

# 34<sup>th</sup>

## Annual Report 2019-20

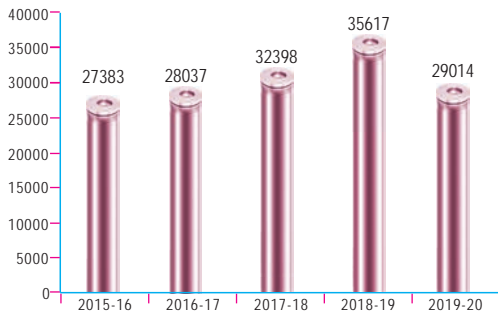


### SAMKRG PISTONS AND RINGS LIMITED

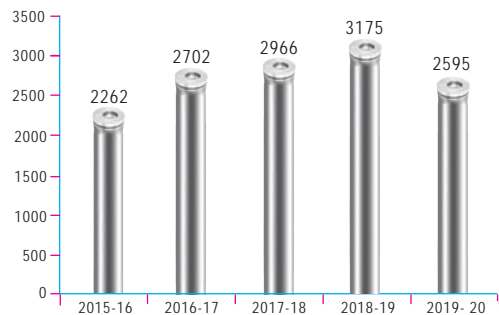
( AN ISO 9001:2015 IATF 16949:2016 Company )

## PERFORMANCE HIGHLIGHTS

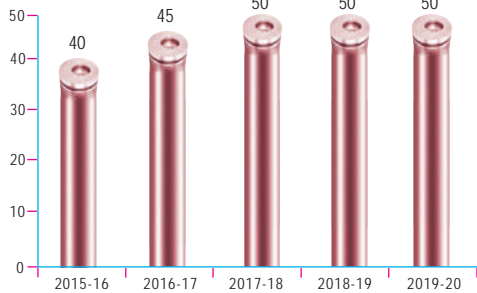
**SALES (Gross) Rs. in lacs**



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



**DIVIDEND %**



**Gross Fixed Assets**



## SAMKRG PISTONS AND RINGS LIMITED

Rs. in lacs

Particulars	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-2013	2011-12	2010-11
Sales (Gross)	29013.61	35616.53	32397.76	28037.31	27382.56	25543.09	22810.03	19284.49	21933.89	19751.54
Sales (Net)	23123.18	28283.61	24527.71	25159.66	24520.09	23247.38	20562.72	17344.91	19923.59	16935.44
PBDIT	3974.63	4524.92	4399.49	4162.16	3587.53	3419.34	3005.85	2781.91	3212.82	2627.07
Profit before tax	2595.17	3175.20	2965.80	2702.31	2261.71	1800.82	1559.17	1272.93	1775.14	1467.15
Profit after tax	1959.81	2103.59	2015.46	1945.66	1570.15	1231.51	1074.60	866.93	1177.79	992.15
Profit after tax (%)	8.48	7.44	8.22	8.47	6.40	5.30	5.23	5.01	5.91	5.86
Dividend paid	491.03	491.03	491.03	441.92	392.82	294.62	245.51	245.51	343.72	441.92
Dividend %	50	50	50	45	40	30	25	25	35	45
Share Capital	982.05	982.05	982.05	982.05	982.05	982.05	982.05	982.05	982.05	982.05
Reserves & Surplus	13922.60	13146.69	11619.77	10148.30	8237.85	7493.06	6563.38	5776.03	5311.26	4162.83
Net worth	14904.65	14128.74	12601.82	11130.35	9219.90	8475.11	7545.43	6758.08	6293.31	5144.88
Gross Fixed Assets	30036.95	29039.88	26926.58	24422.53	21511.47	19836.24	18607.67	17488.61	16296.28	14296.96
EPS (Rs)	19.96	21.42	20.52	19.81	15.99	12.54	10.94	8.83	12.00	10.10
Book value/Share (Rs)	151.77	143.87	128.32	113.34	93.88	86.30	76.83	68.82	64.08	52.39
Debt Equity	Zero Debt	Zero Debt	Zero Debt	Zero Debt	Zero Debt	Zero Debt	Zero Debt	0.21	0.27	0.10

## BOARD OF DIRECTORS

Shri S D M Rao	Chairman & Managing Director
Shri S Karunakar	Whole Time Executive Director
Shri S Kishore	Whole Time Director (Operations)
Shri S Madhava Rao	Director
Shri M N Thakkar	Director (Independent Director)
Ms. N Rishita	Director (Woman Independent Director)
Shri Pinninti Raghu PrakashSwamy	Director (Independent Director)
Shri Kuppusetti Chaitanya Abhishek	Director (Independent Director)

### Principle Officers

Shri Kota Ramesh	Chief Finance Officer
<b>Shri Dinker Mishra</b>	<b>Company Secretary &amp; Compliance officer</b>
Secretarial Auditor	M/s VBSS Prasad, Company Secretary, 208, Kubera Towers, Narayanguda, Kubera Tower, Hyderabad- 500029
Auditors	M/s. Sridhara Chary V & Co., Chartered Accountants, 1-8-526, Jatkar Bhawan, Street No. 7, Chikkadapally, Hyderabad- 500020
Cost Auditor	Mr. N V S Kapardhi, SRT 148, SR Nagar, Hyderabad- 500038.
Bankers	State Bank of India
Registered Office	1-201, Divyashakti Complex 7-1-58, Ameerpet, Hyderabad - 500 016 Tel : 040 - 23730596 Fax : 040 - 23730216
Registrar and Share Transfer Agent	M/s. XL Softech Systems Ltd 3, Sagar Society, Road No.2, Banjara Hills, Hyderabad - 500034 Ph: 040-23553214

### Factories

PLANT - I	Sy. No. 537, Road Bonthapally Narasapur Taluk
i Pistons, Pins Unit	Sanga Reddy District, Telangana
ii Steel Ring Unit	
PLANT - II	Sy.No.33, Varisam Pydibhimavaram Ranastalam Mandal
i Cast Iron Ring Unit	Srikakulam District, A.P.
ii Steel Ring Unit	
PLANT - III	
Pistons & Pins PISTONS & PINS	Sy.No.232 Arinama Akkivalasa Allinagaram, Etcherla Mandal
	Srikakulam District, A.P.
UNIT - IV Steel Rings	Sy. No. 537, Road Bonthapally Narasapur Taluk
	Sanga Reddy District, Telangana

## NOTICE

NOTICE is hereby given that the Thirty Fourth (34<sup>th</sup>) Annual General Meeting of the Members of the SAMKRG PISTONS AND RINGS LIMITED will be held on Wednesday the 23<sup>rd</sup> September, 2020 at 11:00 a.m. 1st through Video Conferencing / Other Audio Visual Means (VC) to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the company as at 31st March 2020 and Profit and Loss Account for the year ended on that date together with Directors' report and Auditors' report thereon.
2. To approve and ratify interim Dividend paid as Final dividend for the financial year 2019-20 on Equity shares.
3. To appoint a Director in place of Shri S Madhava Rao (DIN: 00160487) who retires by rotation and being eligible, seeks for re-appointment. Based on performance and recommendation of nomination and remuneration committee, the Board recommends his re-appointment.

Therefore, members are requested to consider and if thought fit, to pass the following resolution as an ordinary resolution:

RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Shri S Madhava Rao (DIN:00160487), who retires by rotation, be and is hereby re-appointed as director liable to retire by rotation.

### SPECIAL BUSINESS

4. To consider and, if thought fit, to pass, with or without modification, the following resolution as SPECIAL RESOLUTION:

"RESOLVED THAT pursuant to the provisions of sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and as recommended by the nomination and remuneration committee in its meeting held on 23<sup>rd</sup> June, 2020 and Board of Directors meeting held on 24<sup>th</sup> June, 2020, consent of the Members be and is hereby accorded to the re-appointment

of Ms. N Rishita (DIN: 07143463) as Woman Independent Director of the Company for the period of 5 years with effect from 23<sup>rd</sup> September 2020."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary to give effect to the above resolution."

### 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. Since the AGM is being held in accordance with the circulars through VC, the facility for appointment of proxies by the members will not be available.
2. Participation of members through VC will be reckoned for the purpose of quorum for the AGM as per Section 103 of the Companies Act, 2013.
3. In compliance with the Circulars, the Annual Report 2019-20 and the Notice of 34<sup>th</sup> AGM are being sent only through electronic mode to those members whose email addresses are registered with the company / depository participant(s).
4. The Register of the members and Share Transfer Books of the Company will remain closed from 17<sup>th</sup> September 2020 to 23<sup>rd</sup> September 2020 (Both days inclusive).
5. Pursuant to Section 124(5) of the Companies Act, 2013, all unclaimed / unpaid dividends up to the financial year ended 31st March, 2012 have been transferred to the Investor Education and Protection Fund established by the Central Government as per Section 125(1) of the Companies Act, 2013.
6. Members, who have not yet claimed their dividend, wishing to claim their dividends are requested to correspond with our RTA M/s XL Softech Systems Limited, 3 Sagar Society, Road No. 2, Banjara Hills, Hyderabad- 500034. Phone No. 040-23545913/14/15 Email: xlfield@gmail.com or with Company Secretary at our registered office. Members are requested to note that dividends that are not claimed within seven

- years from the date of its transfer to Unpaid Dividend Account, will be transferred to Investor Education and Protection Fund (IEPF) and Shares on which dividend remains unclaimed for seven consecutive years shall be transferred to the IEPF as per Section 124 of the Companies Act, 2013 read with applicable IEPF rules.
7. In the terms of notification issued by SEBI, the Equity Shares of the Company are under compulsory Demat trading for all Investors from 24th July, 2000. Shareholders are advised to hold their shares in Demat mode and to send their Share Certificates along with Dematerialization request to the RTA through their Depository Participants.
  8. The Members are requested to:
    - i) Intimate changes, if any, in their registered address at an early date.
    - ii) Members who have multiple Folios in identical names or joint names in the same order are requested to intimate to the company those folios to enable the company to consolidate all such share holdings into a single folio.
  9. The Annual Listing fee for the year 2020-21 has been paid to BSE Ltd.

## GREEN INITIATIVE IN CORPORATE GOVERNANCE

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

### Instructions about Voting:

#### 1. Voting through electronic means:

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. Accordingly the forthcoming AGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more share holding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the EGM/AGM without restriction on account of first come first served basis.

4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, , the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.samkrgpistonsandrings.com](http://www.samkrgpistonsandrings.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com). The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).
7. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.

**THE INTRUCTIONS FOR SHAREHOLDRES FOR REMOTE E-VOTING ARE AS UNDER:**

- (i) The voting period begins on 20.09.2020 09:00 a.m. and ends on 22.09.2020. 05:00 p.m. 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 16.09.2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting being by VC.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on "Shareholders" module.
- (v) 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. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) 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 e-voting of any company, then your existing password is to be used.



(viii) If you are a first time user follow the steps given below:

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

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

(x) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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.

(xi) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.

(xiii) 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.

(xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xv) 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.

(xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xix) Shareholders can also cast their vote using CDSL's mobile app "m-Voting". The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company/RTA email id.

2. For Demat shareholders -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to Company/RTA email id.
3. The company/RTA shall co-ordinate with CDSL and provide the login credentials to the above mentioned shareholders.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their requesting advance at least 3 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 3 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [investor@samkrg.com](mailto:investor@samkrg.com). These queries will be replied to by the company suitably by email.
6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER: -

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
3. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility , then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
4. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

(xx) Note for Non - Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the "Corporates" module.



- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
  - Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz;[investor@samkrp.com](mailto:investor@samkrp.com)(designated email address by company) , if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.
- (A) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call 1800225533.

BY ORDER OF THE BOARD  
For SAMKRG PISTONS AND RINGS LIMITED

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

Place : Hyderabad  
Date :24th June ,2020

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

**ITEM NO. 4**

Ms N Rishita is a Woman Independent Director. She was appointed on 29<sup>th</sup> Annual General Meeting for the term of 5 years as Woman Independent Director and She holds office till the ensuing 34<sup>th</sup> Annual General Meeting.

Ms. N Rishita has experience of more than 8 years experience in the field of HR.

Now as per requirement of section 149, 150 and 152 of Companies Act, 2013. She is proposed to be re-appointed as Woman Independent Director in the ensuing Annual General Meeting. None of the Directors are interested in this resolution.

Your Directors recommend the resolution for approval as Special Resolution.

Name	N Rishita
DIN	07143463
Age	Around 36 years (Date of Birth 08/09/1984)
Nationality	Indian
Qualification	B. Tech, M S (Bradford England)
Experience /Expertise	Ms N Rishita has experience of more than 8 years in the field of HR
Date of Appointment as Director of the Company	21 <sup>st</sup> September, 2015
Other Directorship	Nil
Relationships between the Directors inter-se, if any	Nil

Financial year 2019-'20 was a good year for our company and achieved all time high reduction and dispatches and posted the best financial performance with strong fundamentals

## Director's Report

DEAR SHAREHOLDERS

Your Directors are pleased and privileged to present 34th Annual Report and the Audited Accounts of the Company for the year ended March 31, 2020.

### Financial Results

	(₹ In Lakhs)	
	2019-20	2018-19
Gross total income from operations	<b>29013.61</b>	35616.53
Other Income	<b>126.26</b>	198.73
Profit before Interest, Depreciation and Tax (PBIDT)	<b>4015.63</b>	4567.42
Interest	<b>103.17</b>	143.75
Profit before depreciation and Tax (PBDT)	<b>3912.46</b>	4423.67
* Depreciation	<b>1276.29</b>	1205.97
Profit before Exceptional Item	<b>2636.17</b>	3217.70
C S R	<b>41.00</b>	42.50
Extraordinary Item	<b>0</b>	0
Profit after CSR	<b>2595.17</b>	3175.20
Provision for Taxation		
i) Current Year	<b>659.36</b>	1026.61
ii) Deferred Taxation	<b>-24.00</b>	45.00
Net Profit before Extraordinary Item	<b>1959.81</b>	2103.59
Extraordinary Item	<b>0</b>	0
Profit after Extraordinary Item	<b>1959.81</b>	2103.59

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

### DIVIDEND

Your Directors recommended interim dividend of ₹ 5/- per equity share (50%) of face value of ₹ 10/- each for the year ended March 31, 2020, paid in March and the same has been confirmed and recommended as final dividend for the year.

### CREDIT RATING

The company's financial discipline and prudence is reflected by becoming a debt free company for the last few years and credit ratings ascribed by CRISIL

Long term rating : CRISILA- /Stable (Reaffirmed)

Short term Rating : CRISILA2+ (Reaffirmed)

### Review of business operations:

In the year 2019-20 the Domestic & Global Automotive Industry was passing through one of the most

challenging times with the introduction of B. S. IV and then B. S. VI and also introduction of electric vehicles pushed Domestic Auto industry to slow down. Moreover rural economy showed signs of slow down. Domestic Industry performed very well and achieved the targets for the first two quarters and in the third quarter started slowing down and the last quarter drop down to the rock bottom because with the increased sales effect and manufacturing cost effective production. Company achieved reasonably good financial results.

The Company posted the gross turnover of ₹ 29013.61 lakhs during year 2019-20 as against ₹ 35616.53 Lakhs in the previous year 2018-19 and Net turnover of ₹ 23551.32 Lakhs during the year 2019-20 as compared to ₹ 28909.79 Lakhs for the previous year 2019-20.

The company R&D expenditure is ₹ 57.81 Lakhs of Net sales during the year to catch up with up-gradation

of technology and to meet OEM's ever demanding quality and new developments requirement to improve life cycle of their product meeting BS-VI norms of environmental standards for Auto components.

The operations of the Company on the whole have been satisfactory.

In pursuance of National Electric Mobility Machine Plan (NEMMP) and other initiatives and Government to achieve long term growth in industry and reduced emissions and oil dependents. To meet these stringent environmental regulations on pollution and carbon emissions have necessitated heavy investments in both automobile and also auto parts such as our industries. To meet with the challenges of these BS-VI norms and having achieved BS-IV norms in the years 2015-16, 2016-17 and 2017-18 during the year 2019-20 have been many challenges and settling down for an improved performance.

As the rural economy is growing, the demand for two wheelers and three wheelers complying BS-VI norms may give encouraging results and hopeful of maintaining growth this year also. Company is now focusing customer preferences and distributions channels and always exploring new avenues in the export market which will give encouraging results.

Earnings Before Depreciation, Interest and Tax (PBDIT) at ₹ 3974.63 lakhs as against previous year of ₹ 4524.92 Lakhs. The Profit Before Tax was at ₹ 2595.17 lakhs as compared to ₹ 3175.20 lakhs in 2018-19 an decrease of 18.27%

#### **FUTURE PROSPECTUS:**

In line with motto of 'Reshaping our business for tomorrow' Samkrg is serving the growing needs of our Business Accounts and Individual Customers of export and domestic and also OEM Customer segments by offering cost effective prices and different Products and Services. Our end to end operation across the value chain, from gross level customers enable us to deliver superior quality products. Over the years, we have built strong relationship with the domestic and overseas customers and other channel partners that has allowed us to serve all Customer segments through our nationwide professional distribution network. We are now leveraging this extensive network established for our products to extend our customer-centric services.

#### **DIRECTORS RESPONSIBILITY STATEMENT**

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

- In the participation of Annual Accounts the applicable Indian 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, 2020 and the profit loss account of the Company for that period.
- The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- The Directors had prepared the Annual accounts on a going concern basis and
- The Directors, in the case of listed company had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively
- The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.
- The Company's Internal Auditors have conducted periodic audit to provide reasonable assurance that the Company's established policies and procedures have been followed. The Audit Committee of the Board meets once in a quarter with Internal Auditors to review internal control and financial reporting issues.

### RISK MANAGEMENT COMMITTEE

Risk management committee consists of the following Directors:

1. Mr. S.D.M. Rao - Chairman
2. Mr. S Madhava Rao - Member
3. Mr. K Chaitanya Abhishek - Member

### RISK MANAGEMENT POLICY

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

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

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

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

### CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility committee consists of the following Directors:

1. Mr. S Kishore Chairman
2. Mr. Pinninti Raghu Prakash Swamy Member
3. Mr. K Chaitanya Abhishek Member

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

Report on corporate social responsibility as per Rule 8 of Companies (Corporate Social Responsibility) Rules, 2014 is prepared and the same is enclosed as annexure - 3.

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

The Independent Directors have submitted the declaration of independence as required pursuant Sec. 149(7) of the Companies Act, 2013 stating that they meet the criteria of independence as provided in Sec. 149(6).

### NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee consists of the following Directors namely Mr. K Chaitanya Abhishek, Ms. Nama Rishita, Mr. S. MadhavaRao.

#### Brief description of terms of reference:

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

#### Nomination and Remuneration policy

#### The objective of the Policy:

1. To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration.
2. To determine remuneration based on the Company's size and financial positions and trends and practices on remuneration prevailing in peer companies.
3. To carry our evaluation of the performance of Directors.
4. To provide them reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.

5. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

**POLICIES ON APPOINTMENT OF DIRECTORS AND REMUNERATION**

Your Company recognizes the importance and benefits of having the diverse Board to enhance quality of its performance and has adopted a Nomination and Remuneration Policy as formulated by the Board of Directors. The Company's Nomination and Remuneration Policy has laid down a framework for remuneration of Directors (Executive and Non-Executive), Key Managerial Personnel and Senior Management Personnel.

These Policies are available on the Company's website at the <https://www.samkrgpistonsandrings.com>

**PERFORMANCE EVALUATION OF DIRECTORS AT BOARD AND INDEPENDENT DIRECTORS' MEETINGS**

Pursuant to the provisions of the Act and Listing Regulations, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its various Committees for the financial year 2019-20. The evaluation was conducted on the basis of a structured questionnaire which comprises performance criteria such as performance of duties and obligations, independence of judgement, level of engagement and participation, attendance of directors, their contribution in enhancing the Board's overall effectiveness, etc. The Board has expressed their satisfaction with the evaluation process. The observations made during the evaluation process were noted and based on the outcome of the evaluation and feedback of the Directors, the Board and the management agreed on various action points to be implemented in subsequent meetings. The observations included those relating to further improvement in participation and deliberations at the meetings and conduct of the meetings, circulation of board presentations and its content.

The independent directors met on 23.09.2019 without the presence of other directors or members of Management. All the independent directors were present at the meeting. In the meeting, the independent

directors reviewed performance of non-independent directors, the Board as a whole and Chairman. They assessed the quality, quantity and timeliness of flow of information between the Company management and the Board.

**FAMILIARIZATION PROGRAMME**

Pursuant to Regulation 25(7) of the SEBI (LODR) Regulations, the Company has put in place a system to familiarize its Independent Directors about the Company, its financial products, the industry and business model of the Company. In addition, the Company also updates on continuous basis to the Independent Directors about the ongoing events and developments relating to the Company, significant changes in regulatory environment through the Board/ Committee meetings and separate familiarisation programme(s). Familiarization Programme details:

(i) No. of programmes attended by Independent Director (during the year and on a cumulative basis till date)	During the year	4
	Cumulative	16
(ii) No. of hours spent by Independent Directors in such programmes (during the year and on a cumulative basis till date)	During the year	2.30
	Cumulative	10.30

Pursuant to Regulation 46 of SEBI (LODR) Regulations the details of Familiarization Programme is uploaded on the Company's website.

**POLICY FOR PROHIBITION OF INSIDER TRADING**

Vide notification No.EBI/LAD-NRO/GN/2018/59 Securities and Exchange Board of India (SEBI) has notified SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 with effect from April 01, 2019. The Company has accordingly formulated and adopted Code for Fair Disclosure of Unpublished Price Sensitive Information. The said code is also available on the website of company.

**PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS UNDER SECTION 186:**

The company has neither issued any Loans, Guarantees nor made any investments during the Financial year 2019-20.



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

The particulars of contracts or arrangements with related parties referred to Section 188(1) are prepared in form No.AOC-2 pursuant to Section 134(3)(h) of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014. The details of the transactions with related parties are given in the financial statements.

### **TRANSFER OF AMOUNTS TO RESERVES**

The Company proposes to transfer an amount of ₹ 1185.69 lakhs to the general reserve for the financial year ended 31st March, 2020.

### **LISTING OF EQUITY SHARES**

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

### **MEETINGS OF THE BOARD OF DIRECTORS**

The details of the Board of Directors Meeting held were given in the Report on Corporate Governance under Item No. 2(b).

### **EXTRACT OF ANNUAL RETURN**

The Extract of Annual Return is prepared in Form MGT-9 as per the provisions of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2014 and the same is enclosed as Annexure-1 to this report.

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

Information with respect to the conservation of energy, technology absorption, foreign exchange earnings and outgo pursuant to provisions of Sec. 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 is prepared and annexed as Annexure -2 to this report.

### **BOARD OF DIRECTORS**

Shri S Madhava Rao, Director of the Company, who is liable to retire by rotation at this Annual General Meeting and being eligible, according to his performance and upon recommendation of nomination and remuneration committee, for re-appointment.

### **Key Managerial Persons**

Mr. Kota Ramesh has been appointed as Chief Financial Officer w.e.f. 16th May, 2019.

Mr. Dinker Mishra has been appointed as Company Secretary & Compliance Officer w.e.f. 20th April, 2019.

### **DEPOSITS**

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

### **AUDITORS**

#### **Statutory Auditors**

At the Annual General Meeting held on 25th September, 2017 M/s. Sridhara Chary V & Co., Chartered Accountants, were appointed as statutory Auditors of the Company to hold office till the conclusion of the Annual General Meeting to be held in the calendar year 2022.

#### **Auditors Report**

There are no qualifications, reservations or adverse remarks made by M/s Sridhara Chary V & Co., chartered Accountants, Hyderabad Chartered Accountants (ICAI Reg. No.011478S) Statutory Auditors in their report for the Financial Year ended March 31st 2020..

#### **Audit Committee**

Composition of Audit Committee included in Corporate Governance report.

#### **Corporate Governance**

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

#### **VIGIL MECHANISM**

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

A mechanism has been established for employees to report concerns about unethical behavior, actual or suspected

fraud or violation of Code of Conduct and Ethics. It also provides for adequate safeguards against the victimization of employees who avail of the mechanism and allows direct access to the chairperson of the audit committee in exceptional cases.

#### SECRETARIAL AUDITOR REPORT

As per the provisions of Section 204 of the Companies Act, 2013, the Board of Directors have appointed Mr. V B S S Prasad, Practicing Company Secretary (C.P.No: 4605) as Secretarial Auditor to conduct Secretarial Audit of the Company for the Financial year ended 31st March, 2020.

Secretarial Audit Report issued by Mr. V B S S Prasad, Practicing Company Secretary in form MR-3 is enclosed as Annexure - 4 to this Annual Report.

There are no qualifications in Secretarial Audit Report.

#### PARTICULARS OF APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL:

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

#### INSURANCE

All properties and insurable interests of the Company including building, plant & machinery and stocks have been fully insured.

#### CHANGE IN NATURE OF BUSINESS

There is no change in the Company's nature of business during the financial year ended March 31st, 2020.

#### INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The company has well defined internal control systems and procedures for ensuring optimum utilization of various resources, Investment decisions involving Capital Expenditure or taken up only after due appraisal and review. Internal audit function covers and carried out

periodically and reviewed by the Audit Committee to ensure that all policies and procedures are adhered to, and all statutory obligations complied with.

#### SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS

No such orders have been received.

#### MATERIAL CHANGES AND COMMITMENTS

There are no Material changes and commitments in the business operations of the Company from the financial year ended 31st March, 2020 to the date of signing of the Director's Report.

#### POLICY ON SEXUAL HARASSMENT

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

During the Financial year ended 31st march, 2020, the company has not received any Complaints pertaining to Sexual Harassment.

#### ACKNOWLEDGEMENTS

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

On behalf of the Board of Directors

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

Place: Hyderabad  
Date: 24th June, 2020

## Annexure - 1 FORM NO. MGT 9

### EXTRACT OF ANNUAL RETURN

as on financial year ended on 31.03.2020

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

#### I REGISTRATION & OTHER DETAILS:

i	CIN	L27310TG1985PLC005423
ii	Registration Date	30-03-1985
iii	Name of the Company	SAMKRG PISTONS AND RINGS LIMITED
iv	Category/Sub-category of the Company	Manufacturing
v	Address of the Registered office & contact details	1-201, Divyashakti Complex, 7-1-58, Ameerpet, Hyderabad - 500016
vi	Whether listed company	Yes
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	M/s. XI Softech Systems Ltd., 3, Satar Society, Road No.2, Banjara Hills, Hyderabad - 500034, Ph: 040-23545915

#### II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

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

#### III PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES:

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

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

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

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(2) Non Institutions</b>									
<b>a) Bodies corporate</b>									
i) Indian	114358	2350	116708	1.19	75320	2350	77670	0.79	-39038
i') Overseas									-0.40
<b>b) Individuals</b>									
i) Individual shareholders holding nominal share capital upto 2 lakhs	2378075	256794	2634869	26.83	2416417	250594	2667011	27.16	2634
ii) Individuals shareholders holding nominal share capital in excess of 2 lakhs	349805	55994	405799	4.13	357769	52119	409888	4.17	4089
<b>c) Others (specify)</b>									
NRI'S	81725	2450	84175	0.86	88740	2450	91190	.93	7015
BODIES (CLEARING MEMB)	7810	0	7810	0.08	3602	0	3602	0.04	-4208
<b>SUB TOTAL (B)(2):</b>	<b>2931773</b>	<b>317588</b>	<b>3249361</b>	<b>33.09</b>	<b>2941848</b>	<b>307513</b>	<b>3249361</b>	<b>33.09</b>	<b>0</b>
Total Public Shareholding (B)= (B) (1)+(B)(2)	2931773	320888	3252661	33.12	2941848	310813	3252661	33.12	0
<b>Shares held by Custodian for GDRs &amp; ADRs</b>									
<b>Grand Total (A+B+C)</b>	<b>9499612</b>	<b>320888</b>	<b>9820500</b>	<b>100</b>	<b>9509687</b>	<b>310813</b>	<b>98205000</b>	<b>100</b>	<b>0</b>

Share Holding of Promoters

Sl. No.	Shareholders name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in share holding during the year	
		No of shares	% of total shares of the Company	% of shares pledged encumbered to total shares	No of shares	% of total shares of the company	% of shares pledged encumbered to total shares		
1	Saripally Saraswathi	2630211	26.78	Nil	2630211	26.78	Nil	0	0.00
2	Saripally Dali MrutyanjayaRao	1673320	17.04	Nil	1673320	17.04	Nil	0	0.00
3	Saripally Kishore	647155	6.59	Nil	647155	6.59	Nil	0	0.00
4	Saripally Karunakar	586971	5.98	Nil	586971	5.98	Nil	0	0.00
5	Nama Ratna kumari	417668	4.25	Nil	417668	4.25	Nil	0	0.00
6	S Sharmila	182350	1.86	Nil	182350	1.86	Nil	0	0.00
7	S Padma	218800	2.23	Nil	218800	2.23	Nil	0	0.00
8	Tanneru Arunakumari	111364	1.13	Nil	111364	1.13	Nil	0	0.00
9	Rishita Nama	50000	0.51	Nil	50000	0.51	Nil	0	0.00
10	Sri Anusha Nama	50000	0.51	Nil	50000	0.51	Nil	0	0.00
	<b>TOTAL</b>	<b>6567839</b>	<b>66.88</b>		<b>6567839</b>	<b>66.88</b>			<b>0.00</b>

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

Sl. No.		Share holding at the beginning of the year		Cumulative share holding during the year	
		No. of shares	% of total shares of the company	No of shares	% of total shares of the company
	At the beginning of the year	No changes in promoters shareholding during the year			
	Date wise increase/decrease in promoters share holding during the year specifying the reasons for increase/decrease(e.g. Allotment/transfer/bonus/sweat equity etc)				
	At the end of the year	No changes in promoters shareholding during the year			

(iv) Shareholding pattern of top ten shareholders (other than directors, promoters & holders of gdrs & adrs)

Sl. No.	For each of the top 10 shareholders	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No of shares	% of total shares of the company
1	Sunil A Hinduja	60000	0.61	60000	0.61
2	Vibha S Hinduja	55000	0.56	55000	0.56
3	Nidhi Jawahar	47260	0.48	47260	0.48
4	Sunita Santosh Goenka	46895	0.48	46895	0.48
5	Tapasya Obhrai Nair	0	0.00	32535	0.33
6	Anishya Obhrai Madan	0	0.00	32534	0.33
7	Pradeep R Datar	29294	0.30	31695	0.32
8	S Monish	30901	0.31	30901	0.31
9	Neeta Paras Vasa	23785	0.24	23785	0.24
10	S Lakshmi Charishma	25093	0.26	22518	0.23



**(v) Shareholding of Directors & KMP**

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

**(V) INDEBTEDNESS**

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

Sl. No.		Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>					
i)	Principal Amount				
ii)	Interest due but not paid				
iii)	Interest accrued but not due				
	<b>Total (i+ii+iii)</b>				
<b>Change in Indebtedness during the financial year</b>					
	Additions				
	Reduction				
	Net Change				
<b>Indebtedness at the end of the financial year</b>					
i)	Principal Amount				
ii)	Interest due but not paid				
iii)	Interest accrued but not due				
	<b>Total (i+ii+iii)</b>				

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Name of the MD/WTD/Manager			Total Amount
1	<b>Gross salary</b>	S.D.M RAO, CMD	S. KARUNAKAR, WTD	S KISHORE, WTD	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	2900000	4350000	4350000	11600000
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961				
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961				
2	<b>Stock option</b>				
	Sweat Equity Commission as % of profit others (specify) 5 Others, please specify	4600000	9200000	9200000	23000000
	<b>Total (A)</b>	<b>7500000</b>	<b>13550000</b>	<b>13550000</b>	<b>34600000</b>
	<b>Ceiling as per the Act</b>				

B. Remuneration to other directors:

Sl. No	Particulars of Remuneration	Name of the Directors					Total Amount
1	<b>Independent Directors</b>	Mr. M N Thakkar	Mr. S Madhava Rao	Mr. Pinninti Raghu Prakash Swamy	Mr. K Chaitanya Abhishek	Ms. Nama Rishita	
	(a) Fee for attending board committee meetings	22500	50000	50000	50000	50000	222500
	(b) Commission						
	(c) Others, please specify						
	<b>Total (1)</b>	<b>22500</b>	<b>50000</b>	<b>50000</b>	<b>50000</b>	<b>50000</b>	<b>222500</b>
2	<b>Other Non Executive Directors</b>						
	(a) Fee for attending board committee meetings						
	(b) Commission	-	-	-	-	-	-
	(c) Others, please specify.						
	<b>Total (2)</b>						
	<b>Total (B)=(1+2)</b>	<b>22500</b>	<b>50000</b>	<b>50000</b>	<b>50000</b>	<b>50000</b>	<b>222500</b>
	<b>Total Managerial Remuneration</b>						
	<b>Overall Ceiling as per the Act.</b>						

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

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

## VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/Compounding Fees Imposed	Authority (RD/NCLT/Court)	Appeal made if any (give details)
<b>A. Company</b>					
Penalty					
Punishment			None		
Compounding					
<b>B. Directors</b>					
Penalty					
Punishment			None		
Compounding					
<b>C. Other Officers in Default</b>					
Penalty					
Punishment			None		
Compounding					

## ANNEXURE - 2

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

### A. CONSERVATION OF ENERGY:

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

Energy conservation measures taken:

- a. All foundry furnaces Retrofitted to reduce power losses.
- 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 Crucibles & introduced insulation with high “K” factor.
- e. Reduced lighting load.
- f. Introduced variable frequency drives
- g. Installation of Nitrogen Plant in all the 3 Plants to conserve Nitrogen Gas
- h. Installation of LED Lighting system

### B. TECHNOLOGY ABSORPTION:

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

##### Advantages derived as a result of R&D **Piston Rings:**

To comply with BS VI norms we developed PVD coated piston rings for 4S 2Wheeler and also for Diesel, Petrol and CNG fuel engines for 2 Wheelers, Cars and Truck applications.

Developed and introduced 2nd ring for 4S vehicles with ceramic coating and MFI coating. Developed and productionized PVD coated 3 piece oil rings for 2Wh to meet with BS VI norms.

Developed and introduced oil ring for steel i-section slotted ring with Nitrated coating for 4Wheeler and Commercial Vehicles.

##### **Piston:**

To comply with BS VI norms we developed asymmetric profile on piston ring lands and skirt areas to reduce oil consumption and white smoke.

Developed and productionized hard anodized coating for piston ring grooves and crown to meet with high engine temperatures and reduce wear.

Developed and productionized special aluminum alloy to meet with high temperatures of engine. Developed thin wall thickness casting to improve weight to strength ratio.

**Future Plan of Action**

Planning to develop and productionize taper and oval bore piston for Diesel Engines.

To improve quality and meet with closed tolerances. Developed sophisticated special performance CNC machines 6 Station and 4 Station.

Planning to introduce much more sophisticated surface coating technologies.

Introduced World Class practices for continuous skill development of all employees and cost reduction.

**EXPENDITURE ON R & D:**

(₹ In lakhs)

	<b>2019-20</b>	<b>2018-19</b>
a) Capital	34.68	36.79
b) Recurring	23.12	24.53
a) Total	57.81	61.32
c) Total R & D Expenditure as A percentage of N.Sales	0.25%	<b>0.25%</b>

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

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

b. Total foreign Exchange used and earned:

Total foreign Exchange used	:	₹ 1264.32 lakhs
Total foreign Exchange earned	:	₹ 4743.19 lakhs

for and on behalf of the Board

Place : Hyderabad  
 Date :24thJune, 2020

Sd/-  
 S. D. M. RAO  
 Chairman & Managing Director

### ANNEXURE - 3

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

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

#### 2. Composition of CSR Committee:

1	Mr. S Kishore	Chairman
2	Mr. K Chaitanya Abhishek	Member
3	Mr. Pinninti Raghu Prakash Swamy	Member

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

Net Profit	For the Financial Year ended 31 <sup>st</sup> March (₹ In Lakhs)		
	2018-19	2017-18	2016-17
	2103.59	2015.46	1945.66
Average Net Profit for the preceding Three Financial Years	₹ 2021.57 Lakhs		

Prescribed CSR Expenditure (2% of Average Net Profit) 40.43 Lakhs

Details of CSR spend for the financial year 2019-20

- a. Total Amount Spent for the financial year 41.00 Lakhs.
- b. Amount unspent, if any

Details of CSR spent for the financial year 2018-19 Nil

- a. Total Amount Spent for the financial year 42.50Lakhs
- b. Amount unspent, if any Nil



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

(1) Sl. No.	(2) CSR project or Activity Identified	(3) Sector in which the project is covered	(4) Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs was Undertaken	(5) Amount Outlay (budget project or programs Wise	(6) Amount spent on the projects or programs Sub heads: 1) Direct expenditure on Projects or programs 2) Overheads.	(7) Cumulative expenditure upto the reporting period.	(8) Amount spent: Direct or through imple-menting agency.
1	Developing Skill Development Center, Educational Support and infrastructure support, Construction of Toilets and providing clean drinking project.	Rural Development Project	Andhra Pradesh, Vijayanagaram Dist.	41.00 Lakhs	41.00 Lakhs	195.25 Lakhs	Spent Directly
<b>TOTAL</b>				<b>41.00 Lakhs</b>	<b>41.00 Lakhs</b>	<b>195.25 Lakhs</b>	

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

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

**SECRETARIAL AUDIT REPORT**  
FOR THE FINANCIAL YEAR ENDED 31.03.2020

UDIN number F004139B000365786

FORM NO. MR.3

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

To  
The Members,  
M/s. **SAMKRG PISTONS AND RINGS LIMITED**  
1-201, DIVYASHAKTI COMPLEX7-1-58,  
AMEERPET, HYDERABAD - 500016, Telangana.

1. We have conducted Secretarial Audit pursuant to Section 204 of the Companies Act 2013, on the compliance of applicable Statutory Provisions and the adherence to good corporate practices by **M/s. SAMKRG PISTONS AND RINGS LIMITED** (hereinafter called as "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.
2. The company is engaged in the business of Manufacturing and supply of Automobile Pistons and Rings.
3. Based on our verification of the books, papers, minutes books, forms, returns filed and other records maintained by the Company and also the information and according to the examinations carried out by us and explanations furnished and representations made to us by the company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has during the Audit Period covering the Financial Year ended 31st March, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.
4. WE have examined the books, papers, minute books, forms and returns filed and other records maintained by **M/s. SAMKRG PISTONS AND RINGS LIMITED** (hereinafter called as "the Company") for the financial year from 1st April 2019 and ended with 31st March, 2020 ("Audit Period") according to the provisions of :
  - i) The Companies Act, 1956 (to the extent applicable) and the Companies Act, 2013 (the Act) and the Rules made there under;
  - ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
  - iii) The Depositories Act, 1996 and the Regulations and bye-laws framed there under;
  - iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and external Commercial Borrowings;
  - v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
    - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;  
*As per the Management representation letter given by the concerned authority of the Company it is confirmed that the Directors, Promoters, Employees, Auditors and the Company Secretary of the Company were not directly or indirectly involved in the trading of Shares of the company during the period under which the trading window was closed.*
    - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.

- d) The Securities and Exchange Board of India (Employee Stock Option Scheme) Guidelines 1999.
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008.
  - f) The Securities and Exchange Board of India (Registrars to an issue and share transfer agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - h) The Securities and Exchange Board of India (buyback of Securities) Regulations, 1998;
  - i) The following other laws as specifically applicable in the view of the Management.
    - (i) Income Tax act, 1961
    - (ii) Central Sales Tax Act, 1956
    - (iii) Telangana & Andhra Pradesh Value Added Tax
    - (iv) The payment of bonus Act, 1965
    - (v) Telangana & Andhra Pradesh Tax on Professions, Trades, Callings and Employments Act, 1987
    - (vi) Customs Act, 1962
    - (vii) Finance Act, 1994 (Service Tax)
    - (viii) Factories Act, 1948
    - (ix) Industrial Disputes Act, 1947
    - (x) Minimum Wages Act, 1948
    - (xi) The Payment of Gratuity Act, 1972
    - (xii) The Payment of Wages Act, 1936
    - (xiii) The Maternity Benefit Act, 1961
    - (xiv) Telangana Shops & Establishment Act, 2014 & A.P Shops & Establishment Act, 1988
    - (xv) The National and Festival Holidays Act, 1963
    - (xvi) The Employees Provident fund and Miscellaneous provisions act, 1952
    - (xvii) The Employment Exchanges (Compulsory Notification of Vacancies) Act, 1956
5. We have also examined compliance of:
- a. The applicable regulations of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.
  - b. the applicable Secretarial Standards.
6. We further report that, during the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. Mentioned above. However, please note for the Audit period:
- (i) SEBI (ICDR) Regulations, 2009 are not applicable, as there being no further issues of any securities.
  - (ii) SEBI (ESOS & ESOP) Guidelines, 1999 are not applicable, as there being no schemes of the Company under the said Guidelines.
  - (iii) SEBI (Issue and Listing of Debt Securities) Regulations, 2008 are not applicable as there being no debt securities, which are listed on any of the recognized stock exchange.
  - (iv) SEBI (Delisting of Equity Shares) Regulations, 2009 are not applicable, as there being no instances of delisting of equity Shares.
  - (v) SEBI (Buyback of Securities) Regulations, 1998 are not applicable, as there being no instances of buy-back of shares
  - (vi) The compliance of other specific applicable laws as listed in 4 (V) (i) above, were relied on the basis of representations and compliance certificates issued by the Managing director compliance officers and other officials of respective / concerned Departments of the company.

7. We further report that:
  - a. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the compositions of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the act.
  - b. Adequate Notice is given to all the Directors to Schedule the Board Meetings, agenda and detailed notes on agenda were sent at least 7 days in advance.
  - c. There exists a system for seeking and obtaining further information and clarifications on the agenda items before the meeting and meaningful participation at the meeting.
  - d. Majority decision is carried through and there were not instances of dissenting members in the Board of Directors.
  - e. It is also noted that the Company has an Internal Audit System to constantly monitor the process for efficient compliances.
  - f. Required forms were filed with MCA, additional fee paid wherever required.
8. We further report that there exist adequate systems and processes in the Company that commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
9. We further report that during the audit period, there were no specific events / actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc., referred to the above.

PLACE : HYDERABAD

DATE : 22/06/2020

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### **Annexure to the Secretarial Audit Report**

To  
The Members,  
**M/s. SAMKRG PISTONS AND RINGS LIMITED**  
Hyderabad

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

1. It is the responsibility of the management of the Company to maintain Secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.
2. Our responsibility is to express an opinion on these Secretarial records, Standards and procedures followed by the Company with respect to secretarial compliance.
3. We believe that audit evidence and information obtained from the company's Management is adequate and appropriate for us to provide a basis for our opinion.
4. Wherever required, we have obtained the management's representations about the compliance of laws, rules and regulations and happening of events etc.
5. The secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company

PLACE : HYDERABAD

DATE : 22/06/2020

## ANNEXURE - 5

Statement showing particulars of Employees pursuant to Rule 5 of Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014 for the year ended 31st March, 2020.

Name of the Employee	Age	Designation	Qualification & Experience	Date of commencement of employment	Remuneration & Commission	Particulars of last employment
Shri S.D.M. Rao	86Years	Chairman & Managing Director	B.Sc, B.E Industrial Experience over 50 years	01.07.1987	75,00,000/-	A.P.S Limited
Shri S. Karunakar	57Years	Whole Time Director	B.E (Mechanical)	30.09.1998	1,35,50,000/-	N.A
Shri S. Kishore	55Years	Whole Time Director	B.E (Mechanical)	30.09.1998	1,35,50,000/-	N.A

### Management Discussion and Analysis Report

Our Company growth is linked with the automobile industry growth and on overall growth of rural economy. Indian Industry was growing as potential Global automotive supplier with very good export potential to the developing Countries till the 1st half of 2019-2020 since then slow down in the Industry is started.

Later the government extended great support for hybrid electric vehicle from September, 2018 to March, 2019 and at the same time government announced to ban IC engine 3 wheeler vehicles by the year 2023 and below 150CC scooter and motor cycles by 2025 because of this slow down effect in the Automobile Parts Industry has creped in.

#### OPPORTUNITIES AND THREATS

With the introduction of Electric Vehicles opportunities have increased and with the ban of I.C engines the threat is also equally affected your company. To meet with this situation our company has to become very cost effective by introducing sophisticated technology at high expense.

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

The Company has got a diverse product portfolio across all market segments i.e OEM's, after Market and Export Market and all vehicle segments and a very strong distribution network at aftermarket sales.

#### Outlook:

During the year 2020-2021, lockdown was introduced to counter COVID 2019 effect. The lockdown was introduced on 22nd March, 2020 and it is still continuing. That means, during the 1st quarter the business is more or less ZERO level. As per the reports, the effect is likely to continue till September and start recovering and in the rest of the year and reach pre COVID levels during the year 2021-2022. Under these circumstances, the Company is putting all efforts to drive for sustainable growth. In view of strong support of OEM's and because of establishing good distribution network, Company is poised for comeback and work for study growth.

Several cost effective and time- bound steps have been taken with technical support from Japan to meet the changing expectations of customers, challenges of price competition and also zero defect quality and delivery. Your company has now fully developed and revalidated the products complying BS-VI norms of all major OEM suppliers and received orders for supply from October/November 2019.

This established and poised for moderate demand growth with all OEM's during the year 2020-2021 and there on.

**INTERNAL CONTROL SYSTEM:**

Your company maintains an adequate and effective internal control system to commensurate with its size and complexity. An independent internal audit function is an important element of your company's internal control system. The internal control system is supplemented through an extensive internal audit program and periodic review by management and audit committee.

**INDUSTRIAL RELATIONS:**

Industrial relations during the year in all the plants are very cordial and co-operative. The Company encourages good talent and introduced skill development program in the rapidly challenging business and competitive environment. Adequate safety measures, training and development of the employees continue to receive top priority.

**FINANCIAL PERFORMANCE:**

The Company earned total gross revenue of ₹ 29013.61 lakhs compared with ₹ 35616.53 lakhs in the previous year.

Profit Before Depreciation, interest and tax (PBDIT) at ₹ 3974.63 lakhs. The Profit Before Tax was at ₹ 2595.17 lakhs.

**HUMAN RESOURCES**

The Company maintains cordial industrial relations environment and the Company continues to establish its training facilities at all levels of employees.

**CAUTIONARY STATEMENT**

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

**10 YEARS RECORD**

A chart showing 10 Years performance is appended forming part of this report is attached at Performance Highlights.

**EXPORTS**

The Company is focusing exports to developed Countries like Europe, U.K, France, Germany, Spain Brazil and Russia. The Company has plans to reach 20% of the Turnover during the next 2 years.

**POLLUTION CONTROL SAFETY & ENVIRONMENTAL PROTECTION:**

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

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

**DISCLOSURE OF PARTICULARS**

The information required under section 134(3)(m) of the Companies Act, 2013 is given in Annexure-2.

## REPORT ON CORPORATE GOVERNANCE

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

### 1. Company's philosophy on Code of Corporate Governance

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

### 2. BOARD OF DIRECTORS:

- a) The present strength of Board of Directors is consists of Eight, three are Executive Directors, One Non Executive and the other Four are Non Executive Independent 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 Samkrp Pistons and Rings Limited are committed to:

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

### b) DETAILS OF BOARD MEETINGS

During the Financial Year 2019-2020 the Board of Directors met 6 (Six) times on are 20.04.2019, 29.05.2019, 07.08.2019, 07.11.2019, 05.02.2020 and 14.02.2020.

The following table gives the composition of Directors and their attendance at the Board meetings held on the dates above mentioned, and the Thirty Third Annual General Meeting held on 24thSeptember, 2019.

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	6	YES	Nil
Mr. M.N. Thakkar	NED	3	NO	2
Mr. S Madhava Rao	NED	6	YES	NIL
Mr. S Karunakar	ED	6	YES	Nil
Mr. S Kishore	ED	6	YES	Nil
Mr. K Chaitanya Abhishek	NED	6	YES	Nil
Ms. Nama Rishita	NED	6	YES	NIL
Mr. Pinninti Raghu Prakash Swamy	NED	6	YES	NIL

ED - Executive Director, NED - Non Executive Director

Pursuant to Regulation 34(3) read with Schedule V Part (C) (2)(h) of Listing Regulations the Board of Directors has identified the following the requisite skills/expertise and competencies for the effective functioning of the Company which are currently available with the Board.

S. No.	Name of the Director	Designation	Core skills/expertise/competencies
1.	Shri S D M Rao	Chairman & Managing Director	Shri S D M Rao is qualified B.Sc, B.E and having 50 years of industrial experience.
2.	Shri S. Karunakar	Whole Time Director	Shri S. Karunakar is qualified B.E (Mechanical) and having varied industrial experience.
3.	Shri S. Kishore	Whole Time Director	Shri S. Kishore is qualified B.E (Mechanical) and having varied industrial experience.
4.	Shri M N Thakkar	Independent Director	Shri M N Thakkar is qualified B.Com, FCA and having varied experience in handling accounting, auditing and management consultancy since 1967.
5.	Shri K Chaitanya Abhishekh	Independent Director	Shri K Chaitanya Abhishekh is qualified B.Tech (Mechanical) and having more than 12 years of experience in marketing and supply chain management.
6.	Shri S Madhava Rao	Non Executive Director	Shri S Madhava Rao has great industrial experience of more than 30 years.
7.	Shri Pinninti Raghu Prakash Swamy	Independent Director	Shri Pinninti Raghu Prakash Swamy is qualified M.Sc (Agricultural Economics) and having 35 years of experience as DRO in Bank of India and retired from the post of Chief Manager.
8.	Ms. N Rishita	Independent Director	Ms. N Rishita is qualified B.Tech, M S (Bradford England) and having 8 years of experience in the field of HR

The brief profiles of Directors are also available on the website of the Company, pursuant to Clause C(2)(i) of Schedule V read with Regulation 34(3) of Listing Regulations, in the opinion of the Board all the independent directors fulfils the conditions as specified in the Listing Regulations and are independent of the management.

**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, Director, retire by rotation at the forthcoming Annual General Meeting, as per recommendation of nomination and remuneration committee, seek re-appointment.



### Code of Conduct

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

### 3. BOARD COMMITTEES:

The Company currently has the following committees of the Board:

- a. Audit Committee
- b. Nomination & remuneration committee
- c. Stakeholders relationship committee

#### a. Audit Committee:

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

The Audit Committee during the year ended 31st March, 2020 comprised of Three members out of whom there are Two Non-Executive Independent Director and One Whole time Director Viz., Shri K Chaitanya Abhishek (Chairman and Non-Executive Director of the Committee), Ms. Nama Rishita (Non-Executive Independent Director) and Mr. S. Kishore (Whole time Director) who are financially literates and chairman is an expert in financial management.

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

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

Name	No. of Meetings Held	No of Board meetings attended	No of Board meetings attended through Conference call
Mr. K Chaitanya Abhishek (Chairman) (Appointed on 29.10.2018)	4	4	Nil
Ms. N Rishita	4	4	Nil
Mr. S. Kishore	4	4	Nil

- b. The audit committee met on four occasion. i.e. 29th May 2019, 07th August, 2019, 07th November, 2019 and 05th February, 2020.

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.

**Nomination & remuneration committee**

**Executive Directors**

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

**Non-Executive Directors**

Non Executive Directors are paid sitting fee only.

The Remuneration committee presently comprises of Three non-executive directors i.e. Shri. K Chaitanya Abhishek, Ms. Nama Rishita, Shri Pinninti Raghu Prakash Swamy and Shri S Madhava Rao).

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

**REMUNERATION OF DIRECTORS:**

The details of remuneration paid/payable to all the directors for the year 2019-20 are:

i. Non executive directors (sitting fee only)

Mr. M.N. Thakkar	22500/-
Mr. S. Madhava Rao	50000/-
Mr. Pinninti Raghu Prakash Swamy	50000/-
Mr. K Chaitanya Abhishek	50000/-
Ms. N Rishita	50000/-

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

	Managing Director	% To Net Profit	Whole Time Director	% To Net Profit	Whole Time Director	% To Net Profit
Fixed						
Salary	29,00,000/-		43,50,000/-		43,50,000/-	
Variable						
Commission	46,00,000		92,00,000/-		92,00,000/-	
<b>Total</b>	<b>75,00,000/-</b>	<b>2.88%</b>	<b>1,35,50,000/-</b>	<b>5.22%</b>	<b>1,35,50,000/-</b>	<b>5.22%</b>

c. **Stakeholders relationship/ Grievance committee**

The Shareholders Relationship/Grievance Committee comprises three Directors names as follows :

Shri. S MadhavaRao	Chairman	Non Executive
Shri. S Karunakar	Member	Executive
Ms. NamaRishita	Member	Non Executive

The Committee met twice during the year :28.05.2019&23.09.2019. All the members have attended all the meetings. Company Secretary is 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. Almost all the rest of the grievances was attended within the maximum period of 30 days. The transfers were completed within the maximum period of 30 days.

#### 4. ANNUAL GENERAL MEETINGS:

Year	Location of holding AGM	Date and Time of AGM
2018-2019	Hotel Grandeur, opp: J C Brother, Beside New Science College, Main road, Ameerpet, Hyderabad - 500073	24 <sup>th</sup> September, 2019 at 11.00 A.M
2017-2018	Hotel Grandeur, opp: J C Brother, Beside New Science College, Main road, Ameerpet, Hyderabad - 500073	19 <sup>th</sup> September, 2018 at 10.30 A.M
2016-2017	Hotel Grandeur, opp: J C Brother, Beside New Science College, Main road, Ameerpet, Hyderabad - 500073	25 <sup>th</sup> September, 2017 at 10.30 A.M

Special Resolutions passed during the previous three Annual General Meetings:

- > 33rd Annual General Meeting  
There were Four Special Resolutions
- > 32nd Annual General Meeting  
There were Two Special Resolutions
- > 31st Annual General Meeting  
There were no Special Resolutions

#### 5. DISCLOSURES

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

#### 6. MEANS OF COMMUNICATION

Quarterly Financial Results of the Company are submitted to the BSE Limited and published in Financial Express/Business Standard (English) and Andhra Prabha (Telugu). Annual results / Shareholding pattern etc., and it is also available on website of the company.

#### 7. Postal Ballot

The company did not pass any resolution by postal ballot during the Financial Year 2019-20.

#### 8. GENERAL SHAREHOLDER INFORMATION:

Date, Time and Venue of the 34th Annual General Meeting	23rd September, 2020 Through VC/OAVM
Financial Calendar	April to March
First quarter results	On or before 1st week of August 2019
Second quarter results	On or before 1st week of November 2019
Third quarter results	On or before 1st week of February 2020
Results for the year ending Mar, 2020	On or before ending of June 2020
Date of Book Closure	17th September 2020 to 23rd September 2020 (Both days inclusive)
Listing on Stock Exchanges	BSE Limited
Stock Code	520075 (BSE)
Demat ISIN No for CDSL and NSDL	INE706B01012
Dematerialization of shares	96.84% of the paid up capital has been Dematerialized as on 31.03.2020

**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 2019 - 2020**

Month	High Rate	Low Rate
April, 2019	175.00	156.00
May, 2019	174.00	139.00
June, 2019	159.85	125.50
July, 2019	133.85	97.00
August, 2019	109.90	90.00
September, 2019	126.70	102.55
October, 2019	129.95	103.10
November, 2019	129.95	108.35
December, 2019	131.85	103.00
January, 2020	145.95	120.70
February, 2020	137.95	110.00
March, 2020	118.95	70.25

Outstanding ADR/GDR	Not Issued																								
Registered Office	1-201, Divya Shakti Complex, 7-1-58, Ameerpet, Hyderabad - 500016 Ph.No.040-23730596, 23735578, Fax 040-23730216 E-mail: admin@samkrg.com																								
Plant Locations	PLANT-I (Pistons)& (Steel Ring), Sy.No.537, TempleRoad, Bonthapally NarsapurTaluk, Sangareddy District. PLANT-II (Rings) Sy.No.33, Varisam, Pydibhimavaram, RanastalamMandal, Srikakulam District. PLANT-III (Pistons) Sy.No.232, Arinama, Akkivalasa, Allinagaram, EtcherlaMandal, Srikakulam District.																								
Investors' correspondence & share Transfer Agent in Physical form & In Electronic Mode	M/s XL Softech Systems Ltd 3, Sagar Society, Road No.2, Banjara Hills, Hyderabad - 500034 Tel(040) 23553214																								
Trading in shares (Electronic Form)	Made Compulsory for all categories of Investors w.e.f on Stock Exchanges 26-12-2000 as per SEBI's mandate																								
Compliance Officer	Mr. Dinker Mishra																								
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	<table border="0"> <tr> <td>2009-10</td> <td>40%</td> <td>2010-11</td> <td>45%</td> <td>2011-12</td> <td>35%</td> </tr> <tr> <td>2012-13</td> <td>25%</td> <td>2013-14</td> <td>25%</td> <td>2014-15</td> <td>30%</td> </tr> <tr> <td>2015-16</td> <td>40%</td> <td>2016-17</td> <td>45%</td> <td>2017-18</td> <td>50%</td> </tr> <tr> <td>2018-19</td> <td>50%</td> <td></td> <td></td> <td></td> <td></td> </tr> </table>	2009-10	40%	2010-11	45%	2011-12	35%	2012-13	25%	2013-14	25%	2014-15	30%	2015-16	40%	2016-17	45%	2017-18	50%	2018-19	50%				
2009-10	40%	2010-11	45%	2011-12	35%																				
2012-13	25%	2013-14	25%	2014-15	30%																				
2015-16	40%	2016-17	45%	2017-18	50%																				
2018-19	50%																								
Closing price of Company's Shares on Stock Exchange, Mumbai on 31.03.2020	76.85																								
All Time high of Company's Share price on Bombay Stock Exchange Limited	379.00																								
Secretarial Audit	Secretarial Audit is being carried out every quarter by a practicing 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 31.03.2020

Description	No. of Shareholders	%	No. of Shares	%
Promoters	10	0.107	6567839	66.879
Individuals	9084	97.083	3076899	31.331
FII's, NRIs/OCB	171	1.828	91190	0.928
Financial Institutions and Banks	2	0.021	2100	0.021
Mutual Funds	2	0.021	1200	0.012
Bodies Corporate	76	0.812	77670	0.791
Clearing Members	12	0.128	3602	0.038
<b>TOTAL</b>	<b>9357</b>	<b>100.000</b>	<b>9820500</b>	<b>100.00</b>

## DISTRIBUTION OF SHAREHOLDING AS ON 31.03.2020

Range	No. of Shareholders	%	Share Amount	
			In ₹	%
Upto - 5,000	8305	88.76	11428020	11.64
5,001 - 10,000	577	6.17	4517010	4.60
10,001 - 20,000	264	2.82	3938060	4.01
20,001 - 30,000	89	0.95	2237010	2.28
30,001 - 40,000	30	0.32	1081380	1.10
40,001 - 50,000	22	0.24	1014200	1.03
50,001 - 1,00,000	35	0.37	2451160	2.50
1,00,001 & Above	35	0.37	71538160	72.85
<b>TOTAL</b>	<b>9357</b>	<b>100.00</b>	<b>98205000</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, 2019 as envisaged in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Place : Hyderabad  
Date : 24th June, 2020

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

## CERTIFICATE BY CEO/CFO

Pursuant to the provisions of SEBI (LODR) Regulations, 2015, it is hereby certified that for the financial year ended March 31, 2020:

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

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

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

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

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

We have indicated to the Auditors and the Audit Committee:

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

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

Place : Hyderabad  
Date : 24th June, 2020

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

## INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF  
SAMKRG PISTONS AND RINGS LIMITED

Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the accompanying stand alone financial statements of SAMKRG PISTONS AND RINGS LIMITED (“the company”), which comprise the balance sheet as at 31st march, 2020, the statement of profit and loss(including other comprehensive income)`, the Cash Flow statement for the year then ended, and the statement of Changes in Equity for the year ended and a summary of the significant accounting policies and other explanatory information, [in which are incorporated the Returns for the year ended on the date of the company's branch at VISAKAPATNAM]

In our opinion and to the best of our information and according to the explanations given to us, the standalone financial statements give the information required by the Companies Act,2013(“the Act”) in the manner so required and give a true and fair view in conformity with the (Indian Accounting Standards) Rules,2015,as amended,( “Ind AS”) and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March,2020, the profit and loss account ,changes inequity and its cash flows for the year ended on that date.

### Basis of Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and Rules made there under , and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI 's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of out audit opinion on the standalone financial statements.

### Key Audit Matters

Key Audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole , and in forming our opinion there on, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sl. No.	Key Audit Matter	Auditor's Response
1.	Liability towards disputed taxes	a) An amount of ₹ 48.85 lakhs due towards disputed entry Tax pertaining to the period 2011-12 to 2016-17 depends on the outcome of the appeal b) an amount of ₹22.47 due pertains to 2002-03 towards entry tax depends on the outcome of the appeal. c) an amount of ₹ 16.02 lakhs towards income tax for the year2015-16 before appeallateTribunal, Hyderabad depends on the outcome of the petition.

Information Other than the Standalone Financial Statements and Auditor's Report there on

The Company's Board of Directors is responsible for the preparation of the other information. The Information comprise the information included in the Management Discussion Analysis, Board's Report including Annexure to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's information, but does not include the Standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the standalone financial statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the Course of our audit or otherwise appears to be material misstated. If based on the work we have performed, we conclude that there is a material misstatement of other information; we are required to report that fact. We have nothing to report in this regard.

### **Management's Responsibility for the Standalone IND AS Financial Statements**

The company's Board of Directors is responsible for the matters stated in section 134(5) of the companies Act, 2013 ("the Act") with respect to the preparation of these IND AS Financial Statements that gives a true and fair view of the financial position, financial performance including other comprehensive income, and Cash Flows and changes in equity; of the company in accordance with the accounting principles generally accepted in India, including the Accounting standards specified under section 133 of the Act, read with Rule 7 of the companies (Accounting) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgment and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the IND AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these IND AS Financial Statement based on our audit.

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

We conducted our audit of IND AS Financial Statements in accordance with the standards on Auditing specified under section 143 (10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the IND AS financial statements are free from material mis-statement. An Audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in IND AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the company's preparation of the IND AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the company's Directors, as well as evaluating the overall presentation of the IND AS Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the IND AS Financial Statements.

### **Emphasis of Matters**

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

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



the Financial Year 2018-19 the company had appealed against dues of Entry Tax pertaining to the period From 2011-12 to 2016-17 of ₹ 48.85 disputed Entry Tax before Asst. Commissioner State Tax, Punjagutaa, Hyderabad. An amount of ₹17.09 Lakhs paid towards Appeal Tax under protest.

- b. Effect of COVID-19: On the basis of its assessment of the impact of the outbreak of Covid-19 on the business operations of the entity the management concluded that No adjustments are required in the financial statements as it does not impact the Current financial year except to the extent mentioned in notes to other information.

Our opinion is not modified in respect of these matters.

#### Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order,2016 issued by the Central Govt. in terms of Section 143(11) of the Act, we give in Annexure A a statement of the matters specified in paragraph 3 and 4 of the Order.

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

- a. We have sought and obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b. In our opinion, proper books of accounts as required by law have been kept by the company so far as it appears from our examination of those books [and proper returns adequate for the purposes of our audit have been received from the VISAKAPTNAM branch ]
- c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, and the Cash Flow statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account [and with the returns received from the VISAKAPTNAM branch]
- d. in our opinion, the aforesaid IND AS Financial Statements comply with accounting standards specified under section 133 of the Act, read with relevant Rules issued there under.
- e. on the basis of the written representation received from the directors as on 31st march 2020, taken on record by the board of directors, none of the directors is disqualified as on 31st march 2020, from being appointed as a directors in terms of section 164 (2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, to our separate report in "Annexure A".
- g. With respect to the matters to be included in the auditor's reporting in accordance with Rule 11 of the companies (Audit AND Auditors ) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :
  - i. The company has disclosed the impact of pending litigation on its financial position in its IND AS financial statement -Refer Note 2- contingent liabilities to the IND AS financial statement;
  - ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

Sd/-

For SRIDHARA CHARY V & CO.,  
Chartered Accountants  
(Firm Registration No. 011478S)

(V.SRIDHARA CHARY)  
M.NO 011478S  
Proprietor

Place : HYDERABAD

Date : 24/06/2020

**“ANNEXURE A” TO INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF SAMKRG PISTONS AND RINGS LIMITED ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31ST 2020.**

**(STATEMENT REFERRED TO IN PARAGRAPH 5 OF REPORT OF EVEN DATE)**

**IN RESPECT OF ITS FIXED ASSETS**

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

**IN RESPECT OF ITS INVENTORIES**

2. a) The management has conducted physical verification of the finished goods at reasonable intervals.
- b) The procedure of physical verification of stock followed by management are considered reasonable and adequate in relation to the size of the company and the nature of its business.
- c) on the physical verification of stock as compared to book records no material discrepancies were noticed. The company is maintaining proper records of inventory.
- d) on the basis of our examination of stock, we are satisfied that the valuation of stock is fair and in accordance with normally accepted accounting principles.
- d) The imported goods were valued the invoice value. The exchange rate variation if any at the end of the year were not considered sine the impact on the profit or loss is insignificant.

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

3. According to the information and explanations given to us, The company had not taken any loans from the directors and their relatives during the year .

**INTERNAL CONTROL SYSTEM**

4. In our and according to the information and explanation of given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regards to purchases of stores, spares parts including components, plants and machinery, equipment and other assets and for sale of the goods. The company had internal auditor and the report of the internal Auditor was placed before us. In the Internal audit report there are no adverse comments which warrants our reporting.
5. We have broadly reviewed the books of accounting to materials, labour and other item of cost maintained by the company pursuant to the rules made by the central Government for the maintenance of the cost records under section 148 (1) of the companies Act, 2013 and are of the opinion that, prime facie, the prescribed records and accounts have been maintained by the company .we have, however , not made a detailed examination of the records with a view to determine whether they are accurate and complete.
6. (a) The provident fund and employees state insurance dues have regularly deposited with the appropriate authorities.
- (b) According to the information and explanation given to us the company does nothave undisputed amount payable in respect of income Tax , wealth Tax, Excise Duty and customs Duty outstanding for a period

more than six month from then date they become payable. In respect of sales Tax (Entry Tax) there is disputed amount of 22.47 lacs not deposited with sales Tax department. The company had filed an appeal with ADC (CT) PUNJAGUTTA DIVISION HYDERABAD AGAINST CERTAIN points in the order of the of the assessment year 2002-03

S. NO	NAME OF THE STATUE	NATURE OF DUES	NATURE OF DUES	FORUM WHERE DISPUTE IS PENDING.
1	SALES TAX ACT 1956	ENTRY TAX	22.47	ADC(CT)
2	INCOME TAX ACT 1961	INCOME TAX	16.02	APPL. TRIBUNAL HYD
3	VAT ACT, 2005	ENTRY TAX 2011-12 TO 2016-17	48.85	ASST. COMMISSIONER STATE TAX, PUNJAGUTA HYDERABAD

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

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

Sd/-

**For SRIDHARA CHARY V&CO**  
Chartered Accountants  
(Firm registration No.011478S)

**(V.SRIDHARA CHARY)**

M.NO .218343  
Proprietor

Place : HYDERABAD  
Date : 24/06/2020

## ANNEXTURE-B TO THE AUDITOR'S REPORT

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

We have audited the internal financial controls over the financial reporting of SAMKRG PISTONS AND RINGS LIMITED AS OF 31st March 2020 in conjunction with our audit of the standalone IND AS Financial Statements of the company for the year ended on that date.

### MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

### AUDITOR'S RESPONSIBILITY

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

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

### MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING.

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

unauthorized acquisition , use , or disposition of the company's assets that could have a material effect on the financial statements.

**INHERENT LIMITATION OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING.**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also projection of any evaluations of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**OPINION**

In our opinion, the company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31,2020, bases on the internal control over financial reporting criteria established by the company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the institute of Chartered Accountants of India.

Sd/-

**For SRIDHARA CHARY V &CO.,**  
Chartered Accountants  
(Firm registration No.011478S)

Place :HYDERABAD  
Date :24/06/2020

**(V.SRIDHARA CHARY)**  
M.NO 218343  
Proprietor

## INDEPENDENT AUDITORS' CERTIFICATE

### To the Members of SAMKRG PISTONS AND RINGS LIMITED

1. We, SRIDHARA CHARY V & CO, CHARTERED ACCOUNTANTS, THE STATUTORY AUDITORS OF SAMKRG PISTONS AND RINGS LIMITED("THE COMPANY") have examined compliance of conditions of Corporate Governance by the company, for the year ended 31st March 2020, as stipulated in regulations 17 to 27 and clause (b)to (i) of regulation 46(2) and para C and D of schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements )Regulations, 2015 ("THE Listing Regulations").

#### Managements' Responsibility

2. The compliance of conditions of Corporate Governance is the responsibility of the management. This responsibility includes design, implementation and maintenance of Internal control and procedures to ensure the compliance with the conditions of the corporate Governance stipulated in listing Regulations.

#### Auditors Responsibility

3. Our Responsibility is limited to examining the procedures and implementation thereof, adopted by the company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.
4. We have examined the books of account and relevant records and documents maintained by the company for the purpose of providing reasonable assurance on the compliance with the Corporate Governance requirements of the company.
5. We have carried out an examination of relevant records of the company in accordance with the Guidance Note on certification of Corporate Governance issued by the Institute of Chartered Accountants of India ("the ICAI "), THE Standards On Auditing specified under sec 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or certificates for Special Purpose issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC)1, Quality Control for firms that performs Audits and Reviews of Historical Financial Information, and other Assurance and related Service Engagements.

#### Opinion

7. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clause (b) to (i) of regulations 46(2) and para C and D of Schedule V of the Listing Regulations DURING THE YEAR ENDED March 31,2020.
8. 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.

Sd/-

For M/s. SRIDHARA CHARYV& CO.

REG NO:011478S

Chartered Accountants

( V.SRIDHARA CHARY )

Proprietor

M.NO 218343

Place: Hyderabad

Date: 24/06/2020

## BALANCE SHEET AS AT 31ST MARCH 2020

₹ In Lakhs

PARTICULARS	NOTE NO.	2019-20	2018-19
		FIGURES AT THE END OF THE CURRENT REPORTING PERIOD	FIGURES AT THE END OF THE PREVIOUS REPORTING PERIOD
<b>II. ASSETS : NON CURRENT ASSETS</b>			
<b>(1) Fixed Assets</b>		<b>14402.16</b>	<b>14667.19</b>
(i) Tangible Assets	1	14076.52	14355.75
(ii) Intangible Assets			
(iii) Capital Work-in-progress			
(iv) Intangible assets under development			
(b) Non-Current investments			
(c) Deferred Tax assets (net)			
(d) Long-Term loans and advances	2	325.6461	330.59
(e) Other non-current assets			
<b>(2) Current Assets</b>		<b>6821.30</b>	<b>6410.72</b>
(a) Current Investments			
(b) Inventories	3	2730.19	1950.13
(c) Trade receivables	4	3839.35	4222.29
(d) Cash and Cash equivalents	5	35.643	70.36
(e) Short-term loans and advances	6	216.12	148.80
(f) Other Current Assets	7	0.00	0.00
<b>TOTAL ASSETS</b>		<b>21223.46</b>	<b>21077.92</b>
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Share Holders' Funds</b>		<b>14904.65</b>	<b>14128.74</b>
(a) Share Capital	8	982.05	982.05
(b) Reserves and Surplus	9	13922.60	13146.69
(c) Money Received Against Share Warrants			
<b>(2) Share Application Money pending allotment</b>			
<b>(3) Non-Current Liabilities</b>		<b>1251.94</b>	<b>1418.95</b>
(a) Financial Liabilities - borrowings	10	357.22	481.48
(b) Provisions	11	542.71	561.46
(c) Long term Borrowings	12	0.00	0.00
(d) Deferred Tax Liabilities		352.01	376.01
<b>(4) Current Liabilities</b>		<b>3328.0918</b>	<b>3450.88</b>
(a) Financial Liabilities			
(i) Borrowings	13	1472.26	1746.90
(ii) Trade payables		1816.14	1665.34
(iii) Other Financial Liabilities			
(b) Other current liabilities		39.6879	38.64
(c) Provisions	14	1738.79	2079.35
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>21223.46</b>	<b>21077.92</b>

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

SRIDHARA CHARY V&amp;CO.,

For and on behalf of the Board of Directors

Chartered Accountants,

Firm Registration No:011478S

sd/-  
V.SRIDHARA CHARY  
Proprietor  
Membership No.218343

sd/-  
S.D.M. RAO  
Chairman &  
Managing Director

sd/-  
K.CHAITANYA ABHISHEK  
Director

sd/-  
K.RAMESH  
(CFO)

sd/-  
DINKER MISHRA  
Company Secretary  
Membership No.ACS 48511

Place :Hyderabad  
Date :24TH JUNE 2020

**PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH 2020**

₹ In Lakhs

PARTICULARS		NOTE NO.	2019-20	2018-19
			FIGURES AT THE END OF THE CURRENT REPORTING PERIOD	FIGURES AT THE END OF THE PREVIOUS REPORTING PERIOD
I	Revenue from Operations	1	23123.18	28283.61
II	Other Income	2	126.26	198.73
III	<b>Total Revenue</b>		<b>23249.44</b>	<b>28482.33</b>
IV	<b>Expenses</b>			
	Cost of Material Consumed	3	12079.53	15724.80
	Change in Inventories of Finished Goods, Work in Progress and Stock in Trade	4	-780.18	-67.27
	Employees Benefits Expenses	5	5392.55	5289.86
	Finance Cost	6	103.17	143.75
	Depreciation and Amortization Expenses	7	1276.29	1205.97
	Other Expenses	8	2582.90	3010.02
	<b>Total Expenses</b>		<b>20654.27</b>	<b>25307.13</b>
V	<b>Profit Before Exceptional items (III-IV)</b>		<b>2595.17</b>	3175.20
VI	Exceptional Items		0.00	0.00
VII	<b>Profit before Extraordinary items and Tax (V-VI)</b>		<b>2595.17</b>	3175.20
VIII	Extraordinary items			
IX	<b>Profit before Tax (VII-VIII)</b>		<b>2595.17</b>	3175.20
X	<b>Tax Expenses</b>			
	(1) Current Tax		659.36	1026.61
	(2) Deferred Tax		-24.00	45.00
XI	Profit (Loss) for the period from continuing operations (IX-X)		1959.81	2103.59
XII	Profit (Loss) from discountinuing Operations			
XIII	Tax Expenses of discountinuing operations			
XIV	Profit (Loss) from discountinuing operations (after tax) (XII-XIII)			
XV	<b>Profit (Loss) for the period (XI-XIV)</b>		<b>1959.81</b>	<b>2103.59</b>
XVI	<b>Earning per Share</b>			
	(1) Basic		19.96	21.42
	(2) Diluted		19.96	21.42

**SRIDHARA CHARY V&CO.,**  
Chartered Accountants,  
Firm Registration No:011478S

For and on behalf of the Board of Directors

sd/-  
V.SRIDHARA CHARY  
Proprietor  
Membership No.218343

sd/-  
S.D.M. RAO  
Chairman &  
Managing Director

sd/-  
K.CHAITANYA ABHISHEK  
Director

sd/-  
K.RAMESH  
(CFO)

sd/-  
DINKER MISHRA  
Company Secretary  
Membership No.ACS 48511

Place :Hyderabad  
Date :24TH JUNE 2020



## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2020

Particulars	₹ In Lakhs	
	Year Ended march 2020	Year Ended march 2019
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit Before Tax and exceptional items	2595.17	3175.20
<b>ADJUSTMENTS FOR:</b>		
Depreciation	1276.29	1205.97
provision written back	0.00	0.23
Sales Tax Deferment	-141.14	-170.43
Interest	103.17	143.75
Interest earned	18.53	21.85
Gratuity provision	50.00	50.00
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>		
<b>ADJUSTMENTS FOR:</b>	3902.02	4426.57
Decrease in receivables	382.94	-387.00
increase in inventories	-780.06	-86.31
Decrease in loans and advances	-6.72	-103.69
increase in payables	-151.85	105.52
<b>CASH GENERATED FROM OPERATIONS</b>	<b>3346.34</b>	<b>3955.09</b>
Interest paid	103.17	143.75
Taxes paid	735.00	1029.32
Gratuity paid	68.75	58.30
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>2439.42</b>	<b>2723.72</b>
Net Increase in Bank Borrowings		
Net Increase in Cash Flow	2439.42	2723.72
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets(NET OF SALE)	997.05	2113.31
Interest received	18.53	21.85
Term Loans	0	0.00
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>1015.59</b>	<b>2135.16</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Unsecured Loans		
Increase (Decrease) in Working Capital Loan (net of payments)	-274.64	-58.91
Dividend and Dividend tax	-1183.91	-596.73
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>-1458.55</b>	<b>-655.64</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>-34.72</b>	<b>-67.08</b>
CASH AND CASH EQUIVALENTS AS AT THE COMMENCEMENT OF THE YEAR	70.36	137.44
<b>CASH AND CASH EQUIVALENTS AS AT THE END OF THE YEAR</b>	<b>35.64</b>	<b>70.36</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.(IND AS-7)

THE PREVIOUS FIGURES WERE RE-GROUPED AS PER CURRENT YEAR

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

**SRIDHARA CHARY V&CO.,**

Chartered Accountants,

Firm Registration No:011478S

For and on behalf of the Board of Directors

sd/-

V.SRIDHARA CHARY

Proprietor

Membership No.218343

sd/-

S.D.M. RAO

Chairman &

Managing Director

sd/-

K.CHAITANYA ABHISHEK

Director

sd/-

K.RAMESH

(CFO)

sd/-

DINKER MISHRA

Company Secretary

Membership No.ACS 48511

Place :Hyderabad

Date :24TH JUNE 2020

## NOTES FORMING PART OF BALANCE SHEET

₹ In lakhs

	2019-20	2018-19	
<b>NOTE-1</b>			
	Value As At 4/1/2019	Net Addition/ Deletion During The Year	Value As At 3/31/2020
<b>Fixed Assets</b>			
Land-Free Hold	189.61	0.00	189.61
Buildings	3043.07	<b>224.38</b>	3267.45
Plant And Machinery	24287.98	713.71	25001.69
Electrical Installation	684.72	<b>20.97</b>	705.69
Furniture And Fextures	183.26	0.00	183.26
Vehicles	402.99	<b>9.91</b>	412.90
Software	54.09	<b>28.08</b>	82.17
Impairment Of Assets	194.18	0.00	194.18
<b>Total</b>	<b>29039.90</b>	<b>997.05</b>	<b>30036.95</b>

1. The fixed assets includes self made machines.

2. The cost of fixed assets is net of gst credit availed and to be claimed.

Net block of fixed assets as on 01-04-2019	14355.75	13448.42
Additions during the year	<b>997.05</b>	2113.31
Less: Depreciation provided during the year	<b>1276.29</b>	1205.97
<b>Net Block As On 31.03.2020</b>	<b>14076.52</b>	<b>14355.75</b>

**NOTE-2**
**Long Term-Loans And Advances**

Unsecured And Considered Good

Spdcl /Epdcl Deposit	<b>325.65</b>	311.44
<b>Total</b>	<b>325.65</b>	<b>311.44</b>

**NOTE-3**
**Inventories**

Stores And Spares	252.02	279.09
Raw Materials	<b>381.80</b>	354.85
Semi Finished Goods	<b>692.84</b>	555.29
Finished Goods	1403.52	760.90
<b>Total</b>	<b>2730.19</b>	<b>1950.13</b>

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

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

The cost does not include gst component.

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

## NOTES FORMING PART OF BALANCE SHEET

	₹ In lakhs	
	2019-20	2018-19
<b>NOTE-4</b>		
Trade Receivables		
Unsecured Considered Good	3839.35	4222.29
<b>Total</b>	<b>3839.35</b>	<b>4222.29</b>
<b>NOTE-5</b>		
<b>CASH AND CASH EQUIVALENTS</b>		
Cash In Hand	1.90	1.07
Balance With Banks	1.33	36.71
Margin Money With Banks	32.41	32.58
<b>Total</b>	<b>35.64</b>	<b>70.36</b>
<b>NOTE-6</b>		
<b>SHORT TERM LOAN AND ADVANCES</b>		
<b>SECURED CONSIDERD GOOD</b>		
Advances To Staff	37.23	72.40
Other Deposits	62.75	6.26
Unsecured Considered Good	0.00	0.00
Advances To Others	81.79	62.11
Other Advances	34.35	27.18
<b>Total</b>	<b>216.12</b>	<b>167.95</b>
<b>NOTE-7</b>		
<b>OTHER CURRENT ASSETS</b>		
Excise Duty Deposit	0.00	0.00
Service Tax	0.00	0.00
Vat Credit	0.00	0.00
<b>Total</b>	<b>0.00</b>	<b>0.00</b>
<b>NOTE-8</b>		
<b>SHARE CAPITAL</b>		
Authorized	1250.00	1250.00
Issued , Subscibed And Paid Up	982.05	982.05
Par Value Of Share -Rupees	10.00	10.00
<b>SHARES HELD BY SHARE HOLDER HOLDING</b>		
<b>MORE THAN 5% SHARE ( IN NOS )</b>		
Sdm Rao	1005044	1005044
Sdmrao-Huf	68276	68276
S.Saraswathi	2630205	2630205
S.Karunakar	522774	522774
S.Kishore	513035	513035
For The Period Of Five Years Immediately Preceding The Date As At The Balalce Sheet Prepared		
<b>FORFEITED SHARES (AMOUNT ORIGINALLY PAID UP)</b>		
10800 Shares A @₹ 5 Per Share 1.03.Lakhs	0.54	0.54
9750 Shares @ ₹ 5 Per Share	0.49	0.49

## NOTES FORMING PART OF BALANCE SHEET

₹ In lakhs

	2019-20	2018-19
<b>NOTE-9</b>		
<b>OTHER EQUITY</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	1810.30	624.61
(V) Surplus In Statement Of Profit And Loss	11737.15	12146.93
<b>Total</b>	<b>13922.60</b>	<b>13146.69</b>
The capital reserve includes an amount of ₹ 1.03 Lacs form forefeature of shares and subsidy from the govt for setting up the unit in backward area		
An amount of ₹ 41.00 Lacs was spent out of csr reserve towards rural infrastructure development as given below:		
(1) Development of play grounds and provided infrastructure and all sports materials to elementary & secondary schools And junior college at vizianagarm district, a. P.		
(2) Developing skill training centre such as computer training, tailoring and other vocational skill at vizianagaram district, andhra pradesh.		
(3) Educational support and infrastructure support to secondary schools to accommodate more students in an environmental friendly atmosphere.		
(4) Construction of toilets at schools and providing clean drinking water projects.		
<b>GENERAL RESERVE</b>		
	<b>2019-20</b>	<b>2018-19</b>
Opening Balance	624.61	-6.47
Add: Transfer From P/L A/C	1185.69	631.08
Less: Earlier Years Tax&Dividend And Devidend Tax		0.00
<b>Net Reserve</b>	<b>1810.30</b>	<b>624.61</b>
<b>PROFIT AND LOSS ACCOUNT</b>		
Opening Balance	12146.93	11271.15
Add: Current Year Profit	1959.81	2103.59
Less: Trasfer To General Reserve	1185.69	631.08
	12921.06	12743.66
Less: Earlier Years Tax&Dividend And Devidend Tax	1183.91	596.73
<b>Net profit and loss account</b>	<b>11737.15</b>	<b>12146.93</b>

**NOTE-10**
**Other Long Term Liabilities**

Sales Tax Deferal Loan	357.22	481.48
<b>Total</b>	<b>357.22</b>	<b>481.48</b>

**Interest free sales tax loan is repayable as follows:**

1. Plant-1a-second deferment repayable in 14 years commenced from april 2012
2. Plant-ii=first deferment repayable in 10 years commenced from 2004 and second deferment from april 2015
3. Plant-iii-repayable in 14 years commenced from april 2011

An amount of ₹ 124.26 Lakhs represents repayable in the next 12 months had been shown under current liabilities

## NOTES FORMING PART OF BALANCE SHEET

₹ In lakhs

	2019-20	2018-19
<b>NOTE-11</b>		
<b>LONG TERM PROVISIONS</b>		
Provision For Gratuity	542.71	561.46
<b>Total</b>	<b>542.71</b>	<b>561.46</b>
The employees who are become eligible had been considered for valuation and the amounts were worked out and provided.		
<b>NOTE-12</b>		
<b>LONG TERM BORROWINGS</b>		
Fully Secured		
Loans For Vehicles	0	0
Unsecured	0	0
Other Loans	0	0
<b>Total</b>	<b>0</b>	<b>0</b>
<b>NOTE-13</b>		
<b>SHORT TERM BORROWINGS</b>		
Secured		
Cash Credit - Stocks	1348.01	1605.76
Sales Tax Deferrment Loan-Payable With In A Year	124.26	141.14
<b>Total</b>	<b>1472.26</b>	<b>1746.90</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		
<b>NOTE-14</b>		
<b>SHORT TERM PROVISIONS</b>		
Other Provisions	876.36	899.04
Provision For Employees Benefits	862.43	1180.31
<b>Total</b>	<b>1738.79</b>	<b>2079.35</b>
The Other Provisions Includes The Power Bill For The Month Of March.		
<b>CURRENT LIABILITIES</b>		
Trade Payables	1816.14	1665.34
Other Current Liabilities	39.69	38.64
<b>Total</b>	<b>1855.83</b>	<b>1703.98</b>

## NOTES FORMING PROFIT AND LOSS ACCOUNT

	₹ In lakhs	
	2019-20	2018-19
<b>NOTE-1</b>		
<b>REVENUE FROM OPERATIONS</b>		
(a) Sale Of Products(Gross)	29013.61	35616.53
(b) Sale Of Services	0	0
Less: GST	5462.29	6706.74
Net Sales	23551.32	28909.79
Less: Incentives On Sales	473.61	672.46
Net Revenue From Sales	23077.71	28237.33
(c) Other Operating Revenue	45.46	46.27
<b>Total Net Operating Revenue</b>	<b>23123.18</b>	<b>28283.61</b>
<b>NOTE-2</b>		
<b>OTHER INCOME</b>		
(a) Interest Income-With Notes	18.53	21.85
Interest From Bank On Margin Money And Deposits With APSEB		
(b) Exports Incentives	87.93	112.92
(c) Dividend Income		
(d) Net Gain/ Loss On Foreign Currency	15.43	63.29
(e) Other Non-Operating Income (Net)	4.36	0.66
<b>Total</b>	<b>126.26</b>	<b>198.73</b>
<b>NOTE-3</b>		
<b>COST OF MATERIAL CONSUMED</b>		
(a) Opening Stock	633.94	614.89
(b) Add: Purchases	12079.41	15743.85
(c) Less: Closing Stock	633.82	633.94
<b>Total</b>	<b>12079.53</b>	<b>15724.80</b>
<b>NOTE-4</b>		
<b>INCREASE/DECREASE IN STOCKS</b>		
<b>OPENING STOCK</b>		
Semi Finished Goods	555.29	481.02
Finished Goods	760.90	767.90
	<b>1316.19</b>	<b>1248.92</b>
<b>CLOSING STOCK</b>		
Semi Finished Goods	692.84	555.29
Finished Goods	1403.52	760.90
	<b>2096.37</b>	<b>1316.19</b>
<b>Increase/Decrease In Stocks</b>	<b>-780.18</b>	<b>-67.27</b>

## NOTES FORMING PROFIT AND LOSS ACCOUNT

	₹ In lakhs	
	2019-20	2018-19
<b>NOTE-5</b>		
<b>EMPLOYEES BENEFIT EXPENSES</b>		
(i) Salaries & Wages	4578.07	4514.77
(ii) Contribution To Provident Fund And Other Funds	336.16	318.48
(iii) Staff Welfare Expenses	478.32	456.61
<b>TOTAL</b>	<b>5392.55</b>	<b>5289.86</b>
<b>NOTE-6</b>		
<b>FINANCE COST</b>		
(a) Interest Expenses	35.52	80.25
(b) Other Borrowing Cost	67.65	63.49
<b>Total Cost</b>	<b>103.17</b>	<b>143.75</b>
<b>NOTE-7</b>		
Depreciation And Amortization Expenses	1276.29	1205.97
<b>NOTE-8</b>		
<b>OTHER EXPENSES</b>		
Rent, Rates & Taxes	181.41	175.96
Printing & Stationary	66.26	93.18
Communicational Expenses	32.16	33.29
Conveyance & Travelling	251.89	193.66
Director's Sitting Fee	2.38	1.18
Insurance	37.78	25.86
Auditor's Remuneration	6.00	6.00
Legal & Professional Charges	9.75	12.28
Repairs & Maintenance	391.92	641.94
Selling And Distribution Expenses	1467.66	1660.72
Advertisement	1.77	3.34
Miscellaneous Expenses	42.92	70.11
Gratuity	50.00	50.00
CSR Expenditure	41.00	42.50
<b>Total</b>	<b>2582.90</b>	<b>3010.02</b>

**OTHER INFORMATION:****1. CORPORATE INFORMATION :**

Samkrg Pistons and Rings Limited (the company) is engaged in the Manufacturing of Automobile components. The Company has manufacturing plants at Bonthapally, Sangareddy Dist. (T.S.) and Two units at Srikakulam District, Andhra Pradesh. The Company is a Public Limited Company and is listed on the Bombay Stock Exchange. The Functional Currency of the company is Indian Rupees. The Financial Statements prepared under Company (Accounting Standards) Rules, 2015 for the year ended 31st March, 2020 were adopted by the company as on 24TH JUNE 2020.

**SIGNIFICANT ACCOUNTING POLICIES****1. BASIS OF PREPARATION**

The Financial Statements have been prepared in accordance with Section 133 of the Companies Act, 2013, Indian Accounting Standards (Ind AS) notified under Companies (Indian Accounting Standards) Rules, 2015. The Financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all periods presented in the financial statements. All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III of the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realization in cash and cash equivalents the company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets.

Transactions and balances with values below the rounding off norm adopted by the company have been reflected as "0" in the relevant notes in these financial statements.

The Financial Statements of the Company for the year ended 31/03/2020 were approved for issue in accordance with the resolution of the board of directors on 24/06/2020.

**2. BASIS OF MEASUREMENT:**

These Financial Statements are prepared under historical cost convention unless otherwise stated.

**3. REVENUE RECOGNITION:**

The company has applied "Ind AS 115 - Revenue from contracts with customers" with effect from 1st April, 2018 which outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. The nature effect of these changes as a result of adoption of these new standards are described below:

Other than the changes described below, the accounting policies adopted are consistent with those of the previous years.

It requires revenue to be recognized when or as control of the good or service transfers to a customer at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

As per the Company's current revenue recognition practices transfer of control happens at the same point as transfer of risk and rewards thus not effecting the revenue recognition. The amount of revenue recognized reflects the consideration to which the company expects to be entitled in exchange of good or services.

Revenues are measured at fair value of the consideration received or receivable, net of discounts, volume rebates, goods and service tax and other indirect taxes. Revenue from sale of by products are included in revenue



Income from export incentives such as duty drawback and premium on sale of import licenses are recognized on accrual basis.

Interest income is recognized using the effective interest rate method.

**4. Expenses are accounted on accrual basis.**

**5. EMPLOYEE BENEFITS:**

Contributions to defined contribution schemes such as ESI, Labor welfare fund ,employee pension scheme are charged as expense based on the amount of contribution required to be made as and when services are rendered by the employees .Companies provident fund contribution in respect of certain employees is made to government administered fund and charged as an expense to the statement of profit and loss. The above benefits are classified as Defined contribution schemes as the company has no further defined obligations beyond the monthly contribution.

**6. PROPERTY, PLANT AND EQUIPMENT:**

Property , plant and equipment is stated at cost net of accumulated depreciation and accumulated impairment if any, subsequent costs are included in the assets carrying amount or recognized as a separate asset as appropriate only it is probable that future economic benefits associated with the item will flow to the company and cost of the item can be measured reliably.

All other repairs and maintenance are charged to the statement of profit and loss during the period in which they are incurred .

Gains and losses arising on retirement or disposal of property, plant equipment are recognized in profit and loss , if any

Property, plant and equipment which are not ready for intended use as on the date of balance sheet are disclosed as Capital work in progress .

Free hold land is not depreciated .

The residual values, useful lives and method of depreciation of property ,plant and equipment is reviewed at each financial year end and adujsted prospectively if appropriate.

**7. INTANGIBLE ASSETS:**

Separately purchased intangible assets are initially measured at cost. Subsequently , intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses if any.

The useful lives of intangible assets are assessed as either finite or indefinite. Finite life assets are amortized on a straight line basis over the period of their expected useful lives.

Estimated useful lives by major class of finite life intangible assets are as follows:

COMPUTER SOFTWARE	10 YEARS
-------------------	----------

The amortization period and amortization method for finite life intangible assets is reviewed at each financial year and adjusted prospectively, if appropriate.

**8. FOREIGN CURRENCIES:**

The company's financial statements are presented in INR ,which is also the functional currency of the company.

Transactions and Balances: Transactions in foreign currencies are initially recognized by the company at its functional currency spot rates at the date the transaction when it first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognized in profit and loss statement.

#### **9. INCOME TAXES:**

Income tax expense for the year comprises of current tax and deferred tax . It is recognized in profit and loss.

Current tax is the expected tax payable / receivable on the taxable income / loss for the year using applicable tax rates at the Balance Sheet date , and any adjustment to taxes in respect of the previous years.

Deferred tax is recognized in respect of temporary differences between carrying amount of assets and liabilities for financial reporting purposes and corresponding amounts used for taxation purposes.

A deferred tax liability is recognized based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted by the end of the reporting period .

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized .Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

#### **10. DIVIDEND :**

Final Dividend on shares are recorded as a liability on the date of approval by the shareholders. This has been consistently followed from financial year 2015-16.

#### **11. USE OF ESTIMATES:**

The preparation of Financial Statements is in conformity with Indian accounting standards (Ind AS) , requires the management to make estimates and assumptions considered in the reported amount of assets and liabilities and disclosure relating to contingent liabilities as at the date of financial statements and reported income and expenses during the year . The management believes that the estimates used in preparation of financial statements are prudent and reasonable. Future results could differ due to these estimates and differences between actual results and estimates are recognized in the periods in which results are known / materialize.

#### **12. FINANCIAL INSTRUMENTS:**

Financial Assets and Financial Liabilities are recognized when the company becomes a party to contractual provisions of the instrument.

#### **13. PROVISIONS AND CONTINGENT LIABILITIES:**

##### **(a) Provisions:**

Provisions are recognized when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation

Current provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date and are not discounted to its present value.

**(b) Contingent Liabilities:**

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is probable that an outflow of resources will be required to settle of reliable estimate of the amount cannot be made.

**14. CASH AND CASH EQUIVALENTS:**

In the cash flow statement , cash and cash equivalents include cash, demand deposits with banks, other short term highly liquid investments with original maturities of three months or less.

**15. SEGMENT REPORTING UNDER IND AS-108:**

The Company operates in single primary business segment viz., manufacture of Auto components - Piston assemblies.

**16. IND AS-23 BORROWING COST:**

Ind AS 23, 'Borrowing Costs' The amendments clarify that if a specific borrowing remains outstanding after the related qualifying asset is ready for its intended use or sale, it becomes part of general borrowings. As the Company does not have any borrowings, there is no impact on account of this amendment.\

**17. UNCERTAINTY OVER INCOME TAX TREATMENTS TO IND AS 12 INCOME TAXES.**

Appendix C, Uncertainty over Income Tax Treatments, to Ind AS 12, 'Income Taxes' The appendix explains how to recognize and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. In particular, it discusses:

- How to determine the appropriate unit of account, and that each uncertain tax treatment should be considered separately or together as a group, depending on which approach better predicts the resolution of the uncertainty;
- That the entity should assume a tax authority will examine the uncertain tax treatments and have full knowledge of all related information, i.e. that detection risk should be ignored;
- That the entity should reflect the effect of the uncertainty in its income tax accounting when it is not probable that the tax authorities will accept the treatment;

That the impact of the uncertainty should be measured using either the most likely amount or the expected value method, depending on which method better predicts the resolution of the uncertainty; and That the judgements and estimates made must be reassessed whenever circumstances have changed or there is new information that affects the judgements.

- The application of this guidance is not expected to have an impact on the separate financial statements.

**18. CURRENT VS NON-CURRENT CLASSIFICATION:**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset as current when it is:

- Expected to be realised or intended to sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period,

Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period,

There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets/non-current liabilities.

#### **19. IND AS 116 - LEASES**

Ind AS 116 was notified by the Ministry of Corporate Affairs on March 30, 2019 and it is applicable for annual reporting periods beginning on or after April 1, 2019.

The Company elects not to apply Ind As-116 as it has got short term leases (Recognition Exemption).

#### **20. FUNCTIONAL AND PRESENTATION CURRENCY:**

These financial statements are presented in Indian Rupees (INR), which is the company's functional currency. All financial information is presented in INR rounded to the nearest Lakhs except share and per share data, unless otherwise stated.

Exchange differences are recognized in the Statement of Profit and Loss.

21. In March 2020, the WHO declared the COVID-19 outbreak as a pandemic which continues to spread across the country. On 24/03/2020, the Indian Government declared this pandemic a health emergency, ordered temporarily close all non-essential businesses, imposed severe restrictions on travel of people/movement of goods/material/etc., and issued an order of lockdown until 31/05/2020. As the nature of business performed by the entity falls under non-essential category, these restrictions had reduced the scope of its operations. The Company expects this matter to negatively impact its revenue/EBIDT/, cash flow and financial position. The related duration of business disruption and financial impact cannot be reasonably estimated at this time.

**22 Taxes and Income**

a Current tax: Provision for Income Tax is determined in accordance with the provisions of Income Tax Act, 1961.

b Deferred Tax Liability(Net)	2019-20	2018-19
Opening Balance	3076.01	331.01
Deferred Tax Liability (Deferred Tax Asset)	(24.00)	45.00
Deferred Tax Liability	3052.01	3076.01

**23 Contingent Liabilities not provided for**

Disputed amount of ₹ 22.47 lakhs towards a.p.tax on entry of goods for the assessment year 2002-03 is pending which we have already paid an amount of ₹ 3.21 lakhs the case did not come for any hearing further. Disputed amount of ₹48.85 lakhs towards Entry Tax for the periods 2011-12 to 2016-17 is pending with The Assistant Commissioner of State tax .Somajiguda Circle,Punjagutta Division ,Hyderabad against which we have already paid an amount of ₹ 17.09 lakhs the case did not come for any hearing further.

**24 Details under Micro and Small medium Enterprises Development Act****SUNDRY CREDITORS**

Disclosure under the Micro and Small Enterprises Development Act, 2006. Amount Due to Micro and Small Enterprises are disclosed on the basis of information company regarding available with the status of the supplier is as follows

Sr. No.	Particulars	2019-20		2018-19		
		Principal	Intrest	Principal	interest	Interest
1	Principal Amount and Interest thereon due, remaining unpaid at the end of the year.	95.22	Nil	59.18	Nil	Nil
2	Interest paid during the year	Nil	Nil	Nil	Nil	Nil
3	Interest due and payable ( on the amount which have been paid beyond the appointed date during the year)	NA	NA	NA	Nil	NA
4	Interest remaining accrued and unpaid at the end of year	NA	NA	NA	Nil	NA
5	Interest due of the previous year	NA	NA	NA	Nil	NA

**25 Corporate Social Responsibility**

Expenditure related to CSR	2019-20	2018-19
	41.00	42.50

**26 Depreciation and amorsiation**

Depreciation on Fixed Tangible Assets	<b>1268.03</b>	1200.55
Amortisation on Intangible Assets	<b>8.25</b>	5.41
	<b>1276.28</b>	<b>1205.96</b>

**27 Related Parties transactions for the Year ended 31.03.2020**

Sl. No.	NAMES OF RELATED PARTIES & DESCRIPTION OF RELATIONSHIP	NATURE OF TRANSACTIONS	AMOUNT PAID	Balance Outstanding (TO/FROM) ₹
1	Shri S. karunakar - Director	Rent paid / payable	1308000	0
2	Shri S. kishore - Director	Rent paid / payable	1098000	0
3	Smt. S. Saraswathi - W/o CMD	Rent paid / payable	2898000	0
4	Saraswathi Enterprises (Firm)	Rent paid / payable	8170260	0
5	Key Management Personnel			0
	Shri S.D.M. Rao - Chairman & M.D	Remuneration & commission paid	7500000	0
	Shri S. karunakar - Director		13550000	0
	Shri S. kishore - Director		13550000	0
6	Gopal Engineering Corporation	Job works & Retro of m/cs	3800316	0

Mrs.S.Saraswathi is a major partner and she is related to Director of the company and hence the transaction with Gopal engineering co is reported under related party transaction.

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

28 The Company had already transferred balance funds in Un-paid Dividend account to Investors Education Fund amount to ₹ 3.58 lacs . The amount was deposited on 23/10/2019

29 PAYMENT TO AUDITORS	2019-20	2018-19
(a) Auditor Fee	4.50	4.50
(b) for Tax Audit and other matters	1.50	1.50
<b>TOTAL</b>	<b>6.00</b>	<b>6.00</b>

30 Deferred Tax Liability/Deferred Tax Asset	2019-20	2018-19
Deferred Tax Asset		
Property Plant Equipment	19.28	0
Provisionfor Gratuity	4.72	0
Deferred Tax Liability	0	45

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority. Applicable tax rate for current year is 25.17% ( compared to the previous year 31st March 2019 : 34.61%)

Deferred Tax Liability(deferred tax asset)	-24.00	45.00
--	--------	-------

31 CIF VALUE OF IMPORTS	2019-20	2018-19
(a) Raw material	1108.55	1078.03
(b) Components and Spareparts	16.32	26.44
(c) Capital goods	139.46	594.43

32 Consumption	2019-20	2018-19
Imported Raw Mateiral	1108.55	1078.03
spare parts and components	16.32	26.44
Total Indegenious raw material	9263.74	12659.06
Total percentage of each		
INDIGENIOUS	89.17	91.97
Imported	10.83	8.03

33 The obligation under EPCG concessional duty scheme on account capital Equipments imports amounting to amounting to ₹ 1392.85.Lakhs (previous year ₹ 1721.87 lakhs)

34 The company had not accepted any deposits from public nor solicited any as per companies act deposit rules 2013. The company had taken security deposits from our dealers of our products and paying interset at @9% . The deposits are repayable at the closure of the dealership only.

35 Figures for the previous year has been regrouped/reclassified wherever necessary to be confirmity with the current year format of IND AS SCHEDULE - III to the Companies Act.

36 Earnings Per Share under Ind AS 33	₹ Lakhs	
	2019-20	2018-19
Profit After Taxation as per Profit and Loss Account	1959.81	2103.59
Number of Weighted Average of Shares	9820500	9820500
Basic and Diluted Earnings Per Share	19.96	21.42
Nominal Value per Equity Share	10	10

### 37 CURRENT TAX

#### Reconciliation Of Accounting Profit With Tax Expense

Accounting Profit Before Income Tax Expense	2595.17	3175.20
Tax effect of adjustments in taxable income tax @25.17% (31-3-19 @34.94%)	653.20	1109.41
CSR	10.32	14.85
Other Disallowance	15.11	17.16
Allowance	19.29	114.81
Current Tax Expense	659.35	1026.61

38 Signature to Schedule 1 to 21and 1 TO 38

**SRIDHARA CHARY V&CO.,**

Chartered Accountants,

Firm Registration No:011478S

For and on behalf of the Board of Directors

sd/-  
**V.SRIDHARA CHARY**  
 Proprietor  
 Membership No.218343

sd/-  
**S.D.M. RAO**  
 Chairman &  
 Managing Director

sd/-  
**K.CHAITANYA ABHISHEK**  
 Director

sd/-  
**K.RAMESH**  
 (CFO)

sd/-  
**DINKER MISHRA**  
 Company Secretary  
 Membership No.ACS 48511

Place :Hyderabad

Date :24TH JUNE 2020

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XL Softech Systems Ltd  
#3, Sagar Society, Road No. 2, Banjara Hills, Hyderabad - 500034  
Ph: 040-23545913 / 14, e-mail: xlfield@gmail.com

**UPDATE/PAN & BANK DETAILS**

Dear Shareholder,

UNIT : Samkrp Pistons and Rings Limited

SUBJECT : Update PAN & Bank Details

On behalf of the Company, We wish to inform you that SEBI vide its Circular SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated April 20, 2018, has streamline and strengthen the procedures for transfer of securities and payment of dividend. In this regard, SEBI has instructed the Company/RTA to inform all the shareholders who are holding shares in Physical and whose PAN and bank details has not been updated in Company/RTA records.

Further, SEBI has mandated to credit dividend, if any, directly to the Bank account of shareholders through NEFT/RTGS. Hence, we request you to update your bank details by sending following documents to the below mentioned address-

1. Request letter (Format attached)
2. Self-attested copy of PAN
3. Self-attested copy latest address proof.
4. Original cancelled cheque leaf /attested bank passbook showing name of account holder

Registrar and Share Transfer Agent (RTA)  
XL Softech Systems Limited  
(Unit- Samkrp Pistons and Rings Limited)  
**3, Sagar Society,  
Road No.2, Banjara Hills,  
Hyderabad - 500 034.**  
Phone: 040 23545913/14/15  
Email: [xlfield@gmail.com](mailto:xlfield@gmail.com)

You are requested to send all the above mentioned documents to our RTA at the above mentioned address within 21 days from the date of this letter. **Please note that you need not send any communication to the Company address, related to this matter.**

*\*We suggest you to dematerialize your holdings to enjoy the benefits at fullest and to avoid the demerits of holding physical shares.*

For XL SOFTECH SYSTEMS LIMITED  
Sd/-  
R RAM PRASAD

REGISTRARS

To  
XL Softech Systems Limited  
Unit: Samkrp Pistons and Rings Limited  
3, Sagar Society,  
Road No.2, Banjara Hills,  
Hyderabad - 500 034.  
Phone: 040 23545913/14/15  
Fax: 040 23545915  
Email: [xlfield@gmail.com](mailto:xlfield@gmail.com)

UPDATION OF PAN AND BANK DETAILS

Dated: \_\_\_\_\_

Dear Sir,

In response to your letter ref no. SAMKRG/SHAREHOLDERS/UPDATE/PAN & BANK DETAILS- LETTER-1, I/We am/ are sending you the following details and documents as requested by you-

Name : \_\_\_\_\_

Joint Name : \_\_\_\_\_

Address of the shareholder : \_\_\_\_\_

Phone No : \_\_\_\_\_

Email : \_\_\_\_\_

Folio No / DP ID & Client ID : \_\_\_\_\_

Bank Details : \_\_\_\_\_

Name of Holder : \_\_\_\_\_

Account No : \_\_\_\_\_

Bank Name : \_\_\_\_\_

Branch : \_\_\_\_\_

IFSC Code : \_\_\_\_\_

MICR Code : \_\_\_\_\_

**Signature of the Shareholder**

Encl:

1. Self-attested copy of PAN
2. Self-attested copy latest address proof.
3. Original cancelled cheque leaf /attested bank passbook showing name of account holder









Bonthapally - Piston & Pin Plant (Near Hyderabad)



Varisam - Rings Plant (Near Visakhapatnam)



Akkivalasa - Piston & Pin Plant (Near Visakhapatnam)

**PRINTED MATTER  
BOOK - POST**

If undelivered please return to:



**SAMKRG PISTONS AND RINGS LIMITED**

(AN ISO 9001:2015 IATF 16949:2016 Company)

Registered Office:

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

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

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