

31st

Annual Report 2016-17



Sam
PISTON & RINGS

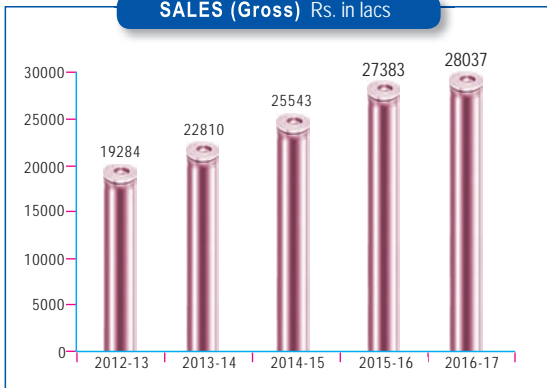
SAMKRG PISTONS AND RINGS LIMITED

(AN ISO/TS 16949 : 2002 Company)

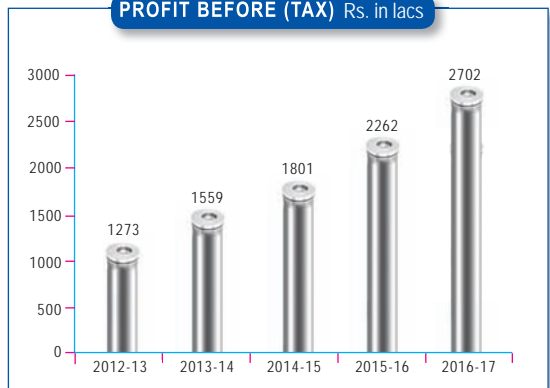
PERFORMANCE HIGHLIGHTS



SALES (Gross) Rs. in lacs



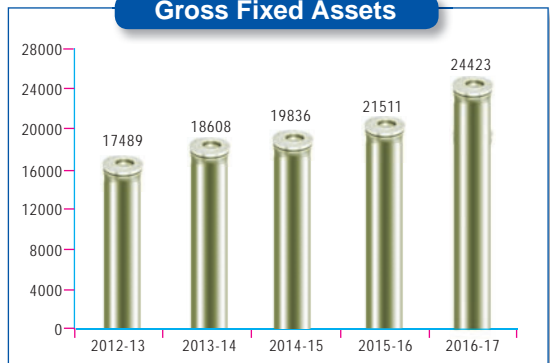
PROFIT BEFORE (TAX) Rs. in lacs



DIVIDEND %



Gross Fixed Assets



SAMKRIG PISTONS AND RINGS LIMITED

Particulars	2016-17	2015-16	2014-15	2013-14	2012-2013	2011-12	2010-11	2009-10	2008-09	2007-08
Sales (Gross)	28037.31	27382.56	25543.09	22810.03	19284.49	21933.89	19751.54	15033.04	11610.18	11288.33
Sales (Net)	25159.66	24520.09	23247.38	20562.72	17344.91	19923.59	16935.44	13260.28	9912.92	9388.90
PBDIT	4162.16	3587.53	3419.34	3005.85	2781.91	3212.82	2627.07	2120.09	1729.55	2088.40
Profit before tax	2702.31	2261.71	1800.82	1559.17	1272.93	1775.14	1467.15	1011.85	613.61	836.72
Profit after tax	1945.66	1570.15	1231.51	1074.60	866.93	1177.79	992.15	710.85	448.28	581.97
Profit after tax (%)	7.73	6.40	5.30	5.23	5.01	5.91	5.86	5.36	4.52	6.19
Dividend paid	441.92	392.82	294.62	245.51	245.51	343.72	441.92	392.82	294.62	343.72
Dividend %	45	40	30	25	25	35	45	40	30	35
Share Capital	982.05	982.05	982.05	982.05	982.05	982.05	982.05	982.05	982.05	982.05
Reserves & Surplus	10148.30	8237.85	7493.06	6563.38	5776.03	5311.26	4162.83	3577.95	3620.83	2636.16
Net worth	11130.35	9219.90	8475.11	7545.43	6758.08	6293.31	5144.88	4560.00	4602.88	3618.21
Gross Fixed Assets	24422.53	21511.47	19836.24	18607.67	17488.61	16296.28	14296.96	13151.96	12937.28	14866.69
EPS (Rs)	19.81	15.99	12.54	10.94	8.83	12.00	10.10	7.24	4.56	5.93
Book value/Share (Rs)	113.34	93.88	86.30	76.83	68.82	64.08	52.39	46.43	46.87	36.84
Debt Equity	Zero Debt	Zero Debt	Zero Debt	Zero Debt	0.21	0.27	0.10	0.05	0.08	0.14

BOARD OF DIRECTORS

Shri S D M Rao	Chairman & Managing Director
Shri S Karunakar	Whole Time Director
Shri S Kishore	Whole Time Director
Shri S Madhava Rao	Director
Shri M N Thakkar	Director (Independent Director)
Shri V Chakrapani	Director (Independent Director)
Shri A Venkateswara rao	Director (Small Shareholders)
Ms. N Rishita	Director (Woman Independent)
Auditors	M/s. Ravi & Keshav Chartered Accountants Hyderabad
Bankers	State Bank of India
Registered Office	1-201, Divyashakti Complex 7-1-58, Ameerpet Hyderabad - 500 016 Tel : 040 - 23730596 Fax : 040 - 23730216
Factories	
PLANT - I (PISTONS, PINS & STEEL RINGS UNIT - IV)	Sy.No.537, Temple Road Bonthapally Narasapur Taluk Medak District, Telangana
PLANT - II (PISTON RINGS)	Sy.No.33, Varisam Pydibhimavaram Ranastalam Mandal Srikakulam District, A.P.
PLANT - III (PISTONS & PINS)	Sy.No.232 Arinama Akkivalasa Allinagaram, Etcherla Mandal Srikakulam District, A.P.
Registrar and Share Transfer Agent	M/s. XL Softech Systems Ltd 3, Sagar Society, Road No.2 Banjara Hills Hyderabad - 500034 Ph: 040-23553214

NOTICE

NOTICE is hereby given that the Thirty First(31st) Annual General Meeting of the Members of the SAMKRG PISTONS AND RINGS LIMITED will be held on Monday the 25th September, 2017 at 10.30 A.M at Hotel Grandeur, Beside New Science College, Main Road, Ameerpet, Hyderabad - 500073 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the company as at 31st March 2017 and Profit and Loss Account for the year ended on that date together with Directors' report and Auditors' report thereon.
2. To declare Dividend on Equity shares.
3. To appoint a Director in place of Shri S Kishore who retires by rotation and being eligible offers himself for re-appointment.
4. To consider and if thought fit, to pass with or without modification, the following resolution as ordinary resolution.

"RESOLVED THAT pursuant to the provisions of Section 139 of the Companies Act, 2013 and the rules made there under, including statutory modifications thereto or re-enactments thereof for the time being in force, and pursuant to the recommendations of the audit committee M/s. Sridhara Chary V & Co., Chartered Accountants, Hyderabad, having Firm Registration No. 011478S allotted by the Institute of Chartered Accountants of India, be and are hereby appointed as statutory auditors of the company, in place of M/s. Ravi & Keshav, Chartered Accountants, Hyderabad, who vacated the office pursuant to Provision to Section 139 of the Companies Act, 2013, to hold office, from conclusion of this annual general meeting for Five Consecutive years, subject to ratification at every annual general meeting on such remuneration, as may be fixed in this behalf by the board of directors of the company."

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

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. Proxies in order to be effective should be duly stamped, completed and signed and must be deposited at the registered office of the Company not later than 48 hours before the commencement of meeting.
3. Members/Proxies should bring their copy of Annual Reports along with Attendance Slip duly filled in for attending the meeting.
4. The Register of the members and Share Transfer Books of the Company will remain closed from 19th September 2017 to 25th September 2017 (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, 2009 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 encashed their dividend warrant(s) for the financial years from 2009-10 to 2015-16, are requested to make their claims to the Company without any delay.
7. In the terms of notification issued by SEBI, the Equity Shares of the Company are under compulsory Demat trading for all Investors from 24th July, 2000. Shareholders are advised to hold their shares in Demat mode and to send their Share Certificates along with Dematerialisation request to the RTA through their Depository Participants.
8. The Members are requested to:
 - I) Intimate changes, if any, in their registered address at an early date.
 - II) Members who have multiple Folios in identical names or joint names in the same order are requested to intimate to the company those folios to enable the company to consolidate all such share holdings into a single folio.
9. The Annual Listing fee for the year 2017-18 has been paid to BSE Ltd.

GREEN INITIATIVE IN CORPORATE GOVERNANCE

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

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

Instructions about Voting:

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

I. Voting through electronic means:

In compliance with provisions of section 108 of the companies act, 2013 and rule 20 of the companies (management and administration) rules, 2014, the company is providing members facility to exercise their right to vote at the postal ballot by electronic means through e-voting services provided by central depository services (india) limited (CDSL). The instructions for e-voting are as under:

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

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

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

- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same
2. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
 3. The voting period begins on 22-09-2017 (9.00 AM) and ends on 24-09-2017 (6.00 PM). During this period shareholders' of the Company, holding shares either in Physical form or in Dematerialized form, as of 18-09-2017 (i.e., the cut-off date) may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 4. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help Section or write an email to helpdesk.evoting@cdslindia.com or admin@samkrg.com
 5. The voting rights of shareholders shall be in proportion to the shares held by them in the paid up equity share capital of the company as on the cut-off date i.e. 18-09-2017.
 6. Mr. V B S S Prasad, Practicing Company Secretary (F.C.S No.4139), has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
 7. The Scrutinizer shall within a period not exceeding three working days from the conclusion of the e-voting period unblock the votes in the presence of at least two witnesses not in the employment of the Company and make Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the chairman / Managing Director of the Company.

In case of members receiving the physical copy:

- (A) In case of members receiving the physical copy, Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- (B) The voting period begins on Friday the 22nd day of September 2017, at 9.00 AM and ends on Sunday the 24th September 2017 at 6.00 PM. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 18.09.2017, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.

BY ORDER OF THE BOARD
 For SAMKRG PISTONS AND RINGS LTD

Place : Hyderabad
 Date : 10th May, 2017

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

Director's Report

DEAR SHAREHOLDERS

Your Directors are pleased to present 31st Annual Report and the Audited Accounts of the Company for the year ended march 31, 2017.

Financial Results (₹ In Lakhs)

Particulars	2016-17	2015 -16
Gross Sales	28052.21	27394.71
Less: Excise Duty	2892.55	2874.62
Net Sales	25159.66	24520.09
Total Expenditure	21117.38	20971.05
Other Income	119.88	38.49
Operating Profit (PBDIT)	4162.16	3587.53
Interest	173.49	155.21
Cash Profit	3988.67	3432.32
Depreciation	1286.36	1170.57
Profit before Exceptional Item	2702.31	2261.71
Exceptional Item	31.65	21.15
Profit after Exceptional Item	2670.66	2240.56
Provision for Taxation		
i) Current Year	685.00	630.45
ii) Deferred Taxation	40.00	40.00
Net Profit before Extraordinary Item	1945.66	1570.15
Extraordinary Item	0	0
Profit after Extraordinary Item	1945.66	1570.15

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

OPERATIONS:

The Company achieved the gross turnover of Rs.28052 lakhs during year 2016-17 as against Rs.27395 Lakhs in the previous year 2015-16 there by recorded an increase of 2.40%. Your company has posted Net turnover of Rs. 25160 Lakhs during year 2016-17 as compared to Rs.24520 Lakhs for the previous year 2015-16 i.e. an increase of 2.61% only because of demonetization.

The company R&D expenditure is Rs.125.80 Lakhs i.e., 0.50% 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 Euro III norms.

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

Earnings Before Depreciation, Interest and Tax (PBDIT) at Rs.4162 lakhs as against previous year of Rs.3588 Lakhs. The Profit Before Tax was at Rs.2702 lakhs as compared to Rs.2262 lakhs in 2015-16 an increase of 19.45%

LISTING OF EQUITY SHARES

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

MEETINGS OF THE BOARD OF DIRECTORS

During the year ended March 31st, 2017, 4 (Four) Board Meetings were held. The dates on which the Board Meetings were held are 23.05.2016, 04.08.2016, 27.10.2016 and 30.01.2017.

DIRECTORS RESPONSIBILITY STATEMENT

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

- In the participation of Annual Accounts the applicable accounting standards have been followed and that there have been no material departures.
- The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at march 31, 2017 and the profit to the company for that period.
- The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 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, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively
- The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.
- The Company's Internal Auditors have conducted periodic audit to provide reasonable assurance that the Company's established policies and procedures have been followed. The Audit Committee of the Board meets once in a quarter with Internal Auditors to review internal control and financial reporting issues.

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

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

NOMINATION AND REMUNERATION COMMITTEE

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

Brief description of terms of reference:

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

Nomination and Remuneration policy

The objective of the Policy:

1. To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration.
2. To determine remuneration based on the Company's size and financial positions and trends and practices on remuneration prevailing in peer companies.
3. To carry 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.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS UNDER SECTION 186:

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

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

The particulars of contracts or arrangements with related parties referred to Section 188(1) are prepared in form No.AOC-2 pursuant to Section 134(3)(h) of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014 and the same is enclosed as **Annexure-1** to this report.

TRANSFER OF AMOUNTS TO RESERVES

The Company proposes to transfer an amount of Rs.243.21 lakh to the general reserve for the financial year ended 31st March, 2017.

DIVIDEND

The Board of Directors of the company at its meeting held on 10th May, 2017 have recommended and declared dividend at 45% on equity share i.e. Rs.4.50 per share on face value of Rs. 10/- each.

EXTRACT OF ANNUAL RETURN

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

The conservation of energy, technology absorption, foreign exchange earnings and outgo;

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

RISK MANAGEMENT COMMITTEE

Risk management committee consists of the following Directors:

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

RISK MANAGEMENT POLICY

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

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

Foreign currency Risks: Exchange rate fluctuations may 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:

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

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

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

BOARD OF DIRECTORS

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

DEPOSITS

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

AUDITORS

Statutory Auditors

At the Annual General Meeting held on 18th September, 2014 M/s. Ravi & Keshav, Chartered Accountants, were appointed as statutory Auditors of the Company to hold office till the conclusion of the Annual General Meeting to be held in the calendar year 2017. In terms of 1st provision to section 139 of the Companies Act, 2013, M/s. Ravi & Keshav, Chartered Accountants, vacated the office.

In their place M/s. Sridhara Chari.V & Co., Chartered Accountants, be and are proposed to be appointed as statutory Auditors of the Company to hold office for a period of 5 years subject to ratification by Shareholders at every Annual General Meeting. . In this regard, the Company has received a certificate from the Auditors to the effect, if they are appointed, it will be in accordance with the provisions of Section 141 of the Companies Act, 2013

Auditors Report

There are no qualifications, reservations or adverse remarks made by M/s M/s Ravi & Keshav, Chartered Accountants, Hyderabad (ICAI Reg. No.003187S) Statutory Auditors in their report for the Financial Year ended March 31st 2017

Audit Committee

Composition Audit Committee included in Corporate Governance report.

Corporate Governance

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

VIGIL MECHANISM

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

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

SECRETARIAL AUDITOR REPORT

As per the provisions of Section 204 of the Companies Act, 2013, the Board of Directors have appointed Mr. V B S S Prasad, Practicing Company Secretary (C.P.No: 4605) as Secretarial Auditor to conduct Secretarial Audit of the Company for the Financial year ended 31st March, 2017.

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

There are no qualifications in Secretarial Audit Report.

PARTICULARS OF APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL:

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

INSURANCE

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

CHANGE IN NATURE OF BUSINESS

There is no change in the Company's nature of business during the financial year ending March 31st, 2017.

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, 2017 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 Work place in accordance with the Sexual Harassment of Women at Work place (Prevention, Prohibition and Redressal) Act, 2013.

During the Financial year ended 31st march, 2017, 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 : 10thMay,2017

ANNEXURES TO DIRECTORS' REPORT FOR THE YEAR ENDED 31.03.2017

ANNEXURE - 1

RELATED PARTIES TRANSACTIONS FOR THE YEAR ENDED 31.03.2017

Sl. No.	Names of Related Parties & Description of Relationship	Nature of Transaction	Amount Paid During The Year	Balance Outstanding (To)/ From Rs
1	S.Karunakar-Director	Rent Paid / Payable	13,08,000	0
2	Shri S. Kishore - Director	Rent Paid / Payable	11,88,000	0
3	Smt. S. Saraswathi - W/o. CMD	Rent Paid / Payable	12,72,000	0
4	Saraswathi Enterprises (Firm)	Rent Paid / Payable	62,40,000	0
5	Key Management Personnel			
	- Shri S.D.M. Rao - Chairman & M.D	Remuniration & Commission Paid	55,00,000	0
	- Shri S. Karunakar - Director		1,19,00,000	0
	- Shri S. Kishore - Director		1,19,00,000	0

ANNEXURE - 2

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

as on financial year ended on 31.03.2017

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

I REGISTRATION & OTHER DETAILS:

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

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

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

III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES:

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

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

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
(2) Non Institutions										
a) Bodies corporates										
i) Indian	137647	2350	139997	1.43	164379	2350	166729	1.70	26732	0.27
ii) Overseas										
b) Individuals										
i) Individual shareholders holding nominal share capital upto ? 2 lakhs	2362318	313773	2676091	27.25	2349147	301371	2650518	26.99	-25573	-0.26
ii) Individuals shareholders holding nominal share capital in excess of ? 2 lakhs	257466	71643	329109	3.35	276326	69443	345769	3.52	16660	0.17
c) Others (specify)										
NRI'S	99389	2450	101839	1.04	72328	2450	74778	0.76	-27061	-0.28
BODIES (CLEARING MEMB)	2325		2325	0.02	11567		11567	0.12	9242	0.09
SUB TOTAL (B)(2):	2859145	390216	3249361	33.09	2873747	375614	3249361	33.09	0	0.00
Total Public Shareholding (B) = (B)(1)+(B)(2)	2859145	393516	3252661	33.121	2873747	375614	3249361	33.09	0	0.00
Shares held by Custodian for GDRs & ADRs										
Grand Total (A+B+C)	9426984	393516	9820500	100	9441586	378914	9820500	100	0.00	0.00

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	Saripalli Saraswathi	2630211	26.78	Nil	2630211	26.78	Nil	0	0.00
2	Saripalli Dali Mrutyunjaya Rao	1673320	17.04	Nil	1673320	17.04	Nil	0	0.00
3	Saripalli Kishore	647155	6.59	Nil	647155	6.59	Nil	0	0.00
4	Saripalli Karunakar	586971	5.98	Nil	586971	5.98	Nil	0	0.00
5	Nama Ratnakumari	417668	4.25	Nil	417668	4.25	Nil	0	0.00
6	S Sharmila	182350	1.86	Nil	182350	1.86	Nil	0	0.00
7	S Padma	218800	2.23	Nil	218800	2.23	Nil	0	0.00
8	Tanneru Arunakumari	111364	1.13	Nil	111364	1.13	Nil	0	0.00
9	Rishita Nama	50000	0.51	Nil	50000	0.51	Nil	0	0.00
10	Sri Anusha Nama	50000	0.51	Nil	50000	0.51	Nil	0	0.00
	TOTAL	6567839	66.88		6567839	66.88			0.00

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

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

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

Sl. No.	For each of the top 10 shareholders	Shareholding at the end of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No of shares	% of total shares of the company
1	Narippen obhrai	65069	0.66	65069	0.66
2	Sunil a hinduja	60000	0.61	60000	0.61
3	Vibha s hinduja	55000	0.56	55000	0.56
4	S mohn'sh	43900	0.44	46100	0.47
5	Sunita santosh goenka	41397	0.42	41397	0.42
6	Subhra bikash banerjee	20353	0.20	28416	0.28
7	S lakshmi charishma	25543	0.26	25543	0.26
8	Vipul deepak shah	16589	0.17	16589	0.17
9	Pradeep r datar	34507	0.35	18622	0.18
10	Anjaneya Security Services Pvt Ltd	18000	0.18	18000	0.18

(v) Shareholding of Directors & KMP

Sl. No.	For Each of the Directors & KMP	Shareholding at the end of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No of shares	% of total shares of the company
1	Mr. S D M RAO				
	At the beginning of the year	1673320	17.04	1673320	17.04
	At the end of the year	1673320	17.04	1673320	17.04
2	Mr. S Karunakar				
	At the beginning of the year	586971	5.98	586971	5.98
	At the end of the year	586971	5.98	586971	5.98
3	Mr. S Kishore				
	At the beginning of the year	647155	6.59	647155	6.59
	At the end of the year	647155	6.59	647155	6.59
4	Mr. S Madhava rao				
	At the beginning of the year	500	0.01	500	0.01
	At the end of the year	500	0.01	500	0.01
5	Mr. V Chakrapani				
	At the beginning of the year	Nil	Nil	Nil	Nil
	At the end of the year	Nil	Nil	Nil	Nil
6	Mr. M N Thakkar				
	At the beginning of the year	Nil	Nil	Nil	Nil
	At the end of the year	Nil	Nil	Nil	Nil
7	Ms. N Rishita				
	At the beginning of the year	50000	0.51	50000	0.51
	At the end of the year	50000	0.51	50000	0.51
8	Mr. A venkateswara rao				
	At the beginning of the year	65	0.001	65	0.001
	At the end of the year	65	0.001	65	0.001

V INDEBTEDNESS

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

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

N.A.

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Name of the MD/WTD/Manager			Total Amount
1	Gross salary	S.D.M RAO, CMD	S. KARUNAKAR, WTD	S KISHORE, WTD	
(a)	Salary as per provisions contained in section 17(1) of the Income Tax, 1961.	1500000	3900000	3900000	9300000
(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	4000000	8000000	8000000	20000000
	as % of profit				
	others (specify)				
5	Others, please specify				
	Total (A)	5500000	11900000	11900000	29300000
	Ceiling as per the Act				

B. Remuneration to other directors:

Sl. No	Particulars of Remuneration	Name of the Directors					Total Amount
		Mr. M N Thakkar	Mr. S Madhava Rao	Mr. V Chakrapani	Mr. Akula Venkateswara rao	Ms. Nama Rishita	
1	Independent Directors						
	(a) Fee for attending board committee meetings	4000	18000	18000	8000	8000	56000
	(b) Commission						
	(c) Others, please specify						
	Total (1)	4000	18000	18000	8000	8000	56000
2	Other Non Executive Directors						
	(a) Fee for attending board committee meetings						
	(b) Commission	-	-	-			-
	(c) Others, please specify.						
	Total (2)						
	Total (B)=(1+2)	4000	18000	18000	8000	8000	56000
	Total Managerial Remuneration						
	Overall Ceiling as per the Act.						

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

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

VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

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

ANNEXURE - 3

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

A. CONSERVATION OF ENERGY:

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

Energy conservation measures taken:

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

B. TECHNOLOGY ABSORPTION:

(A) Research and Development (R&D)

1. Specify areas in which R & D : Training to upgrade in multi skill of employees in all the plants and all levels carried out by the Company by Japanese Consultants and German Consultants:

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

I) On Design:

- i) Completed change over to twin casting Machines and tooling to reduce Aluminium Alloy consumption and to improve quality,
- ii) Developed complete steel ring packs for 2W, 3W, Cars & Trucks,
- iii) Developed flexible lines on CNC to reduce cycle times and on line inspection,
- iv) Developed Asymmetric Profile Piston Rings for both Nitrated & Chrome plate Rings.
- v) Developed Moly coating processes for piston & Rings,
- vi) a) Developed Asymmetric profile Pistons for Motorcycle with Japanese Technology.
b) Developed and Supplying SUV Diesel Engine Segments
c) Developed Steel Rings with Bigger & Smaller Diameter with PVD Quoting on Gas Nitride

II) Manufacturing Process:

- a. Engine testing to speed up Piston & Ring validation process to the Customer
- b. Developed light weight and high Strength pistons for meeting Euro III norms and planning to meet the requirements of Euro IV.

2. Future plan of action:

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

3. EXPENDITURE ON R & D:

(Rs In lakhs)

	2016-17	2015-16
a) Capital	56.61	49.04
b) Recurring	69.19	73.56
c) Total	125.80	122.60
d) Total R & D Expenditure as A percentage of Net Sales	0.50%	0.50%

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

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

b. Total foreign Exchange used and earned:

Total foreign Exchange used	:	Rs.1436.25 lakhs
Total foreign Exchange earned	:	Rs.4435.51 lakhs

for and on behalf of the Board

Place : Hyderabad
 Date : 10th May,2017

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

ANNEXURE - 4

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

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

2. Composition of CSR Committee:

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

3. Average Net Profit for Last Three Financial Years:

Net Profit	For the Financial Year ended 31 st March (Rs In Lakhs)		
	2015-16	2014-15	2013-14
	1570.15	1231.51	1074.60
Average Net Profit for the preceding Three Financial Years	Rs 1292.09 Lakhs		

4. Prescribed CSR Expenditure (2% of Average Net Profit) : Rs 25.84 Lakhs

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

- a. Total Amount to be Spent for the financial year : Rs 25.84 Lakhs.
- b. Amount unspent, if any : Rs 25.73 Lakhs

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

- a. Total Amount Spent for the financial year : Rs57.67 Lakhs
- b. Amount unspent, if any : NIL

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub heads: 1) Direct expenditure on Projects or programs 2) Overheads.	Cumulative expenditure upto the reporting period.	Amount spent: Direct or through implementing agency.
1	Education	Schedule vii, Item no 2 (Promoting Education)	Andhra Pradesh, Vizianagaram Dist.	57.67Lakhs	57.67Lakhs	74.25Lakhs	Spent Directly
TOTAL				57.67Lakhs	57.67Lakhs	74.25Lakhs	

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

ANNEXURE - 5
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED
31.03.2017

FORM NO. MR.3

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

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

1. We have conducted Secretarial Audit pursuant to Section 204 of the Companies Act 2013, on the compliance of applicable Statutory Provisions and the adherence to good corporate practices by M/s Samkrg Pistons and Rings Limited (hereinafter called as "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.
2. The company is engaged in the business of manufacturing and supply of Automobile Pistons and Rings.
3. Based on our verification of the books, papers, minutes books, forms, returns filed and other records maintained by the Company and also the information and according to the examinations carried out by us and explanations furnished and representations made to us by the company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has during the Audit Period covering the Financial Year ended 31st March, 2017 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 2017 and ended with 31st March, 2017 ("Audit Period") according to the provisions of :
 - i) The Companies Act, 1956 (to the extent applicable) and the Companies Act, 2013 (the Act) and the Rules made there under;
 - ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') AND THE Rules made there under;
 - iii) The Depositories Act, 1996 and the Regulations and bye-laws framed there under;
 - iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and external Commercial Borrowings;
 - v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Inside Trading) Regulations, 1992;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme) Guidelines 1999.
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008.
 - f) The Securities and Exchange Board of India (Registrars to an issue and share transfer agents) Regulations, 1993 regarding the Companies Act and dealing with client;

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

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

Sd/-

V B S S PRASAD

Company Secretary

M.No. : 4139

CP No. : 4605

Place : Hyderabad

Date : 5th May, 2017

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.

Sd/-

V B S S Prasad

Comapany Secretary

M.No. : 4139

CP No. : 4605

Place: Hyderabad

Date: 05.05.2017

ANNEXURE - 6

Statement showing particulars of Employees pursuant to Rule 5 of Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014 for the year ended 31st March, 2017.

Name of the Employee	Age	Designation	Qualification & Experience	Date of commencement of employment	Remuneration & Commission	Particulars of last employment
Shri S.D.M. Rao	83 Years	Chairman Et Managing Director	B.Sc, B.E Industrial Experience over 49 years	01.07.1987	55,00,000/-	A.P.S Limited
Shri S. Karunakar	54 Years	Whole Time Director	B.E (Mechanical)	30.09.1998	1,19,00,000/-	N.A
Shri S. Kishore	52 Years	Whole Time Director	B.E (Mechanical)	30.09.1998	1,19,00,000/-	N.A

Management Discussion and Analysis Report

NOTES:

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

Auto Component Industry has slow growth. Indian Industry is now growing as potential Global automotive supplier with very good export potential as the developing Countries comes out of recession slowly.

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

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

Outlook:

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

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

The company expects moderate demand growth in the automobile industry during 2016-17 and long term prospects for the industry remain strong in the line with the outlook for the OEM segment.

FINANCIAL PERFORMANCE:

The Company earned total net revenue of Rs 25160 lakhs compared with Rs 24520 lakhs in the previous year and the operational expenses Rs 22577 lakhs compared with Rs.22297 lakhs incurred last year

Profit Before Depreciation, interest and tax (PBDIT) at Rs 4162 lakhs compared to previous year Rs.3588 lakhs. The Profit Before Tax was at Rs 2702 lakhs before extra ordinary item of Rs.31.65 Lakhs as compared to Rs.2262 Lakhs and Rs.21.15 lakhs towards exceptional item in

2015-16 an increase of 19.45%. Company has no long term loans.

HUMAN RESOURCES

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

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

CAUTIONARY STATEMENT

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

10 YEARS RECORD

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

EXPORTS

The Export Turnover is Rs.5132 lakhs during the year as against Rs 4643 lakhs of the previous year 2015-16.

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

POLLUTION CONTROL SAFETY & ENVIRONMENTAL PROTECTION:

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

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

DISCLOSURE OF PARTICULARS

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

REPORT ON CORPORATE GOVERNANCE

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

1. Company's philosophy on Code of Corporate Governance

Samkrg Pistons and Rings Limited defines Corporate Governance as a process directing the affairs of the Company with integrity, transparency and fairness, so as to 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, and the other Four are Non Executive Directors (NED).

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

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

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

b) DETAILS OF BOARD MEETINGS

During the Financial Year 2016-2017 the Board of Directors met 4 (Four) times on are 23.05.2016, 04.08.2016, 27.10.2016 and 30.01.2017.

The following table gives the composition of Directors and their attendance at the Board meetings held on the dates above mentioned, and the Thirtieth Annual General Meeting held on 18th August, 2016.

Name of the Director	Category	No of Board meetings attended	Attendance at Last AGM	No. of outside directorships held
Mr. S.D.M Rao	ED	4	YES	Nil
Mr. M.N. Thakkar	ID	1	NO	4
Mr. S Madhava Rao	NED	4	YES	NIL
Mr. V Chakrapani	ID	4	YES	Nil
Mr. S Karunakar	ED	4	YES	Nil
Mr. S Kishore	ED	4	YES	Nil
Mr. A Venkateswara rao	NED	4	YES	Nil
Ms. Nama Rishita	NED	4	YES	NIL

ED - Executive Director, NED - Non Executive Director

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

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

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

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

Shri S Kishore, Director, retire by rotation at the forth coming Annual General Meeting and seek re-appointment.

Code of Conduct

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

3. BOARD COMMITTEES:

The Company currently has the following committees of the Board:

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

a. Audit Committee:

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

The Audit Committee during the year ended 31st March, 2017 comprised of Three members out of whom there are Two Non-Executive Independent Directors, and one Executive Director Viz. , Shri V Chakrapani (Chairman, Non-Executive Director), Shri S Madhava Rao (Non-Executive Director) and Shri S. Kishore (Executive Director) who are financially literates and chairman is an expert in financial management.

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

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

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

The audit committee met on four occasions i.e 23rd may 2016, 4th August 2016, 27th October 2016 and 30th January 2017.

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

b. Nomination & remuneration committee

Executive Directors

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

Non-Executive Directors

Non Executive Directors are paid sitting fee only.

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

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

REMUNERATION OF DIRECTORS:

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

i. Non executive directors (sitting fee only)

Mr. M.N. Thakkar	4000/-
Mr. S. Madhava Rao	18000/-
Mr. V. Chakrapani	18000/-
Mr. A Venkateswara Rao	8000/-
Ms. Nama Rishita	8000/-

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

	Managing Director (?)	% To Net Profit	Wholetime Director (?)	% To Net Profit	Wholetime Director (?)	% To Net Profit
Fixed						
Salary	15,00,000/-		39,00,000/-		39,00,000/-	
Variable						
Commission	40,00,000		80,00,000/-		80,00,000/-	
Total	55,00,000/-	2.83%	1,19,00,000/-	6.12%	1,19,00,000/-	6.12%

c. Stakeholders relationship, grievance and share transfer committee

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

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

The Committee met twice during the year. The details on which the meetings were held are 04.08.2016 & 30.01.2017. All the members have attended all the meetings and the Manager - commercial is the compliance officer of the company.

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

4. ANNUAL GENERAL MEETINGS:

Year	Location of holding AGM	Date and Time of AGM
2015-2016	Hotel Grandeur, opp: J C Brother, Beside New Science College, Main road, Ameerpet, Hyderabad - 500073	18 th August, 2016 at 10.30 A.M
2014-2015	Hotel Grandeur, opp: J C Brother, Beside New Science College, Main road, Ameerpet, Hyderabad - 500073	21 st September, 2015 at 10.30 A.M
2013-2014	Hotel Grandeur, opp: J C Brother, Beside New Science College, Main road, Ameerpet, Hyderabad - 500073	18 th September, 2014 at 10.30 A.M

Special Resolutions passed during the previous three Annual General Meetings:

- 30th Annual General Meeting
There are no Special Resolutions
- 29th Annual General Meeting
There are no Special Resolutions
- 28th Annual General Meeting
A Special Resolution for re-appointment of Shri S D M Rao, Chairman & Managing Director.

5. DISCLOSURES

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

6. MEANS OF COMMUNICATION

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

7. POSTAL BALLOT

The company did not pass any resolution by postal ballot during the Financial Year 2016-17.

8. GENERAL SHAREHOLDER INFORMATION:

Date, Time and Venue of the 31 st Annual General Meeting	:	25 th September, 2017 At Hotel Grandeur Beside New Science College, Main Road, Ameerpet, Hyderabad - 500073
Financial Calendar	:	April to March
First quarter results	:	Last week of July 2017
Second quarter results	:	Last week of October 2017
Third quarter results	:	Last week of January 2018
Results for the year ending Mar,2010	:	End May 2018
Date of Book Closure	:	19 th September 2017 to 25 th September 2017 (Both days inclusive)
Dividend Payment date	:	Within 30 days from Date of AGM
Listing On Stock Exchanges	:	Bombay Stock Exchange Limited
Stock Code	:	520075 (BSE)
Demat ISIN No for CDSL and NSDL	:	INE706B01012
Dematerialisation of shares	:	96.14% of the paid up capital has been Dematerialised as on 31.03.2017

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 201 6-2017

Month	High Rate	Low Rate
April, 2016	183.90	157.30
May, 2016	180.00	127.00
June, 2016	183.00	150.10
July, 2016	177.00	158.40
August, 2016	189.50	168.10
September, 2016	251.70	181.40
October, 2016	256.00	212.10
November, 2016	137.00	170.00
December, 2016	197.50	169.00
January, 2017	203.00	180.60
February, 2017	202.00	182.10
March, 2017	206.00	181.00

Outstanding ADR/GDR	:	Not Issued
Registered Office	:	1-201, Divya Shakti Complex 7-1-58, Ameerpet , Hyderabad - 500016 Ph.No.040-23730596, 23735578,Fax 040-23730216 E-mail: admin@samkrg.com
Plant Locations	:	PLANT-I (Pistons, Pin and Steel Rings (Unit-IV) Sy.No.537, TempleRoad, Bonthapally Narsapur Taluk, Medak District. PLANT-II (Piston Rings) Sy.No.33, Varisam, Pydibhimavaram, Ranastalam Mandal, Srikakulam District. PLANT-III (Pistons) Sy.No.232, Arinama Akkivalasa, Allinagaram, Etcherla Mandal, Srikakulam District.
Investors' correspondence & share Transfer Agent in Physical form & In Electronic Mode	:	M/s XL Softech Systems Ltd 3, Sagar Society, Road No.2 Banjara Hills Hyderabad - 500034 Tel(040) 23553214
Trading in shares (Electronic Form)	:	Made Compulsory for all categories of Investors w.e.f on Stock Exchanges 26-12-2000 as per SEBI's mandate
Compliance Officer	:	Mrs. N Ratna Kumari
Share Transfer System	:	Share transfers are registered and returned within a period of thirty days from the date of receipt, if the documents are in order in all respects.
Dividend Declared for the last 10 years	:	2004-05 - 50% 2005-06 - 30% 2006-07 - 35% 2007-08 - 35% 2008-09 - 30% 2009-10 - 40% 2010-11 - 45% 2011-12 - 35% 2012-13 - 25% 2013-14 - 25% 2014-15 - 30% 2015-16 - 40%
Closing price of Company's Shares on Stock Exchange, Mumbai on 31.03.2017	:	Rs.251.70
All Time high of Company's Share price on Bombay Stock Exchange Limited 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 31.03.2017

Description	No. of Shareholders	%	No. of Shares	%
Promoters	10	0.107	6567839	66.878
Individuals	8926	96.341	2996287	30.510
FII, NRIs/OCB	138	1.489	74778	0.761
Financial Institutions and Banks	2	0.021	2100	0.021
Mutual Funds	2	0.021	1200	0.012
Bodies Corporate	154	1.662	166729	1.697
Clearing Members	33	0.356	11567	0.117
TOTAL	9265	100.000	9820500	100.000

DISTRIBUTION OF SHAREHOLDING AS ON 31.03.2017

Range	No. of Shareholders	%	Share	
			In Rs	%
Upto - 5,000	8217	88.69	12013550	12.23
5,001 - 10,000	565	6.10	4528220	4.61
10,001 - 20,000	268	2.89	4067340	4.14
20,001 - 30,000	99	1.07	2521080	2.57
30,001 - 40,000	31	0.33	1118900	1.14
40,001 - 50,000	27	0.29	1267200	1.29
50,001 - 1,00,000	30	0.32	2289540	2.33
1,00,001 & Above	28	0.30	70399170	71.69
TOTAL	9265	100.00	98205000	100.00

Declaration on Code of Conduct

This is to confirm that the Board has laid down a code of conduct for all Directors and Senior Management personnel of the Company. It is further confirmed that all Director and Senior Management personnel of the Company affirmed compliance with the Code of Conduct of the company for the financial year ended on 31st March, 2017 as envisaged in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 .

Place : Hyderabad
 Date : 10th May 2017

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, 2017:

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 : 10th May 2017

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

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

SAMKRG PISTONS AND RINGS LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **SAMKRG PISTONS AND RINGS LIMITED** ("the company"), which comprise the balance sheet as at 31st march, 2017, the statement of profit and loss, the cash Flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information, [in which are incorporated the Returns for the year ended on the date of the company's branch at VISAKAPATNAM]

Management's Responsibility for the Standalone Financial Statements

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

Auditor's Responsibility

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

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the company as at 31st march 2017, and its profit and loss and its cash flows for year ended on that date.

Emphasis of Matters

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

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

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

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

- a. We have sought and obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b. In our opinion, proper books of accounts as required by law have been kept by the company so far as it appears from our examination of those books [and proper returns adequate for the purposes of our audit have been received from the VISAKAPTNAM branch]
- c. The balance sheet , the statement of profit and loss, and the cash flow statement dealt with by this Report are in agreement with the books of account [and with the returns received from the VISAKAPATNAM branch]
- (d) in our opinion, the aforesaid financial statements comply with accounting standards specified under section 133 of the Act, with Rule 7 the companies (accounting) Rules , 2014.
- (e) on the basis of the written representation received from the directors as on 31st march 2017, taken on record by the board of directors, none of the directors is disqualified as on 31st march 2017, from being appointed as a directors in terms of section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, to our separate report in "Annexure A".
- (g) With respect to the matters to be included in the auditor's reporting in accordance with Rule 11 of the companies (Audit AND Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :
 - i. The company has disclosed the impact of pending litigation on its financial position in its financial statement -Refer Note 2- contingent liabilities to the financial statement;
 - ii. The company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts - Refer Note 5 to the financial statement;
- (h) With respect to the matters included in the auditor's reporting in accordance with Rule11(d) of the companies Rule 2017 , in our opinion and to the best of our information and according to the explanations given to us :

The company has provided the requisite disclosures in the financial statements as to the holding as well as dealing in Specified Bank Notes during the period from 8th November ,2016 to 30th December ,2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the company and produced to us by the Management -Refer clause no 17 note to the accounts .

For RAVI AND KESHAV
Chartered Accountants
(Firm registration no003187S)

(K.K.Kesavan)
M.NO 017489
Proprietor

Place :HYDERABAD

Date :10-05-2017

“ANNEXURE A” TO INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF SAMKRG PISTONS AND RINGS LIMITED ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31ST 2016. .

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

IN RESPECT OF ITS FIXED ASSETS

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

IN RESPECT OF ITS INVENTORIES

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

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

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

INTERNAL CONTROL SYSTEM

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

a period more than six month from then date they become payable. In respect of sales Tax (Entry Tax) there is disputed amount of 22.47 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	AMOUNT IN LACS	FORUM WHERE DISPUTE IS PENDING
1	SALES TAX ACT	ENTRY TAX	22.47	ADC(CT)

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

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

For RAVI AND KESHAV
Chartered Accountants
(Firm registration no003187S)

Place : HYDERABAD
Date : 10-05-2017

(K.K.Kesavan)
M.NO 017489
Proprietor

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 2017 in conjunction with our audit of the standalone financial statements of the company for the year ended on that date.

MANAGEMENT' RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITOR'S RESPONSIBILITY

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

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

MEANING OF INTERNAL FINANCIAL CONTORLS OVER FINANCIAL REPORING.

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

INHERENT LIMITATION OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING.

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

OPINION

In our opinion, the company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31,2016, 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.

For RAVI AND KESHAV
Chartered Accountants
(Firm registration no003187S)

(K.K.Kesavan)
M.NO 017489
Proprietor

Place :HYDERABAD
Date :10-05-2017

INDEPENDENT AUDITORS' CERTIFICATE

To the Members of SAMKRG PISTONS AND RINGS LIMITED

1. We, RAVI AND KESHAV, 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 2017, 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 31,2017.
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.

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

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

Place: Hyderabad
 Date: 10-05-2017

BALANCE SHEET AS AT 31ST MARCH, 2017

(Rs In Lakhs)

Particulars	Note No.	2016-17	2015-16
		Figures as at the end of the Current Reporting Period	Figures as at the end of the Previous Reporting Period
I. EQUITY AND LIABILITIES			
(1) Share Holders' Funds		11130.35	9219.90
(a) Share Capital	1	982.05	982.05
(b) Reserves and Surplus	2	10148.30	8237.85
(c) Money Received Against Share Warrants			
(2) Share Application Money pending allotment			
(3) Non-Current Liabilities		1610.63	1723.22
(a) Long - Term Borrowings	3	0	2.36
(b) Deferred tax liabilities (net)		284.43	244.43
(c) Other long -term liabilities	4	793.36	976.94
(d) Long-term provisions	5	532.84	499.49
(4) Current Liabilities		5895.42	6053.71
(a) Short-Term Borrowings	6	1716.05	1743.84
(b) Trade payables		1852.15	1870.36
(c) Other Current Liabilities		648.46	635.26
(d) Short -term provisions	7	1678.75	1804.26
TOTAL		18636.39	16996.83
II. ASSETS : NON CURRENT ASSETS			
(1) Fixed Assets		12532.27	10886.87
(i) Tangible Assets	8	12249.55	10624.85
(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	9	282.72	262.02
(e) Other non-current assets			
(2) Current Assets		6104.10	6109.95
(a) Current Investments			
(b) Inventories	10	1550.75	1827.50
(c) Trade receivables	11	3890.12	3910.07
(d) Cash and Cash equivalent	12	425.31	56.11
(e) Short-term loans and advances	13	115.00	239.34
(f) Other Current Assets	14	122.94	76.92
TOTAL		18636.39	16996.83

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

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

For and on Behalf of Board of Directors

Sd/-
(K.K.Kesavan)
Proprietor
Membership No. : 017489
Place : Hyderabad
Date : 10.05.2017

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

Sd/-
M.N. Thakkar
Director

STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH, 2017

(Rs. In Lakhs)

Particulars	Note No.	2016-17	2015-16
		Figures as at the end of the Current Reporting Period	Figures as at the end of the Previous Reporting Period
I Revenue from Operations	1	25159.66	24520.09
II Other Income	2	119.88	38.49
III Total Revenue		25279.54	24558.58
IV Expenses			
Cost of Material Consumed	3	12649.10	12263.11
Purchase of Stock in Trade	4	158.75	185.73
Change in Inventories of Finished Goods, Work in Progress and Stock in Trade	5	259.99	-384.84
Employees Benefits Expenses	6	5019.61	5665.47
Finance Cost	7	173.49	155.21
Depreciation and Amortization Expenses	8	1286.36	1170.57
Other Expenses	9	3029.93	3241.57
Total Expenses		22577.23	22296.82
V Profit Before Exceptional and Extraordinary items and Tax (III-IV)		2702.31	2261.75
VI Exceptional Items		31.65	21.15
VII Profit before Extraordinary items and Tax (V-VI)		2670.66	2240.60
VIII Extraordinary items		0.00	0.00
IX Profit before Tax (VII-VIII)		2670.66	2240.60
X Tax Expenses			
(1) Current Tax		685.00	630.45
(2) Deferred Tax		40.00	40.00
XI Profit (Loss) for the period from continuing operations (IX-X)		1945.66	1570.15
XII Profit (Loss) from discounting Operations		0.00	0.00
XIII Tax Expenses of discounting operations		0.00	0.00
XIV Profit (Loss) from discounting operations (after tax) (XII-XIII)		0.00	0.00
XV Profit (Loss) for the period (XI-XIV)		1945.66	1570.15
XVI Earning per Share			
(1) Basic		20.29	15.99
(2) Diluted		20.29	15.99

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

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

For and on Behalf of Board of Directors

 Sd/-
 (K.K. Kesavan)
 Proprietor
 Membership No. : 017489
 Place : Hyderabad
 Date : 10.05.2017

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

 Sd/-
 M.N. Thakkar
 Director

NOTES FORMING PART OF BALANCE SHEET

Particulars	Rs. In lakhs	
	As At March 31, 2017	As At March 31, 2016
NOTE-1		
SHARE CAPITAL		
Authorized	1250.00	1250.00
Issued , Subscribed and Paid up	982.05	982.05
Par Value of Share -Rupees	10.00	10.00
SharesHeld by Share Holder Holding More than 5% Share (in nos)		
Sdm Rao	1005044	1005044
Sdm Rao-Huf	68276	68276
S.Saraswathi	2630205	2630205
S.Karunakar	522774	522774
S.Kishore	513035	513035
For the Period of five years immediately Preceding the date as at The balalce sheet prepared		
Forfeited shares (Amount originaly paid up)		
10800 shares a @Rs 5 per share 1.03.lakhs	0.54	0.54
9750 shares @ Rs 5 per share	0.49	0.49
NOTE-2		
RESERVES AND SURPLUS		
(I) Capital Reserve	56.03	56.03
(II) Securities Primium Reserve	163.92	163.92
(III) Revaluation Reserve	155.21	155.21
(IV) General Reserve	284.45	50.43
(V) Surplus in Statement of Profit and Loss	9488.69	7786.24
(VII) Csr Reserve	0.00	26.02
TOTAL	10148.30	8237.85

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

An amount of rs 57,67,109 was spent out of CSR reserve towards the development and constructions of:

- (1) Govt junior college - parvatipuram, A.P with 6 rooms & central hall varanda flooring, roof tiling, Electrification, painting i.e, 6000 sq ft area. Laying of internal roads of 200mts, cycle stand and Installation of saraswathi statue and handed over to principal on 26.10.2016.
- (2) Govt Girls High School - parvathipuram - a play ground 75000 sq ft laying & construction of Volley Ball & badminton & koko courts i.e 20000 sft and dias for assembly , toilets - painting of school, Inside road, compound wall.

NOTES FORMING PART OF BALANCE SHEET

Particulars	Rs. In lakhs	
	As At March 31, 2017	As At March 31, 2016
GENERAL RESERVE		
Opening Balance	50.43	684.09
Add: Transfer from P & L A/C	243.21	196.27
Less: Earlier Years Tax & Dividend and Dividend Tax	9.19	829.93
Net Reserve	284.45	50.43
Profit and Loss Account		
Opening Balance	7786.24	6412.36
Add: Current Year Profit	1945.66	1570.15
Less: Transfer to General Reserve	243.21	196.27
Net Profit and Loss Account	<u>9488.69</u>	<u>7786.24</u>
NOTE-3		
LONG TERM BORROWINGS		
FULLY SECURED		
Loans for Vehicles	0	2.36
Unsecured		
Other Loans	0	0
TOTAL	<u>0</u>	<u>2.36</u>
NOTE-4		
OTHER LONG TERM LIABILITIES		
Sales Tax Deferal Loan	793.36	976.94
TOTAL	<u>793.36</u>	<u>976.94</u>
INTEREST FREE SALES TAX LOAN IS REPAYABLE AS FOLLOWS:		
1. Plant-I 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 Rs 184.22 Lakhs represents repayable in the next 12 Months had been shown under Current Liabilities		
NOTE-5		
LONG TERM PROVISIONS		
Provision for Gratuity	532.84	499.49
TOTAL	<u>532.84</u>	<u>499.49</u>

The employees who are become eligible had been considered for valuation and the amounts were Worked out and provided.

NOTES FORMING PART OF BALANCE SHEET

Particulars	As At March 31, 2017	As At March 31, 2016
NOTE-6		
SHORT TERM BORROWINGS		
Secured		
Cash Credit - Stocks	1531.83	1547.88
Sales Tax Deferrment Loan-Payable With in a Year	184.22	195.96
TOTAL	1716.05	1743.84

Working Capital Loan With SBI Is Secured By Hypothecation of all Current Assets Including Book Debts On first Charge Basis And Second Charge on All Fixed Assets and Immovable Properties of the Company

NOTE-7

SHORT TERM PROVISIONS

Other Provisions	792.93	857.26
Provision For Employees Benefits	885.83	947.00
TOTAL	1678.76	1804.26

The Other Provisions Includes the Power Bill for the Month of March Amounting to Rs. 141.03 Lacs, Etc

NOTE-8

FIXED ASSETS

Particulars	VALUE AS AT 01-04-2016	NET ADDITION/DELETION DURING THE YEAR	VALUE AS AT 31-03-2017
Land free hold	189.61	0.00	189.61
Buildings	1900.62	171.59	2072.21
Plant and Machinery	18212.76	2608.09	20820.85
Electrical Installation	506.89	67.18	574.06
Furniture and Fixtures	172.89	4.73	177.62
Vehicles	334.53	59.47	394.00
Impairment of Assets	194.18	0.00	194.18
TOTAL	21511.47	2911.06	24422.53

1. The Fixed Assets Includes Self Made Machines
2. The Cost Fixed Assets is Net of Cenvet Credit Availed and to be claimed.

NOTES FORMING PART OF BALANCE SHEET

Particulars	Rs. In lakhs	
	As At March 31, 2017	As At March 31, 2016
Net Block of Fixed Assets As on 01-04-2016	10624.85	10120.19
Additions During The Year	2911.06	1675.23
Less: Depreciation Provided during the year	1286.36	1170.57
Net Block As on 31.03.2017	12249.55	10624.85

NOTE-9

LONG TERM-LOANS AND ADVANCES

Unsecured and Considered Good

SPDCL /EPDCL Deposit	282.72	262.02
TOTAL	282.72	262.02

NOTE-10

INVENTORIES

Stores and spares	204.03	209.44
Raw Materials	295.29	312.25
Semi Finished Goods	505.75	473.44
Finished Goods	522.56	814.87
Traded Goods	23.11	17.51
TOTAL	1550.75	1827.50

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

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

The cost does not include excise duty component.

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

NOTE-11

OUTSTANDING FOR A PERIOD OF MORE THAN SIX MONTHS

From the Date they are due	225.99	198.75
Unsecured Considered Good-Others	3664.13	3711.32
TOTAL	3890.12	3910.07

NOTES FORMING PART OF BALANCE SHEET

Particulars	As At March 31, 2017	As At March 31, 2016
NOTE-12		
CASH AND CASH EQUIVALENTS		
Cash In Hand	1.32	1.82
Balance with Banks	372.06	5.65
Margin Money With Banks	51.93	48.64
TOTAL	425.31	56.11
NOTE-13		
SHORT TERM LOAN AND ADVANCES		
Secured Considerd Good		
Advances to Staff	72.87	177.08
Other Deposits	6.26	8.74
Unsecured Considered Good		
Advances to Suppliers	18.94	11.09
Other Advances	16.92	42.41
TOTAL	114.99	239.34
NOTE-14		
OTHER CURRENT ASSETS		
Excise Duty Deposit	106.82	56.68
Service Tax	15.02	20.28
VAT Credit	1.10	-0.03
TOTAL	122.94	76.92

NOTES FORMING PART OF STATEMENT OF PROFIT AND LOSS ACCOUNT

Rs. In lakhs

Particulars	As At March 31, 2017	As At March 31, 2016
NOTE-1		
REVENUE FROM OPERATIONS		
(A) Sale of Products	28037.31	27382.56
(B) Sale of Services		
(C) Other Operating Revenue	14.90	12.15
TOTAL	28052.21	27394.71
Less: Excise Duty	2892.55	2874.62
Net Operating Revenue	25159.66	24520.09
The Other Operating Revenue Represents Sale of Scrap		
NOTE-2		
OTHER INCOME		
(A) Interest Income-With Notes Interest from Bank on Margin Money and Deposits With TS & APEDCL	25.29	23.87
(B) Dividend Income	0	0
(C) Net Gain/Loss On Sale Of Investments	0	0
(D) Other Non-Operating Income (Net)	94.59	14.62
TOTAL	119.88	38.49
NOTE-3		
COST OF MATERIAL CONSUMED		
Opening Stock of Raw Material	273.95	273.77
Aluminium	3024.71	2867.58
Alloying Elements	835.63	629.74
Pin Steel	569.53	506.62
Customs Duty on Raw Materials	152.47	154.84
Direct Materials	1144.27	1160.55
Indirect Materials	924.40	554.93
Less: Cash Discount Received	-108.32	-100.87
TOTAL	6816.64	6047.17
Less: Closing Stock Of Raw Material	279.68	273.95
NET CONSUMPTION OF RAW MATERIAL	6536.96	5773.21
Power and Fuel	1816.88	1830.14
Transportation	903.39	868.10
Consumption Of Stores And Spares Opening Stock	209.44	225.06
Purchases	2149.61	2745.82
Less: Closing Stock	204.03	209.44
Net Consumption Of Stores And Spares	2155.02	2761.44
Consumption Of Packing Material Opening Stock	38.30	40.05
Purchases	1214.17	1028.48
Less: Closing Stock	15.61	38.30
Net Consumption Of Packing Materials	1236.85	1030.23
Total Consumption Of Raw Material	12649.10	12263.11

NOTES FORMING PART OF STATEMENT OF PROFIT AND LOSS ACCOUNT

Rs. In lakhs

Particulars	As At March 31, 2017	As At March 31, 2016
NOTE-4		
GOODS-TRADED GOODS		
Opening Stock	17.51	25.95
Stop Pegs	19.03	7.99
Circlips	145.32	149.76
Other Items	0.00	19.53
Closing Stock	-23.11	-17.51
TOTAL	158.75	185.73
NOTE-5		
INCREASE/DECREASE IN STOCKS		
OPENING STOCK		
Semi Finished Goods	473.44	363.96
Finished Goods	814.87	539.50
	1288.30	903.46
CLOSING STOCK		
Semi Finished Goods	505.75	473.44
Finished Goods	522.56	814.87
	1028.31	1288.30
INCREASE/DECREASE IN STOCKS	259.99	-384.84
NOTE-6		
EMPLOYEES BENEFIT EXPENSES		
(i) Salaries & Wages	4368.47	5092.03
(ii) Contribution to Provident fund and other funds	224.65	195.38
(iii) Staff Welfare Expenses	426.48	378.06
TOTAL	5019.61	5665.47
NOTE-7		
FINANCE COST		
(A) Interest Expenses	109.56	127.78
(B) Other Borrowing Cost	47.84	57.42
(C) Net Gain/ Loss On Foreign Currency	16.10	-29.99
Transactions And Translation-With Notes	0.00	0.00
TOTAL COST	173.49	155.21

NOTES FORMING PART OF STATEMENT OF PROFIT AND LOSS ACCOUNT

Rs. In lakhs

Particulars	As At	As At
	March 31, 2017	March 31, 2016
NOTE-8		
DEPRECIATION AND AMORTIZATION EXPENSES	1286.36	1170.57
NOTE-9		
OTHER EXPENSES		
Rent, Rates & Taxes	171.90	161.06
Printing & Stationary	59.48	52.95
Communicational Expenses	29.74	30.47
Conveyance & Travelling	121.23	126.02
Director's Sitting Fee	0.56	0.54
Insurance	24.48	19.81
Auditor's Remuneration	9.25	9.25
Legal & Professional Charges	2.54	4.99
Repairs & Maintenance	252.58	268.74
Sales Promotion	1686.67	1919.39
Advertisement	4.00	4.72
Miscellaneous Expenses	99.67	52.05
Gratuity	59.86	89.23
VAT	69.30	66.41
C S T	438.67	435.93
TOTAL	3029.93	3241.57

NOTE: 10

The Extraordinary Item Represents the provision made for Corporate Social Responsibility for an Amount of Rs. 31.65 Lacs . Please Refer Corporate Social Responsibility Report by the Board of Directors.

5. OTHER INFORMATION:

1. RETIREMENT BENEFITS

- A) The Company's Contribution to Provident Fund is Administered through Regional Provident Fund Commissioner and being charged to Revenue as Incurred.
- B) Leave Encashment is Accounted for on Cash Basis of the Actual Payments Made.

2. TAXES AND INCOME

- A) Current Tax: Provision for Income Tax is Determined in accordance with the provisions of Income Tax Act 1961
- B) Deferred Tax provision: Deferred Tax is Recognized on Timing Differences being the Differences Between Taxable Income and Accounting Income that originate in one period and are Capable of Reversal in one or more Subsequent period(S). Provision had been made on the Account of above as there exist Deferment Assets
- C) The Timing Deference on Account of Depreciation charged on the Assets as per the companies Act and as per the Income Tax Act has been provided. the net Deferred Tax Liability over the Deferred Tax Assets was Rs.40.00 Lakhs and Considered for the current year was Rs 40.00 Lakhs.(Previous Year Rs 40.00 Lakhs)

Contingent Liabilities Not Provided For

Disputed Amount of Rs.22.47 Lacs towards A.P. Tax on Entry of Goods for the Assessment year 2002-03 is Pending with the ADC (CT) Punjagutta Division, Hyderabad against which we have already paid an amount of Rs. 3.21 Lacs the case did not come for any hearing further.

3. DETAILS UNDER MASA

SUNDRY CREDITORS

Discloser under the Micro and Small Enterprises Development Act, 2006. Amount Due To Micro And Small Enterprises are Disclosed on the Basis of Information Company Regarding Available with the Status of the Suppliers is as Follows.

Rs./In Lakhs

Sl. No.	Particulars	2016-17 Rs./in lacs		2015-16 Rs./in lacs	
		Principal	interest	Principal	interest
1	Principal amount and interest thereon due, remaining unpaid at the end of the year.	115.22	Nil	66.76	Nil
2	Interest paid during the year	Nil	Nil	Nil	Nil
3	Interest due and payable (On the amount which have been paid beyond the appointed date during the year)	NA	Nil	Nil	Nil
4	Interest remaining accrued and unpaid at the end of year	NA	Nil	Nil	Nil
5	Interest due of the previous year	NA	Nil	Nil	Nil

- 4. Amount of exchange difference as per AS -11 accounting for the effects of changes in foreign exchange rates included in the finance cost was Rs.16.10 Lakhs (previous year Rs.-29.98 Lakhs)

- 5. Estimated amount of contracts remaining to be executed on capital account is Rs. 0.00 Lacs (previous year Rs.81.65 Lakhs) against which advances has been paid Rs. 0.00 Lakhs (previous year Rs.35.65 Lakhs)

Rs./In Lakhs

	2016-17	2015-16
6. Expenditure in foreign currency travelling	4.24	8.32
7. Earnings in foreign currency (on receipts basis)	4435.51	4102.74

8. SEGMENT REPORTING UNDER ACCOUNTING STANDARD - 17

The Company operates in single primary business segment namely manufacture of auto components - piston assemblies, hence no separate disclosure is required.

9. RELATED PARTY DISCLOSURES:

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

RELATED PARTIES TRANSACTIONS FOR THE YEAR ENDED 31.03.2017

Sl. No.	Names Of Related Parties & Description Of Relationship	Nature Of Transactions	Amount Paid During The YearRs.	Balance Outstanding (To)/ From Rs
1	Shri S. Karunakar - Director	Rent Paid / Payable	1308000	
2	Shri S. Kishore - Director	Rent Paid / Payable	1188000	
3	Smt. S. Saraswathi - W/O Cmd	Rent Paid / Payable	1272000	
4	Saraswathi Enterprises (Firm)	Rent Paid / Payable	6240000	
5	Key Management Personnel			
	- Shri S.D.M. Rao - Chairman & M.D	Remuneration . & Commission Paid	5500000	
	- Shri S. Karunakar - Director		11900000	
	- Shri S. Kishore - Director		11900000	

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

10. The Company had already transferred balance funds in un-paid dividend account to investors education fund amount to Rs. 2.59 Lacs . The amount was deposited on mar 2017 after a delay of four months.

	Rs. In lakhs	
	2016-17	2015-16
11. PAYMENT TO AUDITORS		
(A) Auditor	7.75	7.75
(B) For Taxation Matters	1.50	1.50
TOTAL	9.25	9.25

12. CIF VALUE OF IMPORTS

By The Company During The Financial Year In Respect Of

(A) Raw Material	850.27	577.59
(B) Components and Spare Parts	8.82	14.25
(C) Capital Goods	572.92	304.54

13. CONSUMPTION

Imported Raw Materials	850.27	577.59
Spare Parts	8.82	14.25
Components		
Total Indigenous Raw Material	9777.89	9750.61
Spare Parts Components		
Total of Percentage of Each		
Indigenous	85.35	90.81
Imported	14.65	9.19

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

14. CAPACITY

	in Millions		
	2016-17	2016-17	2015-16
	Actual Production	Installed Capacity	Installed Capacity
Pistons	10.22	12.00	10.50
Piston Pins	10.22	12.00	10.50
Piston Rings	29.68	38.00	35.00

15. The obligation under EPCG concessional duty scheme on account capital equipments imports amounting to amounting to Rs.1394.46 Lakhs (previous year Rs.837.88 Lakhs)

16. The Company had not accepted any deposits from public nor solicited any as per Companies Act Deposit Rules 2013. The Company had taken Security Deposits from our Dealers of our products and paying interest At @9% . The Deposits are Repayable at The Closure of the Dealership only.

17. Disclosure under Rule 11 (D) Companies Act, 2013

Particulars	SBN	Other Denomination Notes	Total
Closing Cash In Hand As On 08.11.2016	200000	239037	439037
With Drawn From Bank		694000	694000
Add: Permitted Receipts	0	0	0
Less: Permitted Payments	0	726630	726630
Less: Amount Deposited In Bank	200000	0	200000
Closing Cash In Hand As On 30.12.2016	0	206407	206407

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

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

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

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

For and on Behalf of Board of Directors

Sd/-
(K.K.Kesavan)
Proprietor
Membership No. : 017489

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

Sd/-
M.N. Thakkar
Director

Place : Hyderabad
Date : 10.05.2017

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2017

Particulars	Rs. In Lakhs	
	Year Ended march 2017	Year Ended march 2016
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax and extraordinary items	2702.31	2261.75
ADJUSTMENTS FOR:		
Depreciation	1286.36	1170.57
Sales Tax Deferment	-183.58	-195.96
Interest	173.49	155.21
Interest earned	25.29	23.87
Gratuity provision	59.86	89.23
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	4063.73	3504.67
ADJUSTMENTS FOR:		
Receivables	19.96	-810.67
Inventories	276.75	-359.21
Loans & Advances	57.65	-96.44
Payables	-161.96	1108.68
CASH GENERATED FROM OPERATIONS	4256.13	3347.02
Interest paid	173.49	155.21
CSR PAYMENTS	57.67	16.59
Taxes paid	662.76	635.23
Gratuity paid	26.51	11.30
NET CASH FLOW FROM OPERATING ACTIVITIES	3335.69	2528.70
Net Increase in Bank Borrowings	0.00	0.00
NET INCREASE IN CASH FLOW	3335.69	2528.70
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets(net of sale)	2911.06	1675.23
Interest received	25.29	23.87
Term Loans	2.36	-0.35
NET CASH USED IN INVESTING ACTIVITIES	2938.71	1698.75
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Unsecured Loans		
Increase (Decrease) in Working Capital Loan (net of payments)	-27.78	7.89
Dividend and Dividend tax	0	-829.93
NET CASH USED IN FINANCING ACTIVITIES	-27.78	-822.04
NET INCREASE IN CASH AND CASH EQUIVALENTS	369.20	7.91
CASH AND CASH EQUIVALENTS AS AT THE COMMENCEMENT OF THE YEAR	56.11	48.20
CASH AND CASH EQUIVALENTS AS AT THE END OF THE YEAR	425.31	56.11

NOTES: The Above Cash Flow Statement Has Been Prepared Under The Indirect Method As Set Out In The Accounting Standard-3 On Cash Flow Statements. The Previous Figures Were Re-Grouped As Per Current Year. This Is The Cash Flow Statement Referred To In Our Report Of Even Date

For M/s Ravi & Keshav
 Chartered Accountants
 Firm Registration No:003187S
 Sd/-
 (K.K.Kesavan)
 Proprietor
 Membership No. : 017489
 Place : Hyderabad
 Date : 10.05.2017

For and on Behalf of Board of Directors
 Sd/-
 S.D.M Rao
 Chairman and Managing Director
 Sd/-
 M.N. Thakkar
 Director

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SAMKRG PISTONS AND RINGS LIMITED

L27310TG1985LC005423

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

31ST ANNUAL REPORT 2016-17

Attendance Slip

Folio No./DP ID and Client ID:

No. of Shares:

Name and address of
First/Sole Member :

I certify that I am a member/proxy for a member of the Company. I hereby record my presence at the 31st Annual General Meeting of the Company, at Hotel Grandeur, Beside New Science College, Main Road, Ameerpet, Hyderabad - 500073, Telangana at 10.30 A.M on Monday, the 25th September, 2017.

Name of the Member/Proxy
(Block Letters)

Signature of the Member/Proxy

Note:

1. Member/Proxy must bring the Attendance Slip to the Meeting and hand it over, duly signed at the registration counter.
2. No gifts will be given.
3. Applicable for Investors holding shares in electronic form.
4. Strike out whichever is not applicable.



SAMKRG PISTONS AND RINGS LIMITED

L27310TG1985LC005423

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

Form No. MGT-11

Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)]

Name of the member(s)		
Registered Address		
Email Id		
Folio No / Client ID		DP ID:

I /We, being the member(s) of _____ shares of the above named Company, hereby appoint

1	Name		
	Address		
	E-mail Id	Signature	or failing him
2	Name		
	Address		
	E-mail Id	Signature	or failing him
3	Name		
	Address		
	E-mail Id	Signature	or failing him

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 31st Annual General Meeting of the Company, to be held on 25th September, 2017 at 10.30 A.M at Hotel Grandeur, Beside New Science College, Main Road, Ameerpet, Hyderabad - 500073, Telangana and at any adjournment thereof in respect of such resolutions as are indicated below :

SI No.	Resolutions	For	Against
1	To consider and adopt the Audited Financial Statements of the Company for the Financial Year 2016-2017 together with the Report of the Board of Directors and Auditors thereon.		
2	To declare dividend of Rs. 4.5/- per Equity Share of Rs.10/- each to the shareholders for the Financial Year 2016-17.		
3	To appoint a Director in place of Shri S. Keshore, who retires by rotation and being eligible, offers himself for re-appointment as Director.		
4	To appointment of Statutory Auditors		

Signed this day of 2017.

Affix
Revenue
Stamp

Signature of shareholder: _____ Signature of Proxy holder(s): _____

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.



Bonthapally - Piston & Pin Plant (Near Hyderabad)



Varisam - Rings Plant (Near Visakhapatnam)



Akkivalasa - Piston & Pin Plant (Near Visakhapatnam)

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SAMKRG PISTONS AND RINGS LIMITED

(AN ISO/TS 16949 : 2002 Company)

Registered Office:

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

E-mail: admin@samkrg.com

Website: www.samkrgpistonsandrings.com