON 31.03.2016

Description	No. of Shareholders	%	No. of Shares	%
Promoters	10	0.10	6567839	66.88
Individuals	9300	96.37	3005200	30.60
FII, NRIs/OCB	156	1.62	101839	1.04
Financial Institutions and Banks	2	0.02	2100	0.02
Mutual Funds	2	0.02	1200	0.01
Bodies Corporate	162	1.68	139997	1.43
Clearing Members	18	0.19	2325	0.02
TOTAL	9650	100.00	9820500	100.00

DISTRIBUTION OF SHAREHOLDING AS ON 31.03.2016

Range	No. of Shareholders	%	Share Amount	
			In ₹	%
Upto - 5,000	8628	89.41	12712280	12.94
5,001 - 10,000	577	5.98	4651320	4.74
10,001 - 20,000	243	2.52	3679460	3.75
20,001 - 30,000	91	0.94	2281700	2.32
30,001 - 40,000	29	0.30	1056060	1.08
40,001 - 50,000	25	0.26	1193740	1.22
50,001 - 1,00,000	27	0.28	1964740	2.00
1,00,001 & Above	30	0.31	70665700	71.95
TOTAL	9650	100.00	98205000	100.00

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, 2016 as envisaged in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Place : Hyderabad
Date : 23.05.2016

Sd/-
S.D.M. RAO
CHAIRMAN & MANAGING DIRECTOR

CERTIFICATE BY CEO/CFO

Pursuant to the provisions of SEBI (LODR) Regulations, 2015, it is hereby certified that for the financial year ended March 31, 2016:

- A. 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:
- 1) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - 2) Together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. 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.
- C. 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.
- D. We have indicated to the Auditors and the Audit Committee:
- 1) Significant changes in internal control over financial reporting during the year;
 - 2) Significant change in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - 3) 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 : 23rd May 2016

Sd/-
S.D.M. RAO
CHAIRMAN & MANAGING DIRECTOR

INDEPENDENT AUDITOR'S REPORT

To the members of
SAMKRG PISTONS AND RINGS LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of SAMKRG PISTONS AND RINGS LIMITED ("the company"), which comprise the balance sheet as at 31st march, 2016, 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, [in which are incorporated the Returns for the year ended on the date of the company's branch at VISAKHAPATNAM]

Management's Responsibility for the Standalone Financial Statements

The company's Board of Directors is 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 gives 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 statement 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 2016, 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 statement:

- a) Note 2-contingent liabilities- to the financial statement 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 [and proper returns adequate for the purposes of our audit have been received from the VISAKHAPATNAM branch].
- (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 account [and with the returns received from the VISAKHAPATNAM branch].
- (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 2016, taken on record by the board of directors, none of the directors is disqualified as on 31st march 2016, 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 :
- The company has disclosed the impact of pending litigation on its financial position in its financial statement -Refer Note 2- contingent liabilities to the financial statement;
 - The company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts -Refer Note 5 to the financial statement;

For **RAVI & KESHAV**
Chartered Accountants
(Firm registration no003187S)

Sd/-
(**K.K.Kesavan**)
M.NO 017489
Proprietor

Place : HYDERABAD
Date : 23-05-2016

**"ANNEXURE A" TO INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SAMKRG PISTONS AND RINGS
LIMITED ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31ST 2016**

(STATEMENT REFERRED TO IN PARAGRAPH 5 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.
- (e) The imported goods were valued the invoice value. The exchange rate variation if any at the end of the year were not considered sine the impact on the profit or loss is insignificant.

**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 not taken any loans from the directors and their relatives during the year.

INTERNAL CONTROL SYSTEM

4. In our 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. The company had internal auditor and the report of the internal Auditor was placed before us. In the Internal audit report there are no adverse comments which warrants our reporting.
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 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 Lakhs 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.

SL.NO	NAME OF THE STATUE	NATURE OF DUES	AMOUNT IN LAKHS	FORUM WHERE DISPUTEIS 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.

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 **RAVI & KESHAV**
 Chartered Accountants
 (Firm registration no003187S)

Sd/-
(K.K.Kesavan)
 M.NO 017489
 Proprietor

Place : HYDERABAD
 Date : 23-05-2016

ANNEXTURE-B to the AUDITOR'S REPORT

Report on the internal Financial Control under Clause (i) of Sub Section 3 of Section 143 of the Companies Act, 2013("the Act")

We have audited the internal financial controls over the financial reporting of SAMKRG PISTONS AND RINGS LIMITED AS OF 31st March 2016 in conjunction with our audit of the standalone financial statements of the company for the year ended on that date.

MANAGEMENT' RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of accounting records, and the timely preparation of reliable financial information, as required under the companies Act 2013.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by the ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal Financial Control, both applicable to an audit of internal Financial Control and, both issued by the institute of chartered accountants of India. Those standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls bases on assessed risk. The procedures selected depended on auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due fraud or error. We believe that the audit evidence which we have obtained is sufficient and appropriate to provide basis for our audit opinion on the company's financial controls system over financial reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING.

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purpose in accordance with the generally accepted accounting principles. Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that the receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATION OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING.

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may

occur and not be detected. Also projection of any evaluations of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, the company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the institute of Chartered Accountants of India.

For **RAVI & KESHAV**
Chartered Accountants
(Firm registration no003187S)

Sd/-
(**K.K.Kesavan**)
M.NO 017489
Proprietor

Place : HYDERABAD
Date : 23-05-2016

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 2016 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 **RAVI & KESHAV**
Chartered Accountants
(Firm registration no003187S)

Sd/-
(**K.K.Kesavan**)
M.NO 017489
Proprietor

Place : HYDERABAD
Date : 23-05-2016

BALANCE SHEET AS AT 31ST MARCH, 2016

(₹ In Lakhs)

Particulars	Note No.	Figures as at the end of the Current Reporting Period	Figures as at the end of the Previous Reporting Period
I. EQUITY AND LIABILITIES			
(1) SHAREHOLDERS' FUNDS		9219.90	8475.11
(a) Share capital	1	982.05	982.05
(b) Reserves and Surplus	2	8237.85	7493.06
(c) Money Received against Share Warrants			-
(2) Share Application Money pending allotment			-
(3) Non-Current Liabilities		1723.23	1802.25
(a) Long-Term Borrowings	3	2.36	2.01
(b) Deferred tax liabilities(net)		244.43	204.43
(c) Other long-term liabilities	4	976.94	1172.90
(d) long-term provisions	5	499.49	422.91
(4) Current Liabilities		6053.71	4940.57
(a) Short-Term Borrowings	6	1743.84	1735.95
(b) Trade payables		1870.36	1834.68
(c) Other Current Liabilities		635.26	402.40
(d) Short-term provisions	7	1804.26	967.54
TOTAL		16996.83	15217.93
II. ASSETS Non-Current-assets			
(1) Fixed Assets		10886.87	10342.05
(i) Tangible Assets	8	10624.85	10120.19
(ii) Intangible Assets			-
(iii) Capital Work-in-progress			
(iv) Intangible assets under development			
(a) Non-Current investments			
(b) Deferred Tax assets (net)			
(c) Long-Term loans and advances	9	262.02	221.86
(d) Other non-Current Assets			
(2) Current Assets		6109.95	4875.88
(a) Current Investments			
(b) Inventories	10	1827.50	1468.29
(c) Trade receivables	11	3910.07	3099.40
(d) Cash and Cash equivalents	12	56.11	48.20
(e) Short-term loans and advances	13	239.34	162.64
(f) Other Current Assets	14	76.92	97.35
TOTAL		16996.83	15217.93

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:003187S

For and on Behalf of Board of Directors

Sd/-
 (K.K.Kesavan)
 Proprietor
 Membership No. : 017489
 Place : Hyderabad
 Date : 23.05.2016

Sd/-
 S.D.M Rao
 Chairman and Managing Director

Sd/-
 M.N. Thakkar
 Director

STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH, 2016

(₹ In Lakhs)

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	24520.09	23247.38
II Other Income	2	38.49	33.52
III Total Revenue		24558.58	23280.90
IV Expenses			
Cost of Materials Consumed	3	12263.11	11516.93
Purchase of Stock in Trade	4	185.73	251.06
Change In Inventories of Finished Goods, Work in Progress	5	-384.84	404.56
Employees Benefits Expenses	6	5665.47	4806.30
Finance Cost	7	155.21	461.99
Depreciation and Amortization Expenses	8	1170.57	1156.53
Other Expenses	9	3241.57	2882.71
Total Expenses		22296.82	21480.08
V Profit Before Exceptional And Extraordinary Items and Tax (III-IV)		2261.75	1800.82
VI Exceptional Items		21.15	21.46
VII Profit Before Extraordinary Items and Tax (V-VI)		2240.60	1779.36
VIII Extraordinary Items		0	0
IX Profit Befor Tax (VII-VIII)		2240.60	1779.36
X Tax Expenses			
(1) Current Tax		630.45	510.00
(2) Deferred Tax		40.00	37.86
XI Profit (Loss) for the Period from Continuing Operations (IX-X)		1570.15	1231.50
XII Profit (Loss) from Discontinuing Operations		0	0
XIII Tax Expense of Discontinuing Operations		0	0
XIV Profit (Loss) From Discontinuing Operations (After Tax) (XII-XIII)		0	0
XV Profit (Loss) For The Period (XI-XIV)		1570.15	1231.50
XVI Earning Pershare			
(1) Basic		15.99	12.54
(2) Diluted		15.99	12.54

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:003187S

For and on Behalf of Board of Directors

Sd/-
(K.K.Kesavan)
Proprietor
Membership No. : 017489
Place : Hyderabad
Date : 23.05.2016

Sd/-
S.D.M Rao
Chairman and Managing Director

Sd/-
M.N. Thakkar
Director

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 Lakhs)

Particulars	As At March 31, 2016	As At March 31, 2015
NOTE-1		
SHARE CAPITAL		
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.		
Forfeited Shares		
(Amount Originaly Paid Up)		
10800 Shares @ Rs 5 Per Share 1.03.Lakhs	0.54	0.54
9750 Shares @ Rs 5 Per Share	0.49	0.49
NOTE-2		
RESERVES AND SURPLUS		
(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	50.43	684.09
(V) Surplus in Statement of Profit and Loss	7786.24	6412.36
(VI) CSR Reserve	26.02	21.46
TOTAL	8237.85	7493.06

The capital reserve includes an amount of ₹ 1.03 Lakhs form forefeature of shares and subsidy from the govt for setting up the unit in backward area.

A amount of ₹ 16.59 Lakhs was spent out of CSR reserve towards the development and construction of cement road, drinking water supply to varisam village in pydebhimavaram panchayat in Srikakulam Dist, Andhra Pradesh.

NOTES FORMING PART OF BALANCE SHEET

(₹ In Lakhs)

Particulars	As At March 31, 2016	As At March 31, 2015
GENERAL RESERVE		
Opening Balance	684.09	853.45
Add: Transfer from P/L A/C	196.27	153.94
Less: Earlier Years Tax & Dividend and Dividend Tax	829.93	323.31
Net Reserve	50.43	684.09
Profit and Loss Account		
Opening Balance	6412.36	5334.79
Add: Current Year Profit	1570.15	1231.51
Less: Transfer to General Reserve	196.27	153.94
Net Profit and Loss Account	<u>7786.24</u>	<u>6412.36</u>

NOTE-3

LONG TERM BORROWINGS

FULLLY SECURED

Loans for Vehicles	2.36	2.01
TOTAL	<u>2.36</u>	<u>2.01</u>

NOTE-4

OTHER LONG TERM LIABILITIES

Sales Tax Deferral Loan	976.94	1172.90
TOTAL	<u>976.94</u>	<u>1172.90</u>

INTEREST 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 ₹ 195.96 Lakhs represents repayable in the Next 12 Month Had Been Shown Under Current Liabilities.

NOTE-5

LONG TERM PROVISIONS

Provision for Gratuity	499.49	422.91
TOTAL	<u>499.49</u>	<u>422.91</u>

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

NOTES FORMING PART OF BALANCE SHEET

(₹ In Lakhs)

Particulars	As At March 31, 2016	As At March 31, 2015
NOTE-6		
SHORT TERM BORROWINGS		
Secured		
Cash Credit-Stocks	1547.88	1578.04
ICICI Vehicle Loan	0.00	9.10
Sales Tax Deferment Loan-Payable With in a Year	195.96	148.82
TOTAL	1743.84	1735.95

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	857.26	517.04
Provision For Employees Benefits	947.00	450.50
TOTAL	1804.26	967.54

The other provisions includes the power bill for the month of March amounting to ₹ 141.03 Lakhs, etc.

NOTE-8

FIXED ASSETS

Particulars	VALUE AS AT 01-04-2015	NET ADDITION DELETION DURING THE YEAR	VALUE AS AT 31-03-2016
Fixed Assets			
Land-Free Hold	189.61	0.00	189.61
Buildings	1698.61	202.01	1900.62
Plant And Machinery	16852.62	1360.13	18212.75
Electrical Installation	477.98	28.91	506.89
Furniture And Fixtures	162.37	10.52	172.89
Vehicles	260.88	73.66	334.54
Impairment of Assets	194.18	0.00	194.18
TOTAL	19836.26	1675.23	21511.48

1 The Fixed Assets Includes Self Made Machines

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

NOTES FORMING PART OF BALANCE SHEET

(₹ In Lakhs)

Particulars	As At March 31, 2016	As At March 31, 2015
Net Block of Fixed Assets as on 01-04-15	10120.19	10048.14
Additions during the year	1675.23	1228.58
Less: Depreciation provided during the year	1170.57	1156.53
Net Block as on 31.03.2016	10624.85	10120.19

NOTE-9

LONG TERM-LOANS AND ADVANCES

Unsecured and Considered Good

APSEB Deposit	262.02	221.86
TOTAL	262.02	221.86

NOTE-10

INVENTORIES

Stores and Spares	209.44	225.06
Raw Materials	312.25	313.81
Semi Finished Goods	473.44	363.96
Finished Goods	814.87	539.50
Traded Goods	17.51	25.95
TOTAL	1827.50	1468.29

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

NOTE-11

OUTSTANDING FOR A PERIOD OF MORE THAN SIX MONTHS

From the date they are due	215.60	198.75
Unsecured Considered Good-Others	3694.47	2900.64
TOTAL	3910.07	3099.40

NOTES FORMING PART OF BALANCE SHEET

(₹ In Lakhs)

Particulars	As At March 31, 2016	As At March 31, 2015
NOTE-12		
CASH AND CASH EQUIVALENTS		
Cash in Hand	1.82	0.92
Balance with Banks	5.65	3.14
Margin Money with Banks	48.64	44.14
TOTAL	56.11	48.20

NOTE-13**SHORT TERM LOAN AND ADVANCES****Secured Considered Good**

Advances to Staff	177.08	102.27
Other Deposits	8.74	8.25
(Unsecured Considered Good)		
Advances Suppliers	11.09	9.65
Other Advances	42.41	42.44
TOTAL	239.34	162.61

NOTE-14**OTHER CURRENT ASSETS**

Excise Duty Deposit	56.68	41.43
Service Tax	20.28	55.93
Vat Credit	-0.03	0.00
TOTAL	76.92	97.35

NOTES FORMING PART OF STATEMENT OF PROFIT AND LOSS ACCOUNT

(₹ In Lakhs)

Particulars	As At March 31, 2016	As At March 31, 2015
NOTE-1		
REVENUE FROM OPERATIONS		
(A) Sale of Products	27382.56	25532.67
(B) Sale of Services		
(C) Other Operating Revenue	12.15	10.42
TOTAL	27394.71	25543.09
Less: Excise Duty	2874.62	2295.71
Net Operating Revenue	24520.09	23247.38
The Other Operating Revenue Represents Sale of Scrap		
NOTE-2		
OTHER INCOME		
(A) Interest Income-With Notes	4.95	4.32
Interest from Bank on Margin Money and Deposits With APSEB	18.92	27.89
(B) Dividend Income		
(C) Net Gain/Loss On Sale Of Investments		
(D) Other Non-Operating Income (Net)	14.62	1.31
TOTAL	38.49	33.52
NOTE-3		
COST OF MATERIAL CONSUMED		
Opening Stock of Raw material	273.77	273.95
Aluminium	2867.58	2836.25
Alloying Elements	629.74	879.66
Pin Steel	506.62	479.89
Customs Duty on Raw Materials	154.84	166.59
Direct Materials	1160.55	915.77
Indirect Materials	554.93	548.41
Less: Cash Discount Received	-100.87	-90.28
TOTAL	6047.17	6010.24
Less: Closing Stock of Raw Material	273.95	273.77
NET CONSUMPTION OF RAW MATERIAL	5773.21	5736.47
Power and Fuel	1830.14	1931.90
Transportation	868.10	769.03
Opening Stock of Stores and Spares	225.06	235.77
Purchases	2745.82	2097.98
Less: Closing Stock	209.44	225.06
Net Consumption of Stores and Spares	2761.44	2108.69
Opening Stock of Packing Material	40.05	28.26
Purchases	1028.48	982.61
Less: Closing Stock	38.30	40.05
Net Consumption of Packing Materials	1030.23	970.830
Total Consumption of Raw Material	12263.11	11516.93

NOTES FORMING PART OF STATEMENT OF PROFIT AND LOSS ACCOUNT

(₹ In Lakhs)

Particulars	As At March 31, 2016	As At March 31, 2015
NOTE-4		
GOODS-TRADED GOODS		
Opening Stock	25.95	37.48
Stop Pegs	7.99	12.83
Circlips	149.76	134.03
Other Items	19.53	92.67
Closing Stock	-17.51	-25.95
TOTAL	185.73	251.06
NOTE-5		
INCREASE/DECREASE IN STOCKS		
OPENING STOCK		
Semi Finished Goods		
Finished Goods	363.96	602.09
	539.50	705.94
CLOSING STOCK	903.46	1308.03
Semi Finished Goods	473.44	363.96
Finished Goods	814.87	539.50
	1288.30	903.46
INCREASE/DECREASE IN STOCKS	-384.84	404.56
NOTE-6		
EMPLOYEES BENEFIT EXPENSES		
(I) Salaries & Wages	5092.03	4203.49
(II) Contribution To Provident Fund And Other Funds	195.38	184.45
(III) Staff Welfare Expenses	378.06	418.35
TOTAL	5665.47	4806.30
NOTE-7		
FINANCE COST		
(A) Interest Expenses	127.78	267.48
(B) Other Borrowing Cost	57.42	104.25
(C) Net Gain/ Loss On Foreign Currency Transactions And Translation-With Notes	-29.99	90.26
TOTAL COST	155.21	461.99

NOTES FORMING PART OF STATEMENT OF PROFIT AND LOSS ACCOUNT

(₹ In Lakhs)

Particulars	As At March 31, 2016	As At March 31, 2015
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NOTE-8

DEPRECIATION AND AMORTIZATION EXPENSES	1170.57	1156.53
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The total depreciation provided for the current financial year was ₹ 11.71 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.

NOTE-9

OTHER EXPENSES

Rent, Rates & Taxes	161.06	125.14
Printing & Stationary	52.95	48.06
Communicational Expenses	30.47	31.29
Conveyance & Travelling	126.02	125.11
Director's Sitting Fee	0.54	0.38
Insurance	19.81	7.29
Auditor's Remuneration	9.25	9.25
Legal & Professional Charges	4.99	3.71
Repairs & Maintenance	268.74	179.60
Sales Promotion	1919.39	1739.99
Advertisement	4.72	5.44
Miscellaneous Expenses	52.05	45.78
Gratuity	89.23	98.25
AP Vat	66.41	105.98
CST	435.93	357.43
TOTAL	3241.57	2882.71

NOTE: 10

The Extraordinary item represents the provision made for Corporate Social Responsibility for an amount of ₹ 21.15 Lakhs. 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) 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 ₹ 40 Lakhs and considered for the current year was ₹ 40 Lakhs (Previous year ₹ 37.86 Lakhs).

Contingent Liabilities Not Provided For

Disputed Amount of ₹ 25.68 Lakhs 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 Lakhs 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:

(₹ in Lakhs)

Sl. No.	Particulars	2015-16		2014-15	
		Principal	Interest	Principal	Interest
i.	Principal amount and interest thereon due, remaining unpaid at the end of the year	66.76	Nil	353.79	Nil
ii.	Interest paid during the year	Nil	Nil	Nil	Nil
iii.	Interest due and payable (on the amount which have Been paid beyond the appointed date during the year)	NA	Nil	NA	Nil
iv.	Interest remaining accrued and unpaid at the end of year	NA	Nil	NA	Nil
v.	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 ₹ 29.98 Lakhs (previous year ₹ 90.26 Lakhs).
5. Estimated amount of contracts remaining to be executed on capital account is ₹ 81.65 Lakhs (previous year ₹ 200 Lakhs) against which advances has been paid ₹ 35.65 Lakhs (previous year ₹ 3.40 Lakhs).

(₹ in Lakhs)

	2015-16	2014-15
6. Expenditure in foreign currency travelling	8.32	6.13
7. Earnings in foreign currency (on receipts basis)	4102.74	4559.87

8. Segment reporting under Accounting Standard - 17

The Company operates in single 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 31.03.2016

Sl. No.	Names of Related Parties & Description of Relationship	Nature of Transaction	Amount Paid During The Year ₹	Balance Outstanding (To)/ From ₹
1	S. Karunakar - Director	Rent Paid / Payable	13,08,000	
2	Shri S. Kishore - Director	Rent Paid / Payable	13,08,000	
3	Smt. S. Saraswathi - W/o CMD	Rent Paid / Payable	12,72,000	
4	Saraswathi Enterprises (Firm)	Rent Paid / Payable	62,40,000	
5	Key Management Personnel			
	- Shri S.D.M. Rao - Chairman & M.D	Remuneration & Commission Paid	47,40,000	
	- Shri S. Karunakar - Director		1,00,80,000	
	- Shri S. Kishore - Director		1,00,80,000	

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 ₹ 3.09 Lakhs. The amount was deposited on dec 2015. Which is very much within the period.

11. PAYMENT TO AUDITORS

	2015-16	2014-15
(A) Auditor	7.75	7.75
(B) For Taxation Matters	1.50	1.50
TOTAL	9.25	9.25

12. CIF VALUE OF IMPORTS

By the Company during the financial year in respect of

(A) Raw Material	577.59	431.80
(B) Components and Spare Parts	14.25	0
(C) Capital Goods	304.54	166.80

13. CONSUMPTION

Imported Raw Materials	577.59	431.80
Spare Parts	14.25	0
Components	0	0
Total Indigenous Raw Material Spare Parts Components	9750.61	8384.19
Total of Percentage of Each		
Indigenous	90.81	95.10
Imported	9.19	4.90

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

14. CAPACITY	In Millions		
	2015-16 Actual Production	2015-16 Installed capacity	2014-15 Installed Capacity
Pistons	10.08	10.50	7.50
Piston Pins	10.08	10.50	8.25
Piston Rings	30.16	35.00	26.00

15. The obligation under EPCG concessional duty scheme on account capital equipments imports amounting to ₹ 837.88 Lakhs (previous year ₹ 527.82 Lakhs).

16. 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.

17. The company declared an interim dividend of ₹ 4 per share on face value of ₹ 10 per share and the total amount works out to ₹ 392.80 Lakhs. And the dividend tax there on was ₹ 78.92 Lakhs.

18. Figures for the previous year has been regrouped/reclassified wherever necessary to be conformity with the current year format of revised schedule VI.

19. The figures are rounded off to the nearest rupee.

Signature To Schedule 1 To 4 And 5(1) To 5(19)

For M/s Ravi & Keshav
 Chartered Accountants
 Firm Registration No:003187S

Sd/-
(K.K.Kesavan)
 Proprietor
 Membership No. : 017489
 Place : Hyderabad
 Date : 23.05.2016

For and on Behalf of Board of Directors

Sd/-
S.D.M Rao
 Chairman and Managing Director

Sd/-
M.N. Thakkar
 Director

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2016

(₹ In Lakhs)

Particulars	year ended 31st March 2016	year ended 31st March 2015
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax and extraordinary items	2261.75	1800.82
<i>Adjustments For:</i>		
Depreciation	1170.57	1156.53
sales tax Deferment	-195.96	-133.81
interest	155.21	461.99
interest earned	23.87	32.21
gruity provision	89.23	98.25
operating profit before working capital changes	3504.67	3415.99
<i>Adjustments For:</i>		
Receivables	-810.67	86.44
Inventories	-359.21	415.21
Loans & Advances	-96.44	-47.98
Payables	1095.41	299.30
cash generated from Operations	3333.76	4168.96
interest paid	155.21	461.99
Taxes paid	635.23	542.90
gruity paid	11.30	6.57
NET CASH FLOW FROM OPERATING ACTIVITIES	2532.02	3157.50
Net Increase in cash flow	2532.02	3157.50
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets(NET OF SALE)	1675.23	1228.58
Interest received	23.87	32.21
Term Loans	-0.35	1414.65
NET CASH USED IN INVESTING ACTIVITIES	1698.75	2675.44
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Unsecured Loans		
Increase (Decrease) in Working capital loa (net of payments)	7.89	-410.45
Dividend and Dividend tax	-829.93	-287.25
NET CASH USED IN FINANCING ACTIVITIES	-822.04	-697.70
NET INCREASE IN CASH AND CASH EQUIVALENTS	11.23	-215.64
CASH AND CASH EQUIVALENTS AS AT THE COMMENCEMENT OF THE YEAR	48.20	263.83
CASH AND CASH EQUIVALENTS AS AT THE END OF THE YEAR	59.43	48.19

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

Chartered Accountants

Firm Registration No:003187S

Sd/-

(K.K.Kesavan)

Proprietor

Membership No. : 017489

Place : Hyderabad

Date : 23.05.2016

For and on Behalf of Board of Directors

Sd/-

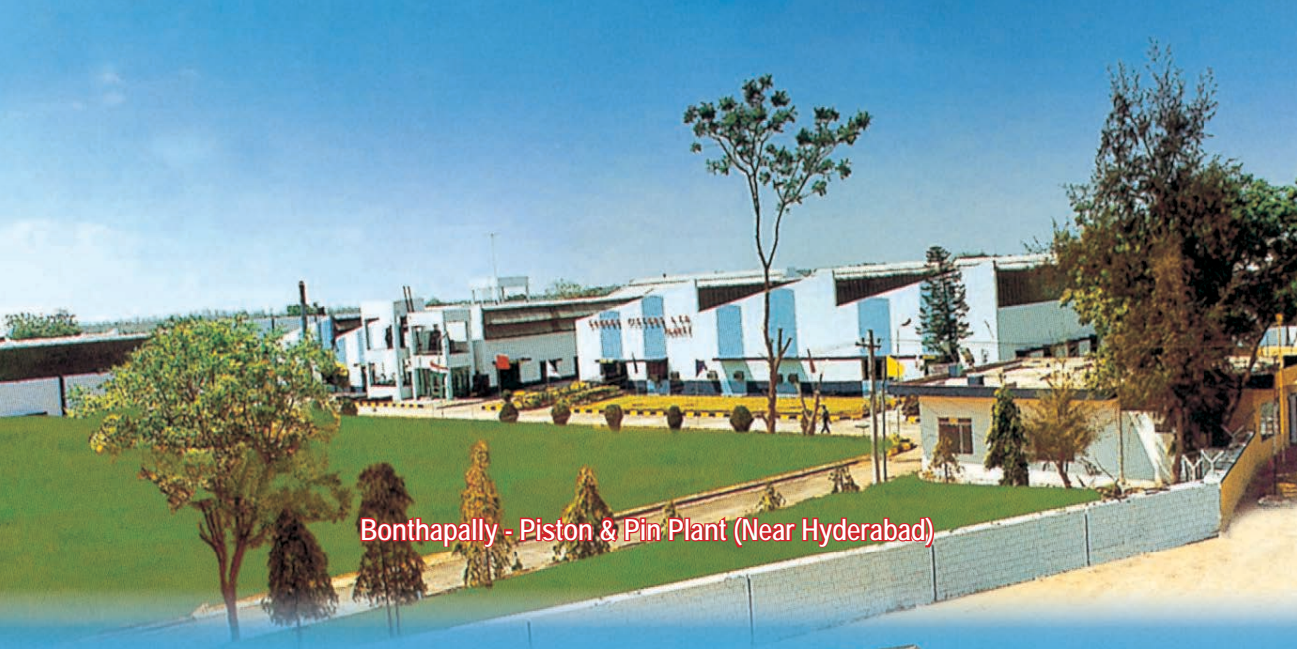
S.D.M Rao

Chairman and Managing Director

Sd/-

M.N. Thakkar

Director



Bonthapally - Piston & Pin Plant (Near Hyderabad)



Varisam - Rings Plant (Near Visakhapatnam)



Akkivalasa - Piston & Pin Plant (Near Visakhapatnam)

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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

Website: www.samkrgpistonsandrings.com