

# 28<sup>th</sup>

## Annual Report 2013-14



**Sam**  
PISTON & RINGS

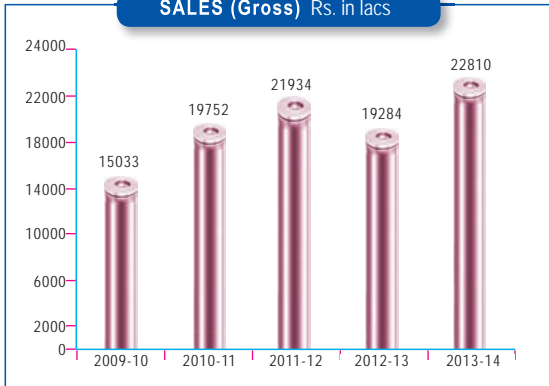
**SAMKRG PISTONS AND RINGS LIMITED**

( AN ISO/TS 16949 : 2002 Company )

# PERFORMANCE HIGHLIGHTS



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



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



**DIVIDEND %**



**Gross Fixed Assets**



## SAMKRG PISTONS AND RINGS LIMITED

Rs. in lacs

Particulars	2013-14	2012-2013	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05
Sales (Gross)	22810.03	19284.49	21933.89	19751.54	15033.04	11610.18	11288.33	10163.97	9206.45	9407.65
Sales (Net)	20562.72	17344.91	19923.59	16935.44	13260.28	9912.92	9388.90	8332.06	7756.73	7993.24
PBDIT	3005.85	2781.91	3212.82	2627.07	2120.09	1729.55	2088.40	2221.70	1941.77	2188.07
Profit before tax	1559.17	1272.93	1775.14	1467.15	1011.85	613.61	836.72	920.46	808.13	1080.63
Profit after tax	1074.60	866.93	1177.79	992.15	710.85	448.28	581.97	579.54	656.12	777.96
Profit after tax (%)	5.23	5.01	5.91	5.86	5.36	4.52	6.19	6.96	8.46	9.73
Dividend paid	245.51	245.51	343.72	441.92	392.82	294.62	343.72	343.72	294.62	491.03
Dividend %	25	25	35	45	40	30	35	35	30	50
Share Capital	982.05	982.05	982.05	982.05	982.05	982.05	982.05	982.05	982.05	982.05
Reserves & Surplus	6563.38	5776.03	5311.26	4162.83	3577.95	3620.83	2636.16	2449.77	2379.92	2153.31
Net worth	7545.43	6758.08	6293.31	5144.88	4560.00	4602.88	3618.21	3431.82	3361.97	3135.36
Gross Fixed Assets	18607.67	17488.61	16296.28	14296.96	13151.96	12937.28	14866.69	12907.47	11804.29	10301.74
EPS (Rs)	10.94	8.83	12.00	10.10	7.24	4.56	5.93	5.90	6.68	7.92
Book value/Share (Rs)	76.83	68.82	64.08	52.39	46.43	46.87	36.84	34.95	34.23	31.92
Debt Equity	Zero Debt	0.21	0.27	0.10	0.05	0.08	0.14	ZERO DEBT	ZERO DEBT	ZERO DEBT

**BOARD OF DIRECTORS**

<b>Shri S D M Rao</b>	Chairman & Managing Director
<b>Shri S Karunakar</b>	Whole Time Director
<b>Shri S Kishore</b>	Whole Time Director
<b>Shri M N Thakkar</b>	Director
<b>Shri S Madhava Rao</b>	Director
<b>Shri V Chakrapani</b>	Director
<b>Dr. V Venkat Reddy</b>	Director

**Auditors** M/s. Ravi & Keshav  
Chartered Accountants  
Hyderabad

**Bankers** State Bank of India

**Registered Office** 1-201, Divyashakti Complex  
7-1-58, Ameerpet  
Hyderabad - 500 016  
Tel : 040 - 23730596  
Fax : 040 - 23730216

**Factories**

**PLANT - I**  
(PISTONS &  
PINS) Sy.No.537, Temple Road  
Bonthapally  
Narasapur Taluk  
Medak District, Telangana

**PLANT - II**  
(PISTON  
RINGS) Sy.No.33, Varisam  
Pydibhimavaram  
Ranastalam Mandal  
Srikakulam District, A.P.

**PLANT - III**  
(PISTONS &  
PINS) Sy.No.232  
Arinama Akkivalasa  
Allinagaram, Etcherla Mandal  
Srikakulam District, A.P.

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

## NOTICE

NOTICE is hereby given that the Twenty Eighth (28th) Annual General Meeting of the Members of the **SAMKRG PISTONS AND RINGS LIMITED** will be held on Thursday the 18th September, 2014 at 10.30 A.M at **Hotel Grandeur, Opp: J C Brothers, Beside New Science College, Main Road, Ameerpet, Hyderabad - 500073** to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the company as at 31st March 2014 and Profit and Loss Account for the year ended on that date together with Directors' report and Auditors' report thereon.
2. To declare a Dividend on Equity shares.
3. To consider and if thought fit, to pass with or without modification, the following resolution as an ordinary resolution:  
"RESOLVED THAT M/s Ravi & Keshav, Chartered Accountants, Hyderabad, having Firm Registration No.017489 allotted by The Institute of Chartered Accountants of India, be and are hereby appointed as statutory auditors of the Company to hold office, from the conclusion of this annual general meeting for three consecutive years of the first term of five consecutive years, subject to ratification at every annual general meeting, on such remuneration, as may be fixed in this behalf by the board of directors of the Company."

### SPECIAL BUSINESS:

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as Ordinary Resolution:  
"RESOLVED that the pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. S Madhava Rao (holding DIN00160487) Director of the Company Who retires by rotation of the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an independent Director of the Company to hold office for five consecutive years for a term up to 2019 from the date of this meeting."

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

"RESOLVED that the pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Dr. V Venkat Reddy (holding DIN02580907) Director of the Company Who retires by rotation of the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an independent Director of the Company to hold office for five consecutive years for a term up to 2019 from the date of this meeting."

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

"RESOLVED that the pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. M N Thakkar (holding DIN00268818) Director of the Company in respect of whom the company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an independent Director of the Company to hold office for five consecutive years for a term up to 2019 from the date of this meeting."

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

"RESOLVED that the pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. V Chakrapani (holding DIN01633469) Director of the Company in respect of whom the company has received a notice in writing from a member proposing his candidature for the office of Director, be and is

hereby appointed as an independent Director of the Company to hold office for five consecutive years for a term up to 2019 from the date of this meeting.”

#### 8. REAPPOINTMENT OF SRI S.D.M. RAO AS MANAGING DIRECTOR:

The Term of office of Sri S.D.M. Rao will be completed by 31.08.2014. As he has attained the age of 80 years the appointment shall be made by the shareholders by special resolution.

To consider and, if thought fit, to pass the following resolution as a SPECIAL RESOLUTION:

“RESOLVED THAT pursuant to section 196, 197, 198 and 203 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V thereto as amended up to date and all guidelines for managerial remuneration issued by the Central Government from time to time, and subject to such approvals as may be necessary, and subject to the approval of share holders in the ensuing annual general meeting as special resolution, the Board of Directors of the Company hereby approved the re-appointment of Shri S.D.M. Rao, Chairman & Managing Director of the Company for a further period of 5 years with effect from 01.09.2014 to 31.08.2019 on the following terms and conditions, as approved by the remuneration committee in its meeting held on 19.05.2014, and hereby approved with liberty to the Board of Directors to revise the remuneration from time to time within the limits provided for in the said Schedule V or any amendment thereof for the time being in force”.

#### Salary:

₹1,50,000/- per month (Including Dearness Allowances in the scale of 1,50,000 - 25,000 - 2,50,000).

#### Perquisites

In addition to salary the following perquisites not exceeding the overall ceiling prescribed under Schedule XIII will be provided to the Managing Director.

#### a) Housing:

Rent free furnished accommodation along with benefits of gas, fuel, water, electricity, telephone and fax and also upkeep the maintenance of Company’s furnished accommodation.

#### b) Medical Reimbursement:

Subject to a ceiling of one month’s salary in a year or three months’ salary over a period of three years. In addition to the above, medical reimbursement incurred for treatment abroad will be subject to a limit of US\$ 40,000 per year or US\$ 1,20,000 over period of three years.

#### c) Leave Travel Allowance:

Leave Travel Allowance will be paid by the Company for himself and his family once in a year subject to ceiling of one and half month salary in a year.

#### d) Club Fees:

Reimbursement of club fees, subject to maximum of two clubs.

#### e) Personal Accident insurance:

Personal accident insurance cover as applicable will be provided to him by the Company. Premium payable shall not exceed ₹10, 000/- per annum.

Apart from the above the Managing Director shall also be entitled to the following:

#### a) Provident Fund / Superannuation Fund:

12% of the Salary as per rules of the Company or such percentage as may be specified from time to time.

Company’s contribution towards Superannuation or Annuity Fund together with provident fund shall not exceed 27% of the salary as prescribed by the Income Tax Rules 1962 or any statutory modification thereof.

The contribution to provident fund, superannuation fund or annuity fund will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961

#### b) Gratuity:

Gratuity, at a rate not exceeding half month salary for each completed year of Service.

#### c) Company Car:

One car with the services of driver, to be maintained by the Company for official use.

- d) Reimbursement of entertainment, travelling and all other expenses incurred for the business of the Company.
- e) Leave as per Rules of the Company.
- f) **COMMISSION**  
Not more than 1% on the net profit of the Company calculated as per sections 198 of the Companies Act, 2013.

#### Minimum Remuneration

In the event of the loss or inadequacy profits in any financial year, the managing director shall be governed by the limits prescribed under section II of part II of schedule V of the companies act, 2013 including any statutory modification or re enactment there of, as may be, for the time being, be in force.

#### NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. Proxies in order to be effective should be duly stamped, completed and signed and must be deposited at the registered office of the Company not later than 48 hours before the commencement of meeting.
3. Members/Proxies should bring their copy of Annual reports along with Attendance Slip duly filled in for attending the meeting.
4. The Register of the members and Share Transfer Books of the Company will remain closed from 12th September 2014 to 18th September 2014 (Both days inclusive).
5. The dividend on equity shares as recommended by the Board of Directors, if declared at the 28th Annual General Meeting shall be paid to the members whose names appear on the Company's register of members as on 11th September, 2014.
6. *In respect of shareholding in dematerialised form, dividend will be paid to the Beneficial Owners as per list to be furnished by the Depositories directly through ECS wherever ECS facility is available subject to availability of bank account details. In case the said details have not been provide to the concerned Depository Participant or there is any change, the same may please be intimated to the concerned Depository Participant immediately.*
7. *In respect of shares held in Physical form to those members whose names appear in the register of members up to end of Business hours on 11th September, 2014.*
8. Pursuant to Section 205A of the Companies Act, 1956, all unclaimed / unpaid dividends up to the financial year ended 31st March, 2006 have been transferred to the General Revenue Account of the Central Government.
9. Consequent upon the introduction of Section 205(C) by the Companies (Amendment) Act, 1999, the amount of dividend remain unpaid or unclaimed for the period of seven years from the date of its transfer to the Unpaid Dividend Account of the Company is required to be transferred to the Investor Education and Protection Fund set up by the Government of India and no payment shall be made in respect of any such claims by the Fund.
10. Members, who have not yet en-cashed their dividend warrant(s) for the financial years from 2007 to 2012-2013, are requested to make their claims to the Company without any delay.
11. **In the terms of notification issued by SEBI, the Equity Shares of the Company are under compulsory Demat trading for all Investors from 24th July, 2000. Shareholders are advised to hold their shares in Demat mode and to send their Share Certificates along with Dematerialisation request to the RTA through their Depository Participants.**
12. The Members are requested to:
  - i) Intimate changes, if any, in their registered address at an early date.
  - ii) The Members are requested to use ECS facility for receiving Dividend by filling and deposit the ECS form enclosed in this report.
  - iii) *Members who have multiple Folios in identical names or joint names in the same order are requested to intimate to the company those folios to enable the company to consolidate all such share holdings into a single folio.*
13. *The Annual Listing fee for the year 2014-15 has been paid to Bombay Stock Exchange Ltd.*

## GREEN INITIATIVE IN CORPORATE GOVERNANCE

Rule 11 of the Companies (Accounts) Rules, 2014, permits circulation of Annual Report through electronic means to such of the members whose e-mail addresses are registered with NSDL or CDSL or with the company to receive the documents in electronic form and physical copies to those shareholders whose email addresses 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 addresses 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.

### 14. 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](http://www.evotingindia.com)
- (ii) Click on “Shareholders” tab.
- (iii) Select the “**Samkrng 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](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN*	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
DOB#	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 #	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> <li>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.</li> </ul>
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- (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.
  - Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
  - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
- II The voting period begins on 12-09-2014 (9.00 AM) and ends on 14-09-2014 (6.00 PM). During this period shareholders’ of the Company, holding shares either in Physical form or in Dematerialized form, as of 16-08-2014 (i.e., the cut-off 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](http://www.evotingindia.co.in) under help Section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or [admin@samkrg.com](mailto: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 16-08-2014.
- 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 Friday the 12th day of September 2014, at 9.00 AM and ends on Sunday the 14th of September 2014 at 6.00 PM. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 16.08.2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

BY ORDER OF THE BOARD  
 For SAMKRG PISTONS AND RINGS LIMITED

Place : Hyderabad  
 Date : 19.05.2014

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

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

### ITEM NO.4

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

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

Mr. S Madhava Rao is holds 500 shares in the Company.

Mr. S Madhava Rao retires by rotation at the ensuing Annual General Meeting under the erstwhile applicable provisions of Companies Act, 1956. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. S Madhava Rao being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five Consecutive years from the date of this meeting. A notice has been received from the member proposing Mr. S Madhava Rao as a candidate for the office of Director of the Company.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail his services as an Independent Director, Accordingly, the Board recommends the resolution

in relation to his appointment as an independent Director, for the approval by the shareholders of the company. Except Mr. S Madhava Rao being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No.4, this Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchange.

Your directors recommend the resolution for approval as Special Resolution.

#### **ITEM NO.5**

Dr. V Venkat Reddy is a Non-Executive Independent Director of the Company. He Joined the Board of Directors of the Company in 2006 Dr. V Venkat Reddy is the Member of the Remuneration Committee of the Board of Directors of the Company.

Dr. V Venkat Reddy, is a Free Lance Consultant and worked at Chief Executive Level in Public and Private Sector Organizations for over a period 12 Years and worked as Head of Materials Department in the Public and Private Sector Industries for a period of 15 years. Worked in Department of Industries Govt. of Andhra Pradesh in different Capacities for over a decade.

He does not hold by himself or for any other person on a beneficial basis, any shares in the company.

Dr. V Venkat Reddy, retires by rotation at the ensuing Annual General Meeting under the erstwhile applicable provisions of Companies Act, 1956. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Dr. V Venkat Reddy being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five Consecutive years from the date of this meeting. A notice has been received from the member proposing Dr. V Venkat Reddy as a candidate for the office of Director of the Company.

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

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

Your directors recommend the resolution for approval as Special Resolution.

#### **ITEM NO.6**

Mr. M N Thakkar is a Non-Executive Independent Director of the Company. He Joined the Board of Directors of the Company in 1988 Mr. M N Thakkar is the Member of the Audit Committee and Remuneration Committee of the Board of Directors of the Company.

Shri M N Thakkar is a Chartered Accountant and having 31 years experience and he is senior partner of M/s N.M Raiji & Co., Chartered Accountants.

He does not hold by himself or for any other person on a beneficial basis, any shares in the company.

Mr. M N Thakkar is proposed to be appointed as an Independent Director for Five Consecutive years from the date of this meeting. A notice has been received from the member proposing Mr. M N Thakkar as a candidate for the office of Director of the Company.

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

Except Mr. M N Thakkar being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No.6, this

Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchange.

Your directors recommend the resolution for approval as Special Resolution.

#### ITEM NO.7

Mr. V Chakrapani is a Non-Executive Independent Director of the Company. He Joined the Board of Directors of the Company in 2005, Mr. V Chakrapani is the Chairman of the Remuneration Committee and Member of the Audit Committee of the Board of Directors of the Company.

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

He does not hold by himself or for any other person on a beneficial basis, any shares in the company.

Mr. V Chakrapani is proposed to be appointed as an Independent Director for Five Consecutive years from the date of this meeting. A notice has been received from the member proposing Mr. V Chakra Pani as a candidate for the office of Director of the Company.

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

Except Mr. V Chakrapani being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No.7 this Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchange.

Your directors recommend the resolution for approval as Special Resolution.

#### ITEM NO. 8:

The Term of office of Sri S.D.M. Rao will be completed by 31.08.2014, he has attained the age of 80 years the appointment shall be made by the shareholders by special resolution, in terms of schedule V of the Companies Act, 2013.

Shri S.D.M. Rao, Managing Director is B.Sc, B.E with over 61 years of Industrial Experience in Automobile Sector. Presently the remuneration is ₹1,50,000/P.M + perks respectively as approved by the shareholders in the 23rd Annual General Meeting held on 28th August, 2009. Now his reappointment will take effect from 01.09.2014 for a period of 5 years and the remuneration of ₹1,50,000 P.M.

In view of the growth in the activities of the Company, it is felt that remuneration of the Managing Director will be suitably commensurate with his responsibilities.

Shri S.D.M. Rao, Shri S. Karunakar (son), Shri S. Kishore (Son) and Shri S.Madhava Rao may be deemed and concerned or interested in this resolution as they are relatives to Sri S.D.M.Rao. None of the other directors of the Company is, in any way concerned or interested in this resolution.

Your directors recommend the resolution for approval as Special Resolution.

BY ORDER OF THE BOARD  
 For SAMKRG PISTONS AND RINGS LIMITED

S.D.M. RAO  
 CHAIRMAN  
 & MANAGING DIRECTOR

Place : Hyderabad  
 Date : 19.05.2014

## Director's Report to the Shareholders

Your Directors are pleased to present 28th Annual Report and the Audited Accounts of the Company for the year ended March 31, 2014.

<b>FINANCIAL RESULTS:</b>	<b>(₹ In lacs)</b>	
	2013-14	2012-13
Gross Sales	22810.03	19284.49
Less: Excise Duty & Sales Tax	2247.31	1939.58
Net Sales	20562.72	17344.91
Total Expenditure	17577.59	14593.36
Other Income	20.72	30.34
Operating Profit (PBDIT)	3005.85	2781.89
Interest	467.81	474.34
Cash Profit	2538.04	2307.56
Depreciation	1045.06	1034.64
Profit before Exceptional Item	1492.98	1272.92
Exceptional Item	66.18	-
Profit after Exceptional Item	1559.17	1272.92
Provision for Taxation		
i) Current Year	450.00	380.00
ii) Deferred Taxation	34.57	26.00
Net Profit / (Loss) after Tax	1074.60	866.93

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

### DIVIDEND:

In view of requirement of funds for the operations of the company and to meet with Capital expenditure with internal accruals and also to improve liquidity, your Directors recommend a dividend of ₹2.50 per equity share i.e 25% for the Year Ended 31st March 2014 as against ₹2.50 per equity share i.e.25% in the previous year.

### OPERATIONS:

The Company achieved the gross turnover of ₹22810.03 lakhs during 2013-14 as against ₹19284.49 lakhs in the previous year 2012-13 there by recorded an increase of 18.28%.

The company R&D expenditure is 113.09 lakhs i.e., 0.55% of sales during the year to catch up with upgradation of technology and to meet OEM's ever demanding quality and new developments requirement to improve life cycle of their product meeting Euro III norms.

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

Your company has posted Net turnover of ₹20562.72 lacs as compared to ₹17346.91 lacs for the previous year an increase of 18.55%.

Earnings Before Depreciation, Interest and Tax (PBDIT) at ₹3005.85 lakhs as against previous year of ₹2781.91 Lakhs. The Profit Before Tax was at ₹1559.17 lakhs as compared to ₹1272.93 lakhs in 2012-13 an increase of 22.49%.

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

Auto Component Industry growth maring during the 2013-14. Micro eoomic environment continued to remaind weak. Depresed economic sentiments caupled with high price levels and poor income growth continued to affect the Industry.

The Company has very good opportunities because of valued customers both in Domestic OEM's and Replacement Market & Exports. The Company exports increased by 23% during 2013-14 due to demand expansion, better products mix.

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 2w segment prospect in longterm even though Indian economy has been experiencing a slow groth.

### CONCERN & RISKS:

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.

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

The Company has well defined internal control systems and procedures to ensure that on the assets of the Company on safeguard and protected against any loss and 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.

#### **FINANCIAL PERFORMANCE:**

The Company earned total net revenue of ₹20562.72 lakhs compared with ₹17344.91 lakhs in the previous year and the operational expenses ₹19824.70 lakhs compared with ₹16532.94 lakhs incurred last year mainly on account of steep increase in raw material cost, power cost and drop in sales.

Profit Before Depreciation, interest and tax (PBDIT) at ₹3005.85 lakhs. The Profit Before Tax was at ₹1559.17 lakhs as compared to ₹1272.93 Lakhs in 2012-13 an increase of 22.49%. Company has been able to pay all the long term loans outstands and as of.

#### **HUMAN RESOURCES:**

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

The Company intending talents through job rotation, challenging projects assignments and exposer to globally acclaimed programmes are taken up on a regular basis.

#### **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.

#### **CORPORATE GOVERNANCE:**

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

#### **EXPORTS:**

The Export Turnover of ₹4871.51 lakhs during the year as against ₹3955.96 lakhs of the previous year because of recession in US & Europe our exports are increased by 23.14%.

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

#### **POLLUTION CONTROL SAFETY & ENVIRONMENTAL PROTECTION:**

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

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

#### **BOARD OF DIRECTORS:**

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

Shri Dr. V Venkat Reddy, Director is liable to retire by rotation at this Annual General Meeting and being eligible, offers himself for reappointment.

#### **DIRECTORS RESPONSIBILITY STATEMENT:**

Pursuant to Section 217 (2AA) of the Companies (Amendment) Act, 2000 your Directors are hereby confirmed that:

- 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, 2014 and of the profit to the Company for the year.
- Your 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.
- That the Directors have prepared the Annual accounts on a going concern basis.

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.

**AUDITORS:**

**Statutory Auditors**

The Company, in terms of Section 139 (1) and (2) of the Act 2013, is required to appoint statutory auditors for a term of five consecutive years i.e., till the conclusion of sixth annual general meeting and ratify their appointment, during the period, in every annual general meeting by an ordinary resolution.

The period for which any firm has held office as auditor prior to the commencement of the Act 2013 will be taken into account for calculating the period of five consecutive years, as per the fourth proviso to Section 139(2) of the Act 2013 read with Rule 6(3) of the Companies (Audit and Auditors) Rules, 2014.

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

The Company has obtained necessary certificate under Section 141 of the Act 2013 from the auditor conveying their eligibility for the above appointment. The audit committee and board reviewed their eligibility criteria, as laid down under Section 141 of the Act 2013 and recommended their appointment as auditors for the aforesaid period.

**PARTICULARS OF EMPLOYEES:**

Particulars of employees required to be furnished under section 217 (2A) of the Companies Act, 1956

read with the Companies (Particulars of Employees) Rules, 1975 are given in the annexed statement with forms an integral part of this report. The Company continued to have cordial and harmonious relations with its employees.

**DISCLOSURE OF PARTICULARS:**

The information required under section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988 is given in the Annexure-1 forming part of this report.

**FIXED DEPOSITS:**

The Company has not accepted any Deposits in terms of Sec.58 (A) of the Companies Act, 1956 and the rules made there under and hence compliance with the same as not applicable.

**ACKNOWLEDGEMENTS:**

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

On behalf of the Board of Directors

**S.D.M. RAO**

CHAIRMAN

& MANAGING DIRECTOR

Place : Hyderabad

Date : 19.05.2014

**ANNEXURE:** Statement showing particulars of Employees pursuant to Section 217 (2A) of the Companies Act, 1956 for the year ended 31st March, 2014.

Name of the Employee	Age	Designation	Qualification & Experience	Date of commencement of employment	Remuneration	Particulars of last employment
Shri S.D.M. Rao	80 Years	Chairman & managing Director	B.Sc, B.E Industrial Experience over 46 years	01.07.1987	34,50,000/-	A.P.S Limited
Shri S. Karunakar	51 Years	Whole Time Director	B.E (Mechanical)	30.09.1998	67,35,000/-	N.A
Shri S. Kishore	49 Years	Whole Time Director	B.E (Mechanical)	30.09.1998	67,35,000/-	N.A

**NOTES:**

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

## ANNEXURES TO DIRECTORS' REPORT FOR THE YEAR ENDED 31.03.2014

### ANNEXURE - I

Information under Section 217 (1) (e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988 and forming part of Directors' Report.

#### 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 Nitridated & Chrome plate Rings.
- v) Developed Moly coating processes for piston & Rings.
- vi) Developed Asymmetric profile Pistons for Motorcycle with Japanese Technology.

##### II) Manufacturing Process:

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

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

Technology absorption & up gradation ongoing process by Japanese.

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

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

3. **Future plan of action:**

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

4. **EXPENDITURE ON R & D:**

(₹ In lakhs)

	2013-14	2012-2013
a) Capital	50.89	38.91
b) Recurring	62.20	47.56
c) <b>TOTAL</b>	<b>113.09</b>	<b>86.47</b>
d) Total R & D Expenditure as A percentage of Sales.	<b>0.55%</b>	<b>0.50%</b>

C. **FOREIGN EXCHANGE EARNINGS AND OUTGO:**

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

- b. Total foreign Exchange used and earned:

Total foreign Exchange used : ₹473.04 lakhs

Total foreign Exchange earned : ₹4391.08 lakhs

for and on behalf of the Board

Place : Hyderabad  
Date : 19.05.2014

**S. D. M. RAO**  
Chairman & Managing Director



## REPORT ON CORPORATE GOVERNANCE

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

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

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

#### 2. BOARD OF DIRECTORS:

##### a) The present strength of Board of Directors is consists of Seven, 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 2013-2014 the Board of Directors met 4 (Four) times on 16th may 2013, 07th August 2013, 07th November 2013 and 05th February 2014.

The following table gives the composition of Directors and their attendance at the Board meetings held on the dates above mentioned, and the Twenty Seventh Annual General Meeting held on 27th September, 2013.

Name of the Director	Category	No of Board meetings attended	Attendance at Last AGM	No. of outside directorships held
Mr. S.D.M Rao	ED	4	YES	Nil
Mr. M.N. Thakkar	NED	2	NO	3
Mr. S Madhava Rao	NED	4	YES	1
Mr. V Chakrapani	NED	3	NO	1
Mr. S Karunakar	ED	4	YES	Nil
Mr. S Kishore	ED	4	YES	Nil
Dr. V Venkat Reddy	NED	3	YES	Nil

ED - Executive Director, NED - Non Executive Director

##### c) Information placed before the Board:

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

- Minutes of meetings of Audit Committee and other Committees of the Board;
- Annual operating plans, capitals & revenue budgets and updates;
- Quarterly financial results of the Company;
- Materially important show cause, demand, prosecution and penalty notices;
- Information on recruitment and remuneration of senior officers, just below the Board level;

- Non-compliance of any regulatory, statutory or listing requirements and shareholder services.
- important labour problems and their proposed solutions;

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

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

**Shri S Madhava Rao**

Shri S Madhava Rao (70) is a Post Graduate in Industrial Engineering and Management and having 29 years experience in Hyderabad Allwyn Limited, hyderabad in R&D, Production, Plant Engineering, P.P.C, Industrial Engineering and Quality Control.

**Dr. V Venkat Reddy**

Dr. V Venkat Reddy (76) is a Free Lance Consultant and worked at Chief Executive Level in Public and Private Sector organizations for over a period 12 years and worked as Head of Materials Department in the Public and Private Sector Industries for a period of 15 years, worked in Department of Industries Govt. of Andhra Pradesh in different capacities for over a decade.

**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](http://www.samkrgpistonsandrings.com) the code has been circulated to all the members of the Board and Senior Management and they have affirmed compliance with the code of conduct. A declaration signed by the Managing Director to this effect is attached to the Annual Report.

**3. 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, 2014 comprised of Three members out of whom there are two Non-Executive Independent Directors and on Non-Executive Director Viz., Shri S Madhava Rao (Chairman and Non-Executive Independent Director of the Committee), Shri M N Thakkar (Non-Executive Independent Director) and Mr. V Chakrapani (Non-Executive Director) who are financially literates and chairman is an expert in financial management.

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

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

Name	No. of Meetings Held	No of Board meetings attended	No of Board meetings attended through Conference call
Mr. S Madhava Rao (Chairman)	4	4	Nil
Mr. V Chakrapani	4	3	1
Mr. M N Thakkar	4	2	Nil

The audit committee met on four occasions i.e 16th may 2013, 07th August 2013, 06th November 2013 and 05th February 2014.

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.

#### 4. 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 Dr. V. Venkat Reddy.

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

Remuneration committee meeting on 16th May, 2013 and recommended for change in Directors remuneration considering the companies growth and responsibilities showed by the Whole Time Directors, the remuneration may be reviewed as below:

Name	Designation	Salary Grade
S Karunakar	Whole Time Director	2,25,000 - 25,000 - 3,50,000
S Kishore	Whole Time Director	2,25,000 - 25,000 - 3,50,000

#### REMUNERATION OF DIRECTORS:

The details of remuneration paid/payable to all the directors for the year 2013-14 are:

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

Mr. M N Thakkar	₹8000/-
Mr. S Madhava Rao	₹16000/-
Mr. V Chakrapani	₹12000/-
Dr. V Venkat Reddy	₹6000/-

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

	Managing Director (₹)	Wholetime Director (₹)	Wholetime Director (₹)
Fixed Component			
Salary	15,00,000/-	28,50,000/-	28,50,000/-
Perquisites	1,50,000/-	2,85,000/-	2,85,000/-
Variable Component			
Commission	18,00,000/-	36,00,000/-	36,00,000/-
<b>TOTAL</b>	<b>34,50,000/-</b>	<b>67,35,000/-</b>	<b>67,35,000/-</b>

#### 5. SHAREHOLDERS/INVESTOR RELATIONSHIP COMMITTEE:

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

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

The Committee met twice during the year. The details on which the meetings were held are : 07.08.2013 & 05.02.2014. 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. Al 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.

**6. 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.

**7. 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.

**8. ANNUAL GENERAL MEETINGS:**

Year	Location of holding AGM	Date and Time of AGM
2012-2013	Hotel Grandeur, opp: J C Brother, Beside New Science College, Main road, Ameerpet, Hyderabad - 500073	27th September, 2013 at 10.30 A.M
2011-2012	Hotel Athithi Inn, Dharam Karam Road, Ameerpet, Hyderabad.	27th September, 2012 at 10.30 A.M
2010-2011	Hotel Athithi Inn, Dharam Karam Road, Ameerpet, Hyderabad.	30th August, 2011 at 10.30 A.M

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

- **27th Annual General Meeting**
  1. A special Resolution for re-appointment of Shri S Karunakar, Whole time Director for next 5 years was passed.
  2. A special Resolution for re-appointment of Shri S Kishore, Whole time Director for next 5 years was passed.
- **26th Annual General Meeting**  
No Special Resolutions passed in 26th Annual General Meeting.
- **25th Annual General Meeting**  
No Special Resolutions passed in 25th Annual General Meeting.

**9. POSTAL BALLOT:**

The company did not pass any resolution by postal ballot during the Financial year 2013-14.

**10. GENERAL SHAREHOLDER INFORMATION:**

- Date, Time and Venue of the 28th Annual General Meeting : 18th September, 2014  
**At Hotel Grandeur**  
Opp: J C Brothers, Beside New Science College, Main Road, Ameerpet, Hyderabad - 500073
- Financial Calendar : April to March
- First quarter results : Last week of July 2014
- Second quarter results : Last week of October 2014
- Third quarter results : Last week of January 2015

Results for the year ending Mar,2015	: End May 2015
<b>Date of Book Closure</b>	: <b>12.09.2014 to 18.09.2014 (Both days inclusive)</b>
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	: 95.60% of the paid up capital has been Dematerialised as on 31.03.2014

**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 2013-2014**

Month	High Rate (₹)	Low Rate (₹)
April, 2013	55.40	47.15
May, 2013	52.00	44.55
June, 2013	47.00	41.00
July, 2013	45.75	38.10
August, 2013	41.85	37.20
September, 2013	43.75	37.00
October, 2013	42.50	38.30
November, 2013	46.40	38.30
December, 2013	49.50	43.45
January, 2014	52.65	43.70
February, 2014	49.40	44.00
March, 2014	70.55	46.10

Outstanding ADR/GDR	: Not Issued
Registered Office	1-201, Divya Shakti Complex 7-1-58, Ameerpet , Hyderabad - 500016 Ph.No.040-23730596, 23735578, Fax 040-23730216 E-mail: admin@samkr.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) on Stock Exchanges	:	Made Compulsory for all categories of Investors w.e.f 26-12-2000 as per SEBI's mandate
Compliance Officer	:	Mrs. N Ratna Kumari
Share 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	:	2003-04 - 45%    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%
Closing price of Company's Shares on Stock Exchange, Mumbai on 31.03.2014	:	₹59.00
All Time high of Company's Share price on Bombay Stock Exchange Limited	:	₹82.50
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 31.03.2014**

Description	No. of Shareholders	%	No. of Shares	%
Promoters	10	0.1350	6567839	66.879
Individuals	7192	97.1236	2956035	30.101
FII, NRIs/OCB	34	0.4591	52598	0.536
Financial Institutions and Banks	3	0.0405	2700	0.027
Mutual Funds	1	0.0135	600	0.006
Bodies Corporate	165	2.2282	240728	2.451
<b>TOTAL</b>	<b>7405</b>	<b>100.0000</b>	<b>9820500</b>	<b>100.000</b>

**DISTRIBUTION OF SHAREHOLDING AS ON 31.03.2014**

Range	No. of Shareholders	%	No. of Shares	%
1 - 500	6407	86.52	1068407	10.88
501 - 1000	560	7.56	456224	4.65
1001 - 2000	249	3.36	374405	3.81
2001 - 3000	77	1.04	193949	1.97
3001 - 4000	29	0.39	106480	1.08
4001 - 5000	20	0.27	94100	0.96
5001 - 10000	30	0.41	215164	2.19
10001 & Above	33	0.45	7311771	74.45
<b>TOTAL</b>	<b>7405</b>	<b>100.00</b>	<b>9820500</b>	<b>100.00</b>

### DECLARATION ON CODE OF CONDUCT

This is to confirm that the Board has laid down a code of conduct for all Directors and Senior Management personnel of the Company. It is further confirmed that all Director and Senior Management personnel of the Company affirmed compliance with the Code of Conduct of the company for the financial year ended on 31st March, 2014 as envisaged in clause 49 of the listing agreement with stock exchanges.

Place : Hyderabad  
 Date : 19.05.2014

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

### CERTIFICATE BY CEO/CFO

Pursuant to the provisions of Clause 49 of the Listing Agreement with the Stock Exchanges, it is hereby certified that for the financial year ended march 31, 2014:

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

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

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

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

We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take, to rectify these deficiencies.

We have indicated to the Auditors and the Audit Committee:

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

Significant change in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and Instances of significant fraud, if any, of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial

Place: Hyderabad  
 Date: 19th May 2014

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

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 2014 as stipulated in Clause 49 OF THE Listing Agreement of the said Company with stock exchanges.

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

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

Based on such a review and best of our information and according to the explanations given to us, in our opinion, the company has complied with the conditions of Corporate Governance, as stipulated in Clause 49 OF THE Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

**(K.K. KESAVAN)**  
 Proprietor  
 M NO 17489

Place : Hyderabad  
 Date : 19-05-2014

**AUDITORS REPORT**

To  
The Members of  
**SAMKRG PISTONS AND RINGS LIMITED**

We have audited the attached FORM OF Balance Sheet of SAMKRG PISTONS AND RINGS LTD as at 31st March, 2014 and FORM OF STATEMENT OF Profit and Loss Account for the year ended as on that date annexed thereto and the cash flow statement for the period ended on that date. This financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about Whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Financial Statements. An audit also includes assessing the accounting principles used and significant Estimates made by management, as well as evaluating the overall financial statement Presentation. We believe that our audit provides a reasonable basis for our opinion.

**Further We report as follows :**

1. As required by the Companies ( Auditors Report) order 2003 issued by the central government of India in terms of subsection (4A) of section 227 of the Companies Act, 1956 and on the basis of the such checks of books and records of the company as we considered appropriate and according to information and explanations given to us during the course of the audit, We annex hereto a statement on that matter specified in paragraph 4 and 5 of the said order to the extent applicable.
2. Further to our comments in the statement referred to in paragraph (1) above.
  - A. We have obtained all the information and explanations, which to the best of our knowledge And belief were necessary for the purpose of our audit.
  - B. In our opinion, the Company has kept proper books of accounts as required by law so far as appears from the examination of books.
  - C. The Balance Sheet and Profit and Loss Account referred to in the Report are in agreement with the books of accounts.
  - D. In our opinion the Balance sheet and the Profit and Loss account dealt with by this Report comply with the mandatory Accounting standards referred to in subsection (3-C) of section 211 of the Companies Act 1956.
  - E. *On the basis of the written representation received from the Directors, as on 31st March 2014 and taken on record by the Board of Directors, We report that none of the directors are disqualified as on 31st March 2014 from being appointed as director under clause (g) of sub-section (1) of section 274 of companies act 1956.*
  - F. In our opinion and to the best of our information and according to the explanation given to Us, the accounts read together with other notes annexed to and forming part of the accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view.
    - i) In so far as it relates to the FORM OF Balance Sheet of the state of affairs of the Company as at 31st March 2014 and
    - ii) In so far as it relates to the FORM OF STATEMENT OF Profit and Loss Account of the Profit of the Company, for year ended as on that date.
    - iii) In the case of the cash flow statement of the cash flow for the year ended on that date.

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

(K.K. KESAVAN)  
Proprietor  
M NO 17489

Place : Hyderabad  
Date : 19-05-2014



## ANNEXURE TO AUDITORS REPORT

(Statement referred to in paragraph 1 of our report of Even Date)

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

1. (a) The Company has maintained proper records showing the full particulars including 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 if its assets. As informed , no material discrepancies were noticed on such verification.
- (c) The company has not disposed off any substantial part if its fixed assets during the year.

### **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 stocks followed by the 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 stocks 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 stocks, we are satisfied that the valuation of stocks is fair and in accordance with normally accepted accounting principles.
- (e) The imported goods were valued at the invoice value. The exchange rate variation if any at the end of the year were not considered since the impact on the profit or loss is insignificant.

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

3. (a) According to the information and explanations given to us, the Company has taken unsecured loans from the Directors and their relatives as listed in the register maintained under Section 301 of the companies act 1956. In terms of subsection (6) of section 370 of the companies act 1956 provision of this section is not applicable to the company.
- (b) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to Companies, Firms or other parties listed in the register maintained under Section 301 of the companies act 1956 In terms of subsection (6) of section 370 of the companies act 1956 provision of this section is not applicable to the company.
- (c) The rates of interest and other terms and conditions of loans taken by the company are unsecured and are prima facie not prejudicial to the interest of the company.
- (d) The payment of the principal and interest are regular.
4. In our opinion and according to the information and explanations 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, spare parts including components, plant and machinery, equipment and other assets and for the sale of the goods.
5. (a) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangement referred to in section 301 of the act that need to be entered into the register maintained under section 301 have been so entered
- (b) In our opinion and according to the information and explanation given to us the transactions made in pursuance of such contracts or arrangement exceeding value of Rs five lacs have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. As explained to us, there are no unserviceable or damaged stores and there are no unserviceable or damaged raw materials or finished goods.
7. The Company has not accepted any deposits from public. Hence, the provisions of Section 58A of the Companies Act, 1956, will not be applicable.
8. In our opinion, reasonable records have been maintained by the Company for the sales and disposal of realizable scrap.

9. In our opinion the company has internal audit system commensurate with the size of the Company and the nature of its business.
10. We have broadly reviewed the books of account relating to materials, labor and other items of cost maintained by the company pursuant to the rules made by the Central Government for the maintenance of the cost records under Section 209(i)(d) of the Companies Act, 1956 and are of the opinion that, prima 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.
11. (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 amounts payable in respect of Income Tax , Wealth Tax, Excise Duty and Customs Duty outstanding for a period of more than six months from the date they become payable. In respect of Sale Tax (Entry Tax) there is disputed amount of ₹22.47 lacs not deposited with Sales Tax department. The company had filed an appeal with ADC (CT) PUNJAGUTTA DIVISION HYDERABAD against certain points in the order of the for the assessment year 2002-03.

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

In this regard please refer to the point 3 (d) 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.

12. During the year under report, the company has not made any preferential allotment of shares to the parties and companies covered in the register maintained under Section 301 of the Companies act 1956.
13. 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.
14. In our opinion and according to the information and explanation given to us, the company has not defaulted in repayment of dues to financial institutions/ banks. The company has not issued any debentures.
15. According to the information and explanations given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
16. In our opinion the company is not chit fund or Nidhi/Mutual fund/ Society. Therefore the provisions of clause 4(XIII) of the companies (Auditor’s Report ) order 2003 are not applicable to the company.
17. 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.
18. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, We report that no funds raised on short term basis have been used for long term investment.
19. The company has not raised any money by way of public issue during the year.
20. According to the information and explanation given to us, no fraud on or by the company has been noticed or reported during the course of the Audit.

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

(K.K. KESAVAN)  
Proprietor  
M NO 17489

Place : Hyderabad  
Date : 19-05-2014

## BALANCE SHEET AS AT 31st March, 2014

(₹ In Lacs)

Particulars	Note No	Figures as at the end of the Current Reporting Period	Figures as at the end of the Previous Reporting Period
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) SHAREHOLDERS' FUNDS</b>		<b>7545.43</b>	<b>6758.08</b>
(a) Share Capital	1	982.05	982.05
(b) Reserves and Surplus	2	6563.38	5776.03
(c) Money Received Against Share Warrants			-
<b>(2) Share Application Money pending Allotment</b>			-
<b>(3) Non-Current Liabilities</b>		<b>3222.00</b>	<b>3358.38</b>
(a) Long - Term Borrowings	3	1416.66	1402.73
(b) Deferred Tax Liabilities(Net)		166.57	132.00
(c) Other long-term Liabilities	4	1306.71	1537.48
(d) Long-term Provisions	5	332.07	286.17
<b>(4) Current Liabilities</b>		<b>5047.74</b>	<b>5931.28</b>
(a) Short-Term Borrowings	6	2146.40	2659.16
(b) Trade Payables		1599.99	2015.04
(c) Other Current Liabilities		343.70	524.72
(d) Short-term Provisions	7	957.65	732.36
<b>TOTAL</b>		<b>15815.18</b>	<b>16047.74</b>
<b>II. ASSETS: Non Current-Assets</b>			
<b>(1) (a) Fixed Assets</b>		<b>10248.71</b>	<b>10582.71</b>
(i) Tangible Assets	8	10048.14	9974.14
(ii) Intangible Assets		0	0
(iii) Capital Work-in-progress		0	392.00
(iv) Intangible Assets Under Development			
(b) Non-Current Investments			
(c) Deferred Tax Assets (Net)			
(d) Long-term Loans and Advances	9	200.57	216.57
(e) Other Non-Current Assets			
<b>(2) Current Assets</b>		<b>5566.47</b>	<b>5465.03</b>
(a) Current Investments			
(b) Inventories	10	1883.50	2056.75
(c) Trade Receivables	11	3185.84	3161.28
(d) Cash and Cash Equivalents	12	263.83	62.03
(e) Short-term Loans and Advances	13	113.04	46.50
(f) Other Current Assets	14	120.26	138.47
<b>TOTAL</b>		<b>15815.18</b>	<b>16047.74</b>

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

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

for and on behalf of Board of Directors

**K.K.Kesavan**  
 Proprietor  
 Membership No. : 017489

**S.D.M Rao**  
 Chairman & Managing Director

**M.N. Thakkar**  
 Director

Place : Hyderabad  
 Date : 19.05.2014

**PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014**

(₹ In Lacs)

Particulars	Note No	Figures as at the end of the Current Reporting Period	Figures as at the end of the Previous Reporting Period
I Revenue From Operations	1	20562.72	17344.91
II Other Income	2	20.72	30.34
III <b>Total Revenue</b>		<b>20583.44</b>	<b>17375.25</b>
IV <b>Expenses</b>			
Cost of Materials Consumed	3	10711.99	8202.57
Purchase of Stock in Trade	4	265.37	214.53
Change in Inventories of Finished Goods, Work in Progress and Stock in Trade	5	136.73	103.32
Employees Benefits Expenses	6	3477.85	3013.26
Finance Cost	7	467.81	759.31
Depreciation and Amortization Expenses	8	1045.06	1034.64
Other Expenses	9	2985.65	2774.71
<b>Total Expenses</b>		<b>19090.46</b>	<b>16102.34</b>
V <b>Profit Before Exceptional and Extraordinary Items and Tax (III-IV)</b>		<b>1492.98</b>	<b>1272.92</b>
VI Exceptional Items		66.18	0
VII <b>Profit Before Extraordinary Items and Tax (V+VI)</b>		<b>1559.17</b>	<b>1272.92</b>
VIII Extraordinary Items		0	0
IX <b>Profit Befor Tax (VII-VIII)</b>		<b>1559.17</b>	<b>1272.92</b>
X <b>Tax Expenses</b>		0	0
(1) Current Tax		450.00	380.00
(2) Deferred Tax		34.57	26.00
XI <b>Profit (Loss) for the period from Continuing Operations (IX-X)</b>		<b>1074.60</b>	<b>866.92</b>
XII Profit (Loss) from Discontinuing Operations		0	0
XIII Tax Expense of Discontinuing Operations		0	0
XIV <b>Profit (Loss) from Discontinuing Operations (After Tax) (XII-XIII)</b>		<b>0</b>	<b>0</b>
XV <b>Profit (Loss) for the period (XI-XIV)</b>		<b>1074.60</b>	<b>866.92</b>
XVI <b>Earning Per Share</b>			
(1) Basic		10.94	8.82
(2) Diluted		10.94	8.82

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

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

for and on behalf of Board of Directors

K.K.Kesavan  
Proprietor  
Membership No. : 017489

S.D.M Rao  
Chairman & Managing Director

M.N. Thakkar  
Director

Place : Hyderabad  
Date : 19.05.2014

## SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS

### Significant Accounting Policies

#### 1. Method of Accounting

The financial statements have been prepared on accrual basis and at historical cost in Accordance with generally accepted accounting principles in India and provisions of the Companies act 1956 read with the Companies (Accounting Standards) Rules 2006.

The accounts were regrouped according to the requirements of the Revised Schedule VI

#### 2. Revenue Recognition

Sales comprises sale of goods and services net of trade discount and inclusive of Excise duty and sales Tax.

#### 3. NOTES FORMING PART OF BALANCE SHEET:

(₹ in Lacs)

Particulars	As at March 31,2014	As at March 31,2013
<b>NOTE-1</b>		
<b>SHARE CAPITAL</b>		
Authorized	12500000	12500000
Issued , Subscribed And Paid Up	9820500	9820500
Par Value Of Share	10	10
Shares Held By Share Holder Holding More Than 5 % Share		
S.D.M. Rao	1005044	1005044
S.D.M.Rao - Huf	668276	668276
S.Saraswathi	2630211	2630211
S.Karunakar	522774	522774
S.Kishore	513035	513035
For the period of Five Years Immediately Preceding the date as at the Balance Sheet Prepared		
<b>Forfeited Shares</b>		
(Amount Originaly Paid Up)	1.03	1.03
10800 Shares @ ₹5 Per Share	0.54	0.54
9750 Shares @ ₹5 Per Share	0.49	0.49
<b>NOTE-2</b>		
<b>RESERVES AND SURPLUS</b>		
(i) Capital Reserve	56.03	56.03
(ii) Securities Premium Reserve	163.92	163.92
(iii) Revaluation Reserve	155.21	155.21
(iv) General Reserve	853.45	1006.37
(v) Surplus In Statement of Profit and Loss Account	5334.78	4394.51
<b>TOTAL</b>	<b>6563.38</b>	<b>5776.03</b>

**NOTES FORMING PART OF BALANCE SHEET**

(₹ in Lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
THE CAPITAL RESERVE INCLUDES AN AMOUNT OF ₹1.03 LACS FROM FOREFEATURE OF SHARES AND SUBSIDY FROM THE GOVT FOR SETTING UP THE UNIT IN BACKWARD AREA		
<b>GENERAL RESERVE</b>		
Opening Balance	1006.37	1296.52
Add: Transfer From Profit & Loss Account	134.32	112.00
Less: Dividend and Dividend Tax	287.25	402.15
Net Reserve	853.45	1006.37
<b>PROFIT AND LOSS ACCOUNT</b>		
Opening Balance	4394.51	3639.58
Add: Current Year Profit	1074.60	866.93
Less: Transfer To General Reserve	134.32	112.00
Net Profit and Loss Account	5334.78	4394.51
<b>NOTE-3</b>		
<b>LONG TERM BORROWINGS</b>		
<b>FULLY SECURED</b>		
Term Loan From SBI	0.00	0.00
SBI-Machinery		
Loans for Vehicles	16.66	2.73
<b>UNSECURED</b>		
Other Loans	1400.00	1400.00
<b>TOTAL</b>	<b>1416.66</b>	<b>1402.73</b>

The Loan for Vehicles are from ICICI Bank and the Vehicles are Hypothecated to ICICI Bank. The instalment for the next 12 Months amounting ₹15.38 Lacs were considered under Current Liabilities

The other Loans are from Directors and Their Relatives. The Interest were Paid at 15%.

**NOTE-4**

**OTHER LONG TERM LIABILITIES**

Sales Tax Deferal Loan	1306.71	1537.48
<b>TOTAL</b>	<b>1306.71</b>	<b>1537.48</b>

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

1. Plant-1 A-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 ₹164.60 Lacs represents repayable in the next 12 Months had been shown under Current Liabilities

## NOTES FORMING PART OF BALANCE SHEET

(₹ in Lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
<b>NOTE-5</b>		
<b>LONG TERM PROVISIONS</b>		
Provision for Gratuity	332.07	286.17
<b>TOTAL</b>	<b>332.07</b>	<b>286.17</b>

Gratuity in respect of past and present services of employees is being accounted for on accrual basis based on actuarial valuation done by the company. The payment of gratuity to the employees who had left the service had been adjusted against the provision made. The provision of gratuity has been computed as on the date of closure of accounts by reducing the provision made in the earlier years.

### NOTE-6

#### SHORT TERM BORROWINGS

##### Secured

Cash Credit - Stocks	1966.42	1811.99
SBI SLC	0.00	400.00
Term Loan Due within a year	0.00	283.35
EEFC Euro & USD A/C	0.00	-2.78
ICICI Vehicle Loan	15.38	1.25
Sales Tax Deferment Loan - Payable within a year	164.60	165.35
<b>TOTAL</b>	<b>2146.40</b>	<b>2659.16</b>

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

### NOTE-7

#### SHORT TERM PROVISIONS

Other Provisions	637.65	482.36
Provision for Employees Benefits	320.00	250.00
<b>TOTAL</b>	<b>957.65</b>	<b>732.36</b>

The other provisions includes the power bill for the month of March-2014 amounting to ₹178.64 Lacs etc.

**NOTES FORMING PART OF BALANCE SHEET**

(₹ in Lacs)

**NOTE-8**

**FIXED ASSETS**

	VALUE AS AT 01-04-2013	NET ADDITION DURING THE YEAR	VALUE AS AT 31-03-2014
Land - Free Hold	189.61	0	189.61
Buildings	1445.80	251.02	1696.82
Plant and Machinery	14899.27	794.97	15694.24
Electrical Installation	435.77	9.71	445.48
Furniture and Fixtures	132.85	4.03	136.88
Vehicles	191.13	59.32	250.45
Impairment of Assets	194.18	0	194.18
<b>TOTAL</b>	<b>17488.61</b>	<b>1119.06</b>	<b>18607.67</b>

1. The Fixed Assets includes Self Made Machines.
2. The Cost of Fixed Assets is Net of Cenvat Credit availed and to be claimed.

Particulars	As at March 31, 2014	As at March 31, 2013
<b>Net Block of Fixed Assets As On 01.04.2013</b>	<b>9974.14</b>	9816.45
Additions During the Year	1119.06	1192.33
Less: Depreciation Provided During The Year	1045.06	1034.64
<b>Net Block As On 31.03.2014</b>	<b>10048.14</b>	9974.14

Particulars	As at March 31, 2014	As at March 31, 2013
-------------	-------------------------	-------------------------

**NOTE-9**

**LONG TERM LOANS AND ADVANCES**

Unsecured and Considered Good

A P S E B Deposit	200.57	216.57
<b>TOTAL</b>	<b>200.57</b>	216.57

**NOTE-10**

**INVENTORIES**

Stores & Spares	235.77	200.21
Raw Materials	302.21	397.20
Semi Finished Goods	602.09	532.22
Finished Goods	705.94	912.54
Traded Goods	37.49	14.58
<b>TOTAL</b>	<b>1883.50</b>	2056.75

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

The finished goods were valued at cost which 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 packing material, stores and spares were valued at cost to the unit.



**NOTES FORMING PART OF BALANCE SHEET**

(₹ in Lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
<b>NOTE-11</b>		
<b>OUTSTANDING FOR A PERIOD OF MORE THAN SIX MONTHS</b>		
From the date they are due	66.75	59.62
Unsecured considered good-others	3119.09	3101.66
<b>TOTAL</b>	<b>3185.84</b>	<b>3161.28</b>
<b>NOTE-12</b>		
<b>CASH AND CASH EQUIVALENTS</b>		
Cash in hand	0.79	1.97
Balance with banks	203.90	3.98
Margin money with banks	59.15	56.08
<b>TOTAL</b>	<b>263.83</b>	<b>62.03</b>
<b>NOTE-13</b>		
<b>SHORT TERM LOAN AND ADVANCES</b>		
<b>SECURED CONSIDERED GOOD</b>		
Advances to staff	64.46	11.76
Other deposits	8.03	7.48
<b>UNSECURED CONSIDERED GOOD</b>		
Advances to suppliers	11.62	9.83
Other advances	28.93	17.44
<b>TOTAL</b>	<b>113.04</b>	<b>46.51</b>
<b>NOTE-14</b>		
<b>OTHER CURRENT ASSETS</b>		
Excise Duty Deposit	72.20	100.73
Service Tax	55.02	37.73
Vat Credit	-6.95	-
<b>TOTAL</b>	<b>120.26</b>	<b>138.47</b>

**NOTES FORMING PART OF STATEMENT OF PROFIT AND LOSS**

(₹ in Lacs)

Particulars	As at March 31,2014	As at March 31,2013
<b>4. NOTES FORMING PROFIT AND LOSS ACCOUNT</b>		
<b>NOTE-1</b>		
<b>REVENUE FROM OPERATIONS</b>		
(A) Sale of Products	22801.61	19233.38
(B) Sale of Services		
(C) Other Operating Revenue	8.43	51.11
<b>TOTAL</b>	<b>22810.04</b>	<b>19284.49</b>
Less: Excise Duty	2247.31	1939.58
<b>Net Operating Revenue</b>	<b>20562.72</b>	<b>17344.91</b>
The Other Operating Revenue Represents Sale of Scrap.		
<b>NOTE-2</b>		
<b>OTHER INCOME</b>		
(A) Interest Income-with Notes	3.59	26.20
Interest from Bank on Margin Money and Deposits with APSEB	16.51	0.00
(B) Dividend Income		
(C) Net Gain/Loss on Sale of Investments		
(D) Other Non-Operating Income(Net)	0.62	4.14
<b>TOTAL</b>	<b>20.72</b>	<b>30.34</b>
<b>NOTE-3</b>		
<b>COST OF MATERIALS CONSUMED</b>		
Opening Stock of Raw Material	357.76	597.15
<b>Add: Purchase:</b>		
Direct Material	4,868.26	4,008.64
Less: Cash Discount Received	70.68	53.82
<b>TOTAL</b>	<b>5155.35</b>	<b>4551.97</b>
Less: Closing Stock of Raw Material	273.95	357.76
<b>NET CONSUMPTION OF RAW MATERAIL</b>	<b>4881.39</b>	<b>4194.21</b>
Power and Fuel	2208.81	1605.30
Transportation	930.87	147.38
<b>CONSUMPTION OF STORES AND SPARES</b>		
Opening Stock	200.21	223.91
<b>Add: Purchases</b>	<b>1,806.15</b>	<b>1414.56</b>
Less: Closing Stock	235.77	200.21

**NOTES FORMING PART OF STATEMENT OF PROFIT AND LOSS**

(₹ in Lacs)

Particulars	As at March 31,2014	As at March 31,2013
Net Consumption of Stores and Spares	1770.59	1438.26
Consumption of Packing Material		
Opening Stock	39.45	28.31
Add: Purchases	909.15	828.56
Less: Closing Stock	28.26	39.45
Net Consumption of Packing Material	920.34	817.42
<b>TOTAL CONSUMPTION OF RAW MATERIAL</b>	<b>10711.99</b>	<b>8202.57</b>
<b>NOTE-4</b>		
<b>GOODS -TRADED GOODS</b>		
Opening Stock	14.58	6.26
Add: Purchases	288.28	222.85
Less: Closing Stock	37.49	14.58
<b>TOTAL</b>	<b>265.37</b>	<b>214.53</b>
<b>NOTE-5</b>		
<b>(INCREASE)/DECREASE IN STOCKS:</b>		
<b>OPENING STOCK:</b>		
Semi Finished Goods	532.22	768.28
Finished Goods	912.54	779.80
<b>TOTAL</b>	<b>1444.76</b>	<b>1548.07</b>
<b>CLOSING STOCK:</b>		
Semi Finished Goods	602.09	532.22
Finished Goods	705.94	912.54
<b>TOTAL</b>	<b>1308.03</b>	<b>1444.76</b>
<b>(INCREASE)/DECREASE IN STOCKS</b>	<b>136.73</b>	<b>103.32</b>
<b>NOTE-6</b>		
<b>EMPLOYEES BENEFIT EXPENSES</b>		
(I) Salaries and Wages	3093.74	2682.88
(II) Contribution to Provident Fund and Other Funds	131.18	111.94
(III) Staff Welfare Expenses	252.93	218.43
<b>TOTAL</b>	<b>3477.85</b>	<b>3013.26</b>

**NOTES FORMING PART OF STATEMENT OF PROFIT AND LOSS**

(₹ in Lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
<b>NOTE-7</b>		
<b>FINANCE EXPENSES</b>		
(A) Interest Expenses	452.98	474.34
(B) Other Borrowing Cost	114.31	64.91
(C) Net Gain / Loss on Foreign Currency Transactions and Translation-with Notes	-99.48	220.05
<b>TOTAL COST</b>	<b>467.81</b>	<b>759.31</b>
<b>NOTE-8</b>		
DEPRECIATION AND AMORTIZATION EXPENSES CONSIDERED FOR DEPRECIATION	1045.06	1034.64
<b>NOTE-9</b>		
<b>OTHER EXPENSES</b>		
Rent, Rates & Taxes	124.06	128.94
Printing & Stationary	54.83	68.64
Communicational Expenses	27.74	24.10
Conveyance & Travelling	121.54	56.36
Director's Sitting Fee	0.38	0.38
Insurance	10.00	16.66
Auditor's Remuneration	9.25	9.25
Legal & Professional Charges	6.04	8.94
Repairs & Maintenance	328.84	249.16
Sales Promotion	1737.11	1726.33
Advertisement	6.17	6.72
Miscellaneous Expenses	52.54	40.58
Gratuity	50.00	50.00
APVAT	122.33	111.85
CST	329.36	276.80
Prior period expenses	5.46	0.00
<b>TOTAL</b>	<b>2985.65</b>	<b>2774.71</b>

**NOTE-10**

The exceptional item represents the excess provision made in the earlier years with regards to deferment of sales tax. This is on the basis of the assessment completed for the assessment years 2005-06 to 2009-10.

**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 on the basis of the actual payments made.

**2. Taxes on Income**

- a) Current Tax: Provision for Income Tax is determined in accordance with the provisions of Income Tax Act, 1961.
- b) Deferred Tax Provision: Deferred Tax is recognized on timing differences being the differences between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent period(s). Provision had been made on the account of above as there exist deferment assets.
- c) The timing deference on account of Depreciation charged on the Assets as per the Companies Act and as per the Income Tax Act has been provided. The net deferred tax liability over the Deferred Tax Assets was ₹166.57 lacs and considered for the current year was ₹34.57 lacs.

**Contingent liabilities not provided for**

Disputed amount of ₹25.68 lacs towards A.P. Tax on Entry of goods for the assessment year 2002-03 is pending with the ADC (CT) Punjagutta Division, Hyderabad against which we have already paid an amount of ₹3.21 Lacs. The case did not come for any hearing further.

**3. DETAILS UNDER MASA****SUNDRY CREDITORS**

Disclosure under the Micro and Small Enterprises Development Act, 2006.

Amount due to Micro and Small Enterprises are disclosed on the basis of information company regarding available with the status of the suppliers is as follows.

Sl. No.	Particulars	2013-14		2012-13	
		Principal	Interest	Principal	Interest
1	Principal amount and Interest thereon due, remaining unpaid at the end of the year.	405.03	Nil	315.76	Nil
2	Interest paid during the year	Nil	Nil	Nil	Nil
3	Interest due and payable (on the amount which have been paid beyond the appointed date during the year)	NA	Nil	NA	Nil
4	Interest remaining accrued and unpaid at the end of year	NA	Nil	NA	Nil
5	Interest due of the previous year	NA	Nil	NA	Nil

4. Amount of exchange difference as per AS-11 accounting for the effects of changes in Foreign Exchange rates included in the finance cost was ₹(-)99.48 lacs. (Previous year ₹220.05 lacs)
5. Estimated amount of contracts remaining to be executed on capital account is ₹63.76 lacs (Previous year ₹60.67 Lacs) against which advances have been paid ₹7.18 lacs (Previous Year ₹ NIL lacs.)

	(₹ in lacs)	
	2013-14	2012-13
6. Expenditure in Foreign Currency Traveling (On payment basis)	9.37	2.35
7. Earnings in Foreign currency (On receipt basis)	4342.30	3461.14

**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 Standards (As-18) issued by the Institute of Chartered Accountants of India, as applicable are indicated below:

**RELATED PARTIES TRANSACTIONS FOR THE YEAR ENDED 31.03.2014**

Sl. No.	Names of Related Parties & Description of Relationship	Nature of Transaction	Amount Paid During The Year ₹	Balance Outstanding (To)/ From ₹
1	Shri S.D.M. Rao - Chairman & M.D	Unsecured Loan Interest	89,25,000	5,95,00,000
2	Shri S.D.M. Rao Huf - Chairman & M.D	Unsecured Loan Interest	7,50,000	50,00,000
3	Shri S. Karunakar - Director	Unsecured Loan Interest	3,00,000	20,00,000
4	Shri S. Karunakar Huf - Director	Unsecured Loan Interest	4,50,000	30,00,000
5	Shri S. Karunakar - Director	Rent Paid / Payable	13,08,000	
6	Shri S. Kishore - Director	Unsecured Loan Interest	3,00,000	20,00,000
7	Shri S. Kishore Huf - Director	Unsecured Loan Interest	4,50,000	30,00,000
8	Shri S. Kishore - Director	Rent Paid / Payable	11,88,000	
9	Smt. S. Saraswathi - W/O Cmd	Rent Paid / Payable	12,00,000	
10	Saraswathi Enterprises (Firm)	Rent Paid / Payable	47,76,000	
11	Smt. S. Saraswathi - W/O Cmd	Unsecured Loan Interest	98,24,998	6,55,00,000
12	Key Management Personnel - Shri S.D.M. Rao - Chairman & M.D - Shri S. Karunakar - Director - Shri S. Kishore - Director	Remuneration & commission paid	34,50,000 67,35,000 67,35,000	

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

10. The company is taking steps to transfer balance funds in un-paid dividend account to investors Amounting to ₹NIL

(₹ in lacs)

	2013-14	2012-13
<b>11 Payment To Auditors</b>		
(a) auditor	7.75	7.75
(b) for taxation matters	1.50	1.50
<b>TOTAL</b>	<b>9.25</b>	<b>9.25</b>
<b>12 CIF VALUE OF IMPORTS</b>		
by the company during the financial year in respect of		
(a) Raw material	432.36	320.62
(b) Components and spare parts	0	9.51
(c) Capital Goods	31.31	231.06
<b>13 Expenditure in foreign currency</b>		
royalty		
know-how	NIL	NIL
professional and consultation fees		
interest		
other matters		
<b>14 Consumption</b>		
Imported raw materials	432.36	320.62
spare parts	5.42	2.25
components	0	7.28
Total indigenous raw material	7134.53	6119.74
spare parts components		
<b>TOTAL OF PERCENTAGE OF EACH</b>		
Indigenous	94.22	94.88
Imported	5.78	5.12
The Cost of Raw material does not include the power and fuel and transportation.		
<b>Earning in foreign exchange</b>		
i. Export of goods calculated in F.O.B. basis	4871.51	3955.96
ii. Royalty, know-how, professional fees		
iii. Interest and dividend		
iv. Other income - indicating the nature		
<b>15.</b> The obligation under EPCG concessional duty scheme on account capital Equipments imports amounting to ₹183.29 LACS (Previous Year ₹183.29 lacs)		
<b>16.</b> The company proposes to declare a dividend of ₹2.50 per share on a face value of ₹10/- per share and the total amount works out to ₹245.51 lacs		
<b>17.</b> Figures for the previous year has been regrouped/reclassified wherever necessary to be Conformity with the current year format of Revised Schedule VI		
<b>18.</b> The figures are rounded off to the nearest rupee		

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

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

for and on behalf of Board of Directors

**K.K.Kesavan**  
 Proprietor  
 Membership No. : 017489  
 Place : Hyderabad  
 Date : 19.05.2014

**S.D.M Rao**  
 Chairman & Managing Director

**M.N. Thakkar**  
 Director

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014**

(₹ In Lacs)

Particulars	Year Ended 31st March, 2014	Year Ended 31st March, 2013
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit Before Tax and Extraordinary Items	1559.17	1272.93
<b>Adjustments For:</b>		
Depreciation	1045.06	1034.64
Sales tax Deferment	-230.77	-119.77
Interest	467.81	474.34
Interest Earned	20.11	-26.20
Gruaity Provision	50.00	50.00
<b>Operating Profit Before Working Capital Changes</b>	<b>2911.37</b>	<b>2685.94</b>
<b>Adjustments For:</b>		
Receivables	-24.56	157.27
Inventories	173.25	346.95
Loans & Advances	-32.34	59.49
Payables	-420.77	-723.85
<b>Cash Generated from Operations</b>	<b>2606.95</b>	<b>2525.80</b>
Interest paid	467.81	474.34
Taxes paid	400.00	280.00
Gruaity paid	4.10	19.06
Net Cash Flow from Operating Activities	1735.04	1752.40
Net Increase in Bank Borrowings	0.00	0.00
<b>NET INCREASE IN CASH FLOW</b>	<b>1735.04</b>	<b>1752.40</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets (NET OF SALE)	727.06	1584.33
Interest Received	20.11	-26.20
Term Loans	-13.93	285.34
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>733.23</b>	<b>1843.47</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds From Unsecured Loans		
Increase (Decrease) In Working Capital Loa (Net of Payments)	-512.76	295.36
Dividend and Dividend Tax	-287.25	402.15
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>-800.01</b>	<b>-106.79</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>201.80</b>	<b>-197.86</b>
<b>CASH AND CASH EQUIVALENTS AS AT THE COMMENCEMENT OF THE YEAR</b>	<b>62.03</b>	<b>259.89</b>
<b>CASH AND CASH EQUIVALENTS AS AT THE END OF THE YEAR</b>	<b>263.83</b>	<b>62.03</b>

**Notes:** The Above Cash Flow Statement Has Been Prepared Under The Indirect Method As Set Out In The Accounting Standard-3 On Cash Flow Statements. The Previous Figures Were Regrouped As Per Current Year.

This Is The Cash Flow Statement Referred To In Our Report Of Even Date

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

for and on behalf of Board of Directors

**K.K.Kesavan**  
Proprietor  
Membership No. : 017489  
Place : Hyderabad  
Date : 19.05.2014

**S.D.M Rao**  
Chairman & Managing Director

**M.N. Thakkar**  
Director





# SAMKRG PISTONS AND RINGS LIMITED

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

<b>Name of Member in Capital Letter</b>
Folio Number:
No.of Shares:

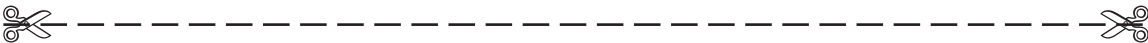
<b>ATTENDANCE SLIP</b>
PLEASE HAND OVER THIS ADMISSION SLIP AT THE ENTRANCE OF THE MEETING HALL

<b>28th ANNUAL GENERAL MEETING</b> 18th September, 2014 at 10.30 a.m.
<b>HOTEL GRANDEUR</b> Opp: J C Brothers, Beside New Science College, Main Road, Ameerpet, Hyderabad - 500073

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

I hereby register my presence at the meeting

Signature of the Member/Proxy



# SAMKRG PISTONS AND RINGS LIMITED

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

I/We .....  
.....  
.....  
.....

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

in the district of ..... being a member / members of SAMKRG PISTONS AND RINGS LIMITED hereby appoint ..... of ..... or failing him as my / our Proxy to vote for me / us and on my / our behalf at the 28th ANNUAL GENERAL MEETING of the Company to be held on Friday, the 18th September, 2014 at 10.30 a.m. or any adjournment thereof at HOTEL GRANDEUR OPP: J C BROTHERS, BESIDE NEW SCIENCE COLLEGE, MAIN ROAD, AMEERPET, HYDERABAD - 500073.

Signed this .....day of ..... 2014

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

FOR OFFICE USE ONLY	
PROXY NO.	DATE OF RECEIPT



Resolutions		For	Against
1	Audited Financial Statement, Report of the Board of Directors and Auditors		
2	Declaration of Dividend on Equity Shares		
3	Appointment of Auditors and Fixing their remuneration		
4	Appointment of Shri S Madhava Rao as Independent Director		
5	Appointment of Dr. V Venkat Reddy as independent Director		
6	Appointment of Shri M N Thakkar as Independent Director		
7	Appointment of Shri V Chakrapani as Independent Director		
8	Appointment of Shri S D M Rao as Managing Director		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2014

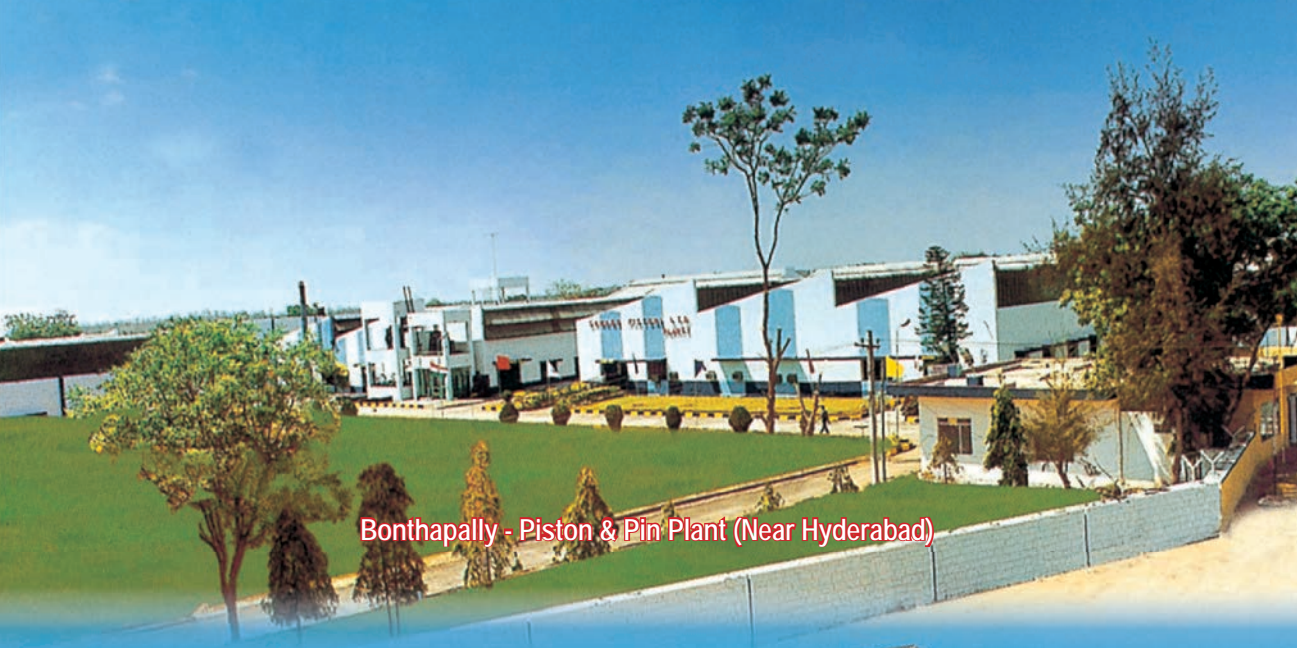
Signature of shareholder \_\_\_\_\_

Affix one rupee Revenue stamp
--

Signature of Proxy Holder(s)

**Note:**

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



Bonthapally - Piston & Pin Plant (Near Hyderabad)



Varisam - Rings Plant (Near Visakhapatnam)



Akkivalasa - Piston & Pin Plant (Near Visakhapatnam)

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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@samkrp.com](mailto:admin@samkrp.com)

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