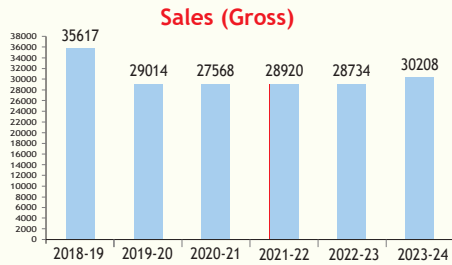




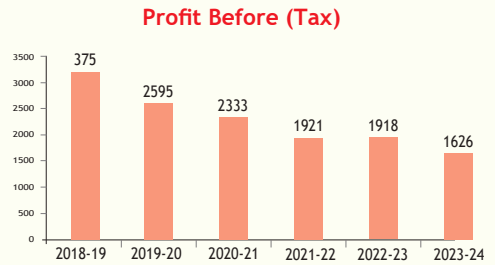
38th Annual
Report
2023-24

SAMKRG PISTONS AND RINGS LIMITED

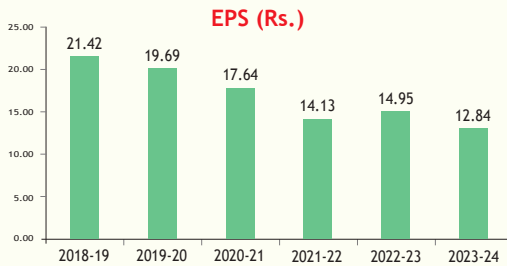
(AN ISO 9001:2015 IATF 16949:2016 Company)



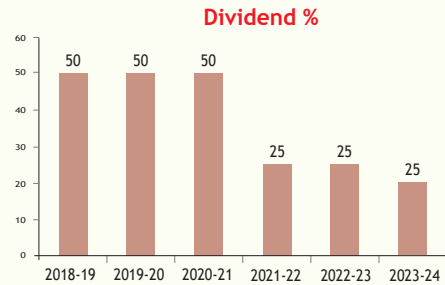
| Particulars | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
|---------------|---------|---------|---------|---------|---------|---------|
| Sales (Gross) | 35617 | 29014 | 27568 | 28920 | 28734 | 30208 |



| Year | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
|------------|---------|---------|---------|---------|---------|---------|
| Dividend % | 3175 | 2595 | 2333 | 1921 | 1918 | 1626 |



| Particulars | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
|-------------|---------|---------|---------|---------|---------|---------|
| EPS % | 21.42 | 19.96 | 17.64 | 14.13 | 14.95 | 12.84 |



| Particulars | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
|-------------|---------|---------|---------|---------|---------|---------|
| Dividend % | 50 | 50 | 50 | 25 | 25 | 20 |

KEY FINANCIAL INDICATORS

10 YEARS PERFORMANCE AT GLANCE

| Particulars | 2023-24 | 2022-23 | 2021-22 | 2020-21 | 2019-20 | 2018-19 | 2017-18 | 2016-17 | 2015-16 | 2014-15 |
|-----------------------|----------|----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Sales (Gross) | 30208.08 | 28734.33 | 28919.82 | 27567.96 | 29013.61 | 35616.53 | 32397.76 | 28037.31 | 27382.56 | 25543.09 |
| Net operating Revenue | 24533.22 | 23422.56 | 23465.95 | 22165.78 | 23123.18 | 28283.61 | 26116.54 | 22965.02 | 24520.09 | 23247.38 |
| PBDIT | 3296.93 | 3583.26 | 3365.56 | 3736.41 | 3974.63 | 4524.92 | 4373.71 | 4162.16 | 3587.53 | 3419.34 |
| Profit before tax | 1625.57 | 1917.70 | 1921.48 | 2333.25 | 2595.17 | 3175.20 | 2928.30 | 2702.31 | 2261.71 | 1800.82 |
| Profit after tax | 1260.98 | 1468.39 | 1387.64 | 1732.42 | 1959.81 | 2103.59 | 2015.46 | 1945.66 | 1570.15 | 1231.51 |
| Profit after tax (%) | 5.14 | 6.27 | 5.91 | 7.82 | 8.48 | 7.44 | 7.72 | 8.47 | 6.40 | 5.30 |
| Dividend paid | 245.51 | 245.51 | 245.51 | 491.03 | 491.03 | 491.03 | 491.03 | 441.92 | 392.82 | 294.62 |
| Dividend % | 25.00 | 25.00 | 25.00 | 50.00 | 50.00 | 50.00 | 50.00 | 45.00 | 40.00 | 30.00 |
| Share Capital | 982.05 | 982.05 | 982.05 | 982.05 | 982.05 | 982.05 | 982.05 | 982.05 | 982.05 | 982.05 |
| Reserves & Surplus | 18018.85 | 17003.38 | 16498.76 | 15602.45 | 13922.60 | 13146.69 | 11619.77 | 10148.30 | 8237.85 | 7493.06 |
| Net worth | 19000.90 | 17985.43 | 17480.81 | 16584.50 | 14904.65 | 14128.74 | 12601.82 | 11130.35 | 9219.90 | 8475.11 |
| Gross Fixed Assets | 35317.54 | 32620.10 | 31692.30 | 30922.13 | 30036.95 | 29039.88 | 26926.57 | 24422.53 | 21511.47 | 19836.24 |
| EPS (Rs) | 12.84 | 14.95 | 14.13 | 17.64 | 19.96 | 21.42 | 20.52 | 19.81 | 15.99 | 12.54 |
| Book value/Share (Rs) | 193.48 | 183.14 | 178.00 | 168.88 | 151.77 | 143.87 | 128.32 | 113.34 | 93.88 | 86.30 |
| Debt Equity | 0.07 | 0.08 | ZERO DEBT | ZERO DEBT | ZERO DEBT | ZERO DEBT | ZERO DEBT | ZERO DEBT | ZERO DEBT | ZERO DEBT |

| Year | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
|---------------|---------|---------|---------|---------|---------|---------|
| Sales (Gross) | 35617 | 29014 | 27568 | 28920 | 28734 | 30208 |

| Year | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
|---------------------|---------|---------|---------|---------|---------|---------|
| PROFIT BEFORE (TAX) | 3175 | 2595 | 2333 | 1921 | 1918 | 1626 |

| Year | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2022-23 | 2023-24 |
|------------|---------|---------|---------|---------|---------|---------|
| Dividend % | 50 | 50 | 50 | 25 | 25 | 20 |

| Year | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
|----------|---------|---------|---------|---------|---------|---------|
| EPS (Rs) | 21.42 | 19.96 | 17.64 | 14.13 | 14.95 | 12.84 |

COMPANY INFORMATION

| | |
|---|---|
| REGISTERED OFFICE | 1-201, DIVYA SKATHI COMPLEX, 7-1-58, AMEERPET, HYDERABAD -500016 TEL: 040-23730596 |
| Registrar and Share Transfer Agent | M/s. XL Softech Systems Limited, 3 Sagar Society, Road No: 2, Banjara Hills Hyderabad- 500 034 |
| WORKS AT | |
| Plant I & IV Pistons, Pins and Steel Ring Unit | Survey No: 537, Temple Road, Bonthapally, NarsapurTaluk, Sanga Reddy District, Telangana- 502313 |
| Plant II Cast Iron & Steel Ring Unit | Survey No: 33, Varisam ,Pydibhimavaram PO, RanasthalamMandalSrikalulam District, Andhra Pradesh - 532409 |
| PLANT III Pistons & Pins Unit | Survey No: 232, Arinama Akkivalasa Allinagaram Etcherla Mandal Srikalulam District, Andhra Pradesh - 532140 |
| PRINCIPAL OFFICERS | |
| Company Secretary | Smt. Surabhi Jain (Till August 12, 2024) |
| Chief Financial Officer | Sri BooruguVenkatesham |
| Secretarial auditor | CS V B S S Prasad, Company Secretary 208 Kubera Towers, Narayanaguda, Hyderabad-500 029 |
| Statutory auditors | CA M V N Murthy, Chartered Accountant 423, Kubera Towers, Narayanaguda, Hyderabad-500 029 |
| Cost Auditor | Sri Penumarthy Srinivas H. No: 97/2RT, Vijaya Nagar Colony, Hyderabad- 500 057 |
| Bankers | State Bank of India Industrial Finance Branch, Somajiguda, Hyderabad |

BOARD OF DIRECTORS

| | |
|---|---|
| Sri Saripalli Karunakar | Chairman & Managing Director |
| Sri Saripalli Kishore | Whole Time Executive Director |
| Sri Saripalli Monish | Whole Time Director (Operations) |
| Sri Pinninti Raghu Prakash Swamy | Independent Director |
| Sri K. Kesavan | Independent Director |
| Sri N Rishita | Women Independent Director |
| Mrs. Sirisha Ramaraju | Women Independent Director (w.e.f. August 12, 2024) |
| Mrs. Nandiniy Vijay Kumar | Women Independent Director (w.e.f. August 12, 2024) |

NOTICE

NOTICE is hereby given that the Thirty Eighth (38th) Annual General Meeting of the Members of the SAMKRG PISTONS AND RINGS LIMITED will be held on Wednesday the 25th September, 2024 at 11:00 a.m. IST through Video Conferencing (VC) / Other Audio Visual Means (OAVM) in compliance with other applicable provisions of the Companies Act, 2013 and Rules framed thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 read with various circulars of Ministry of Corporate Affairs and SEBI issued from time to time, without physical presence of the members at a common venue to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the company as at 31st March 2024 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 for the financial year 2023-24 of Rs.2.00/- per equity share (20%) of face value of Rs.10/- each for the year ended March 31, 2024.
3. To appoint a director in place of Shri S Monish (10217575) who retires by rotation and being eligible, seeks for re-appointment. Based on performance and recommendation of nomination and remuneration committee, the Board recommends his re-appointment.

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

“RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, S Monish (10217575) who retires by rotation, be and is hereby re-appointed as director liable to retire by rotation.”

SPECIAL BUSINESS:

4. **Ratification of the remuneration of Cost Auditor**
To consider and if thought fit, pass with or without modification, the following resolution as Ordinary Resolution:
“RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any

amendment, statutory modification(s) or re-enactment(s) thereof for the time being in force), the annual remuneration of Rs 60,000/- (Rupees Sixty thousands only) plus out of pocket expenses to Mr. Penumurthy Srinivas (Membership No. 21170) Cost Accountant in practice as fixed by the Board of Directors for appointment as Cost Auditor of the Company for the Financial Year 2024-2025 to conduct audit of its cost accounting records, as prescribed under the Companies (Cost Records & Audit) Rules, 2014 and amendments made thereto be and is hereby ratified and approved.

“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all such acts, deeds, matters and things as may be deemed necessary to give effect to the above resolution.”

5. **Appointment of Ms. Sirisha Ramaraju (DIN:10750472) as Non-Executive Independent Director.**

To consider and if thought fit, pass with or without modification, the following resolution as Special Resolution:

“RESOLVED THAT pursuant to Section 149, 150 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder (including any statutory amendment(s)/ modification(s)/ enactment(s) thereof for the time being in force) and meeting the criteria required for being independent Director in terms of Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b), 25(2A) including its proviso of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and on recommendation of nomination and remuneration committee and the Board of Directors of the Company, the consent of the members of the company be and is hereby accorded for the appointment of Ms. Sirisha Ramaraju (DIN:10750472) as Non-Executive and Independent Director of the Company, not liable to retire by rotation, for the consecutive period of 5 years with effect from 12th August 2024 to 11th August 2029.”

“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all such acts, deeds, matters and things as may be deemed necessary to give effect to the above resolution.”

6. Appointment of Ms. NandiniyVijay Kumar (DIN:01896892) as Non-Executive Independent Director.

To consider and if thought fit, pass with or without modification, the following resolution as Special Resolution:

“RESOLVED THAT pursuant to Section 149, 150 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies act, 2013 and rules made thereunder (including any statutory amendment(s)/ modification(s)/ enactment(s) thereof for the time being in force) and meeting the criteria required for being independent Director in terms of Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b), 25(2A) including its proviso of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and on recommendation of nomination and remuneration committee and the Board of Directors of the Company, the consent of the members of the company be and is hereby accorded for the appointment of Ms. Nandiniy Vijay Kumar (DIN:01896892) as Non-Executive and Independent Director of the Company, not liable to retire by rotation, for the consecutive period of 5 years with effect from 12th August 2024 to 11th August 2029.”

“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all such acts, deeds, matters and things as may be deemed necessary to give effect to the above resolution.”

7. Approval for continuation of Mr. K.K. Kesavan (DIN: 10243054) as Non-Executive Independent Director in terms of Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

To consider and if thought fit, pass with or without modification, the following resolution as Special Resolution:

“RESOLVED FURTHER THAT pursuant to the provisions of Regulation 17(1A) and other applicable provisions, if any, of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Companies Act, 2013, consent of the members be and is hereby accorded for continuation of Mr. K.K. Kesavan (DIN: 10243054) as Non-Executive Independent Director of the Company despite attaining the

age of 75 years or more during currency of his Directorship with the Company i.e. June 30, 2023 to June 29, 2028.”

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

8. Re-appointment of Shri Raghu Prakash Swamy Pinninti (DIN: 08472327) as Non-Executive and Independent Director.

To consider and if thought fit, pass with or without modification, the following resolution as Special Resolution:

“RESOLVED THAT pursuant to the provisions of sections 149, 150 and 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and Regulation 16(1) (b), 25(2A) including its proviso of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Shri Raghu Prakash Swamy Pinninti (DIN: 08472327) whose term of office as Non-Executive and Independent Director is expiring on September 22, 2024, and being eligible for reappointment, as per the recommendation of the Nomination and Remuneration Committee and the Board of Directors, the consent of the members be and is hereby accorded to re-appoint ,Shri Raghu Prakash Swamy Pinninti (DIN: 08472327) as Non-Executive and Independent Director of the Company for second term of the consecutive period of 5 years with effect from September 23, 2024 till September 23, 2029.”

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

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

Place: Hyderabad
Date : August 12, 2024

Sd/-
SARIPALLI KARUNAKAR
CHAIRMAN & MANAGING
DIRECTOR
DIN: 01665760

NOTES:

1. The Ministry of Corporate Affairs ('MCA') has vide its General Circulars No. 20/2020 dated May 5, 2020, 02/2022 dated May 05, 2022, 10/2022 dated December 28, 2022, the latest being 09/2023 dated September 25, 2023 (collectively referred to as 'MCA Circulars') permitting the holding of the Annual General Meeting ('AGM') through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM'), without the physical presence of the Members at a common venue. Further, the Securities and Exchange Board of India ('SEBI') vide its circulars dated May 12, 2020, January 15, 2021, May 13, 2022, January 5, 2023 and the latest being October 7, 2023 ('SEBI Circulars') has also granted certain relaxations for holding e-AGM. In compliance with the provisions of the Companies Act, 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), MCA Circulars and SEBI Circulars as aforesaid, the 38th Annual General Meeting ("the AGM") of the Company is being held through VC / OAVM. The deemed venue for the aforesaid AGM shall be the Registered Office of the Company.
2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the company. Since the AGM is being held in accordance with the circulars through VC/OAVM, the facility for appointment of proxies by the members will not be available and thus, the proxy form is not attached with the notice of AGM.
3. In case of joint holders attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote.
4. A statement pursuant to Section 102(1) of the Act, setting out all material facts relating to item nos. 4 to 8 of the Notice is annexed herewith and the same should be taken as part of this Notice.
5. Pursuant to the requirement of Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and respective provisions of Secretarial Standard-2, the brief profile / particulars of the Directors of the Company seeking their appointment at this 38th AGM is annexed hereto.
6. Notes given in the Notice to the extent applicable also forms part of the Explanatory Statement.
7. Since AGM will be held through VC/OAVM, the route map for the venue is not annexed to the Notice. However, the deemed venue of 38th AGM shall be Registered Office of the company.
8. Participation of members through VC will be reckoned for the purpose of quorum for the AGM as per Section 103 of the Companies Act, 2013.
9. The Board of Directors of the Company have appointed Shri VBSS Prasad, M. No. F4139 and COP No. 4605, Practicing Company Secretary, Hyderabad as the Scrutinizer to scrutinize entire voting process in a fair and transparent manner and he has communicated his willingness to be appointed and will be available for same purpose.
10. A person who is not a member as on the Cut-off-Date should treat this Notice for information purpose only. The voting rights of Members shall be in proportion to their share in the paid-up equity share capital of the Company as on the Cut-Off Date.
11. In compliance with the MCA Circulars and SEBI Circulars, the Annual Report 2023-24 and the Notice of 38th AGM are being sent only through electronic mode to those members whose email addresses are registered with the company / depository participant(s). Members may note that the Notice and Annual Report 2023-24 will also be available at Company's website www.samkrgpistonsandrings.com and website of BSE Limited.
12. The Register of the members and Share Transfer Books of the Company will remain closed from September 19, 2024 to September 25, 2024 (Both days inclusive).
13. Members of the Company under the category of Institutional Investors are encouraged to attend and vote at the AGM through VC/OAVM. Corporate Members intending to authorize their representatives to participate and vote at the meeting are requested to email a certified copy

- of the Board resolution / authorization letter to the Company at investor@samkrp.com or upload on the VC portal / e-voting portal.
14. Pursuant to Section 124(5) of the Companies Act, 2013, all unclaimed / unpaid dividends up to the financial year ended 31st March, 2015 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.
 15. Members, who have not yet claimed their dividend, wishing to claim their dividends are requested to correspond with our RTA M/s XL Softech Systems Limited, 3 Sagar Society, Road No. 2, Banjara Hills, Hyderabad- 500034. Phone No. 040-23545913/14/15 Email: xlfield@gmail.com or with Company Secretary at our registered office. Members are requested to note that dividends that are not claimed within seven years from the date of its transfer to Unpaid Dividend Account, will be transferred to Investor Education and Protection Fund (IEPF) and Shares on which dividend remains unclaimed for seven consecutive years shall be transferred to the IEPF as per Section 124 of the Companies Act, 2013 read with applicable IEPF rules.
 16. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Act, will be available during the AGM electronically for inspection by the Members on the website of the Company at www.samkrpistonsandrings.com. All the other documents referred to in the Notice will also be available for inspection without any fee by the Members from the date of circulation of this Notice up to the date of AGM, i.e. September 25, 2024 at registered office of the company. Members seeking to inspect such documents can send an email to Company's Email-ID: investor@samkrp.com
 17. In the terms of notification issued by SEBI, the Equity Shares of the Company are under compulsory DEMAT trading for all Investors and hence, the shareholders are advised to hold their shares in DEMAT mode and to send their Share Certificates along with Dematerialization request to the RTA through their Depository Participants.
 18. As per Regulation 40 of SEBI (LODR) 2015, as amended, securities of listed companies can be transferred only in dematerialized form with effect from June 08, 2018, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to first complete their KYC with our RTA (M/s XL Softech Systems Limited) by way of filing form ISR1, ISR2, ISR3 or Nomination Form SH13, ISR4 etc. and should also consider converting their shareholdings into dematerialized form at the earliest. Members can contact to our Registrar and Share Transfer Agent (RTA) M/s XL Softech Systems Limited for assistance in this regard at: 3 Sagar Society, Road No. 2, Banjara Hills, Hyderabad- 500034. Phone No. 040-23545913/14/15 Email: xlfield@gmail.com.
 19. If the Dividend, as recommended by the Board of Directors, if approved at the AGM, payment of such dividend will be made to all the eligible shareholders who hold shares of the Company as on the record date viz. at the close of business hours on Wednesday, September 18, 2024 (for demat and physical shareholders both).
 20. SEBI has mandated that any service request from members holding securities in physical mode shall be entertained only upon registration of the PAN, KYC details and nomination. Members are requested to submit Form ISR-1 duly filled and signed along with self-attested copy of the PAN card and such other documents as prescribed in the Form, to register or update:
 - a. PAN, KYC details and nomination.
 - b. Particulars of bank account or change in their address, for receiving dividends directly in their account through electronic clearing service (ECS) or physical instrument such as banker's cheque or demand draft.
 - c. E-mail address to receive communication through electronic means, including Annual report and notice

21. 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.
22. Shareholders may note that under the provisions of the Income-tax Act, 1961, as amended by the Finance Act, 2020, mandates that dividends paid or distributed by a Company after 1st April 2020 shall be taxable in the hands of the shareholders. The Company shall therefore be required to deduct Tax at Source ("TDS") at the time of making the final dividend. In order to enable us to determine the appropriate TDS rate as applicable, Members are requested to submit the documents in accordance with the provisions of the Income-tax Act, 1961.
- A) For Resident Shareholders, TDS shall be deducted under Section 194 of the Income-tax Act, 1961 at 10% (Ten percent) on the amount of Dividend declared and paid by the Company during financial year 2024-25 provided PAN is registered by the Shareholder. If PAN is not registered or PAN is not linked with Aadhar or specified person under Section 206AB of the Income-tax Act, 1961, TDS would be deducted @ 20% (Twenty percent). However, no tax shall be deducted on the Dividend payable to a resident Individual if the total dividend to be received by them during financial year 2024-25 does not exceed Rs. 5,000/-. In cases where the shareholder furnishes valid Form 15G (applicable to any person other than a Company or a Firm or HUF)/ valid Form 15H (applicable to an Individual above the age of 60 years) Nil/ lower TDS Certificate issued by the Income tax department, no TDS shall be deducted provided that the eligibility conditions are being met.
- B) For Non-resident Shareholders, taxes are required to be withheld in accordance with the provisions of Section 195 of the Income-tax Act, 1961 at the rates in force. As per the relevant provisions of the Income-tax Act, 1961, the withholding tax shall be at the rate of 20% (Twenty percent) (plus applicable surcharge and education cess) on the amount of Dividend payable to them. However, as per Section 90 of the Income-tax Act, 1961, the non-resident shareholder has the option to be governed by the provisions of the Double Tax Avoidance Agreement ("DTAA") between India and the country of tax residence of the shareholder, if they are more beneficial to them. For this purpose, i.e. to avail the Tax Treaty benefits, the non-resident shareholder will have to provide the following:
- Copy of Tax Residency Certificate ("TRC") for the period of 1st April 2024 to 31st March 2025 or 1st January 2024 to 31st December 2024 obtained from the tax authorities of the country of which the Shareholder is resident.
 - Self-declaration in Form No. 10F if all the details required in this form are not mentioned in the TRC. If the shareholder has PAN in India, Form No. 10F have to be e-filed online through Income-tax portal.
 - Self-attested copy of the PAN Card allotted by the Indian Income Tax authorities.
 - Self-Declaration certifying the following points:
 - i. Member is and will continue to remain a tax resident of the country of its residence during the financial year 2024-25;
 - ii. Member is eligible to claim the beneficial DTAA rate for the purposes of tax withholding on dividend declared by the Company;
 - iii. Member has no reason to believe that its claim for the

benefits of the DTAA is impaired in any manner;

- iv. iv. Member is the ultimate beneficial owner of its shareholding in the Company and Dividend receivable from the Company; and
- v. v. Member does not have a taxable presence or a permanent establishment in India during the financial year 2024-25.

As per Finance Act, 2021, Section 206AB of the Income-tax Act, 1961 has been inserted effective from 1st July 2021, wherein higher rate of tax (twice the specified rate) would be applicable on payment made to a shareholder who is classified as 'Specified Person' as defined under the provisions of the aforesaid Section. However, in case a non-resident shareholder or a non-resident Foreign Portfolio/ Foreign Institutional Investor, higher rate of tax as mentioned under Section 206AB of the Income-tax Act, 1961 shall not apply if such non-resident does not have a permanent establishment in India.

- C) All shareholders are requested to check / update their correct name, PAN, address, residential status, etc. from/to your broker / DP Agent.
- D) Please note that the Company is not obligated to apply the beneficial DTAA rates at the time of tax deduction/withholding on dividend amounts. Application of beneficial DTAA rate shall depend upon the completeness and satisfactory review by the Company of the documents submitted by Non-Resident shareholder.
- E) Accordingly, in order to enable us to determine the appropriate TDS/withholding tax rate applicable, we request you to provide these details and documents as mentioned above before September 25, 2024.

F) Kindly note that the aforementioned documents are required to be submitted at to our Registrar and Share Transfer Agent (RTA) on or before September 25, 2024 in order to enable the Company to determine and deduct appropriate TDS/ withholding tax rate. No communication on the tax determination/deduction shall be entertained post September 25, 2024. It may be further noted that in case the income-tax on said dividend is deducted at a higher rate in absence of receipt of the aforementioned details/ documents from you, there would still be an option available with you to file the return of income and claim an appropriate refund, if eligible.

G) The soft copy of TDS certificate can be emailed to you at your registered e-mail ID in accordance with the provisions of the Income-tax Act, 1961 after filing of the quarterly TDS Returns of the Company, post payment of the said Dividend. Further, you can download Form No. 26AS from the Income tax Portal after login through your PAN and can check TDS deduction details on dividend from Form No. 26AS.

H) Separate email communication is being sent to the shareholders informing the said change in the Income-tax Act, 1961 as well as relevant procedure to be adopted by the shareholders for availing the applicable tax rate. 22. A. Pursuant to Section 20

23. The Annual Listing fee for the year 2024-25 has been paid to BSE Ltd.

GREEN INITIATIVE IN CORPORATE GOVERNANCE

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

Instructions about Voting:

(i) Voting through electronic means:

1. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the

Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 02/2022 dated May 05, 2022, 10/2022 dated December 28, 2022, the latest being 09/2023 dated September 25, 2023 (collectively referred to as 'MCA Circulars') permitting the holding of the Annual General Meeting ('AGM') through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM'), without the physical presence of the Members at a common venue. Further, the Securities and Exchange Board of India ('SEBI') vide its circulars dated May 12, 2020, January 15, 2021, May 13, 2022, January 5, 2023 and the latest being October 7, 2023 ('SEBI Circulars') has also granted certain relaxations for holding e-AGM the Company is providing facility of remote e-voting to its members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency.

Thus, the facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

2. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the EGM/AGM without restriction on account of first come first served basis.
3. The attendance of the Members attending the AGM through VC/OAVM will be counted for the

purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.

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

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

- (i) The voting period begins on Saturday, September 21, 2024 from 09:00 a.m. and ends on Tuesday, September 24, 2024 at 05:00 p.m. During this period shareholders of the Company, holding shares either in physical form or in Dematerialized form, as on the cut-off date (record date) of September 18, 2024 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote again at the AGM being conducted by VC/OAVM.
- (iii) Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.

- (iv) Once the vote on a resolution is casted by the member, the same shall not be allowed to change it subsequently or cast the vote again.
- (v) The member who has acquired the shares and has become a member of the Company after the dispatch of the Notice of the AGM and prior to the Cut-off date i.e. Wednesday, September 18, 2024 shall be entitled to exercise his/her vote either electronically i.e. remote e-voting or e-voting system on the date of the AGM by following the procedure mentioned in the instructions given below.
- (vi) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.
- Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the DEMAT account holders, by way of a single login credential, through their DEMAT accounts/ websites of Depositories/ Depository Participants. DEMAT account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

Step 1: Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in DEMAT mode.

- (vii) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in DEMAT mode are allowed to vote through their DEM

AT account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their DEMAT accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in DEMAT mode CDSL/NSDL is given below:

| Type of shareholders | Login Method |
|---|--|
| Individual Shareholders holding securities in DEMAT mode with CDSL Depository | <p>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi.</p> <p>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</p> |

| Type of shareholders | Login Method |
|--|--|
| | <p>3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration</p> <p>4) Alternatively, the user can directly access e-Voting page by providing DEMAT Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the DEMAT Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</p> |
| <p>Individual Shareholders holding securities in DEMAT mode with NSDL Depository</p> | <p>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS “Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit DEMAT account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting</p> |
| <p>Individual Shareholders (holding securities in DEMAT mode) login through their Depository Participants (DP)</p> | <p>You can also login using the login credentials of your DEMAT account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> |

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in DEMAT mode for any technical issues related to login through Depository i.e. CDSL and NSDL

| Login type | Helpdesk details |
|--|--|
| Individual Shareholders holding securities in DEMAT mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33 |
| Individual Shareholders holding securities in DEMAT mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30 |

Step 2: Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in DEMAT mode.

(viii) Login method for e-Voting and joining virtual meetings for **Physical shareholders and shareholders other than individual holding in DEMAT form.**

- 1) The shareholders should log on to the e-voting website www.evotingindia.com.
- 2) Click on “Shareholders” module.
- 3) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in DEMAT form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.

| | |
|--|--|
| If you are a first-time user follow the steps given below: | For Shareholders 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"> • Shareholders who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field. |
| Dividend Bank Details OR Date of Birth (DOB) | Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your DEMAT account or in the company records in order to login. <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v). |

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

(x) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in DEMAT form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the DEMAT holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (xi) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xiii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/ NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xviii) If a DEMAT account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.
- (xx) **Additional Facility for Non - Individual Shareholders and Custodians -For Remote Voting only.**
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - 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 will be mapped automatically & can be delink in case of any wrong mapping.
 - It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - Alternatively, Non-Individual shareholders are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; admin@samkrg.com (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM/ EGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.

3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM/EGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least 10 days prior to meeting mentioning their name, DEMAT account number/folio number, email id, mobile number at investor@samkrg.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 10 days prior to meeting mentioning their name, DEMAT account number/folio number, email id, mobile number at investor@samkrg.com. These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the EGM/AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders may be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to Company/RTA email id.
2. For DEMAT shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual DEMAT shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk. evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk. evoting@cdslindia.com or call toll free no. 1800 22 55 33.

BY ORDER OF THE BOARD
For SAMKRG PISTONS AND RINGSLIMITED

Sd/-

Place: Hyderabad
Date :August 12, 2024

SARIPALLI KARUNAKAR
CHAIRMAN & MANAGING
DIRECTOR
DIN: 01665760

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 regarding Special Business

Item No:4

The Board of Directors, considering the recommendation of Audit Committee, at their meeting held on May 29, 2024 approved the reappointment and remuneration of Shri P Srinivas, Cost Accountants as Cost Auditor of the Company to conduct audit of its cost accounting records for the Financial Year 2024-25 for an annual remuneration of Rs. 60,000/- (Rupees Sixty thousand only) plus out of pocket expenses. In accordance with the provisions of Section 148 of the Act read with the Companies (Audit & Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the Members of the Company post their appointment and remuneration fixed by the Board. Accordingly, consent of the Members is being sought through an Ordinary Resolution for Item No. 4 of the AGM Notice viz. ratification of remuneration payable to the Cost Auditor and the Board recommends the same.

None of the Directors or Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the said resolution.

Item No:5

Mrs. Sirisha Ramaraju (DIN: 10750472) who was appointed by the Board of Directors at their meeting held on August 12, 2024 as Non-Executive Independent Director of the Company, not liable to retire by rotation, for the period of 5 years with effect from 12th August 2024 to 11th August 2029 subject to the further approval of members by way of special resolution at the ensuing 38th Annual General Meeting.”

In terms of the provisions of Section 161 of the Act, Mrs. Sirisha Ramaraju (DIN: 10750472) holds the office till the date of ensuing Annual General Meeting and is eligible for appointment. Further, in terms of Section 149 of the Act, an Independent Director can hold office for a term of upto five consecutive years on the Board of a company and will not be liable to retire by rotation.

A brief profile / expertise of Mrs. Sirisha is provided below for information of the Members. Mrs. Sirisha Ramaraju (DIN: 10750472) has given a declaration to the Board that she meets with the criteria of independence as provided under Section 149(6) of the Act read with Regulation 16(1)(b) of the SEBI (LODR) Regulations, 2015. In the opinion of the Board, Mrs. Sirisha Ramarajufulfils the conditions specified in the Act and the Rules framed thereunder read with the SEBI (LODR) Regulations, 2015, for her appointment as an Independent Director and is independent of the management. In compliance with the provisions of Section 149 read with Schedule IV to the Act, a copy of the draft letter of appointment of Mrs. Sirisha as an Independent Director Non-executive Director setting out the terms and conditions of appointment would be available for inspection by the Members, by writing an email to the Company at investor@samkrg.com

In compliance with the provisions of Section 149 read with Schedule IV to the Act, the resolution for her appointment as an Independent Director is placed before the Members for their approval.

The Directors recommend the resolution set out at Item No. 5 of the accompanying notice, for approval by the Members as Special Resolution.

Except Mrs. Sirisha Ramaraju, none of the other Directors or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution.

Details pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are as under:

| S.No. | Particulars | | |
|-------|--|---|---|
| (a) | Brief Resume of the Director | Name | Mrs. Sirisha Ramaraju |
| | | DIN | 10750472 |
| | | Age & DOB | 41 years (07/08/1983) |
| | | Nationality | Indian |
| | | Qualification | Bachelor's Degree in Computer Science and Master of Business Administration (Marketing) |
| (b) | Nature of Expertise | A Marketing Communicators and Public Relations specialist with over 13 years of experience in branding and marketing. Broad-based background involves in corporate branding strategy, media management, visual content creation, enhancing internal communications, DE&I initiatives, and Corporate Social Responsibility (CSR) programs. A detail-oriented team player, with strong organizational skills and the ability to manage multiple projects simultaneously with high accuracy. | |
| (c) | Disclosure of relationships between Directors inter-se | Not Applicable | |
| (d) | Names of listed entities in which the person also holds the Directorship and the membership of Committees of the board (along with listed entities from which the person has resigned in the past three years) | NIL | |
| (e) | Shareholding of non-executive directors in the listed entity, including shareholding as a beneficial owner | NIL | |
| (f) | In case of independent directors, the skills and capabilities required for the role and the manner in which the proposed person meets such requirements | A Marketing Communicators and Public Relations specialist with over 13 years of experience in branding and marketing. Broad-based background involves in corporate branding strategy, media management, visual content creation, enhancing internal communications, DE&I initiatives, and Corporate Social Responsibility (CSR) programs. A detail-oriented team player, with strong organizational skills and the ability to manage multiple projects simultaneously with high accuracy. | |

Item No:6

Mrs. Nandiniy Vijay Kumar (DIN:01896892) who was appointed by the Board of Directors at their meeting held on August 12, 2024 as Non-Executive Independent Director of the Company, not liable to retire by rotation, for the period of 5 years with effect from 12th August 2024 to 11th August 2029 subject to the further approval of members by way of special resolution at the ensuing 38th Annual General Meeting.”

In terms of the provisions of Section 161 of the Act, Mrs. Nandiniy Vijay Kumar (DIN:01896892) holds the office till the date of ensuing Annual General Meeting and is eligible for appointment. Further, in terms of Section 149 of the Act, an Independent Director can hold office for a term of upto five consecutive years on the Board of a company and will not be liable to retire by rotation.

A brief profile / expertise of Mrs. Nandiniyis provided below for information of the Members. Mrs. Nandiniy Vijay Kumar (DIN:01896892) has given a declaration to the Board that she meets with the criteria of independence as provided under Section 149(6) of the Act read with Regulation 16(1)(b) of the SEBI (LODR) Regulations, 2015. In the opinion of the Board, Mrs. Nandiniy Vijay Kumar fulfils the conditions specified in the Act and the Rules framed thereunder read with the SEBI (LODR) Regulations, 2015, for her appointment as an Independent Director and is independent of the management. In compliance with the provisions of Section 149 read with Schedule IV to the Act, a copy of the draft letter of appointment of Mrs. Nandiniy Vijay Kumar as an Independent Director Non-executive Director setting out the terms and conditions of appointment would be available for inspection by the Members, by writing an email to the Company at investor@samkrg.com

In compliance with the provisions of Section 149 read with Schedule IV to the Act, the resolution for her appointment as an Independent Director is placed before the Members for their approval.

The Directors recommend the resolution set out at Item No. 5 of the accompanying notice, for approval by the Members as Special Resolution.

Except Mrs. Nandiniy Vijay Kumar, none of the other Directors or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution.

Details pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are as under:

| S.No. | Particulars | |
|-------|--|---|
| (a) | Brief Resume of the Director | Name Mrs. Nandiniy Vijay Kumar |
| | | DIN 01896892 |
| | | Age & DOB 45 years(13/05/1979) |
| | | Nationality Indian |
| | | Qualification Bachelor of Art (BA) |
| (b) | Nature of Expertise | Mrs. Nandiniy Vijay Kumar is good entrepreneur with interests spanning across various industries. She is involved in production and distribution of Television Content. Additionally, she's a director of a fast growing Wedding Industries and franchisee owner of celebrity badminton league. A dynamic vibrant business women. |
| (c) | Disclosure of relationships between Directors inter-se | Not Applicable |
| (d) | Names of listed entities in which the person also holds the Directorship and the membership of Committees of the board (along with listed entities from which the person has resigned in the past three years) | NIL |
| (e) | Shareholding of non-executive directors in the listed entity, including shareholding as a beneficial owner | NIL |
| (f) | In case of independent directors, the skills and capabilities required for the role and the manner in which the proposed person meets such requirements | Mrs. Nandiniy Vijay Kumar is good entrepreneur with interests spanning across various industries. She is involved in production and distribution of Television Content. Additionally, she's a director of a fast growing Wedding Industries and franchisee owner of celebrity badminton league. A dynamic vibrant business women. |

Item No:7

Shri K KKesavan (DIN: 10243054) was appointed as Non-Executive and Independent director by ordinary resolution at the 37th Annual General Meeting held on September 28, 2023 for 5 years, not liable to retire by rotation.

As per the requirement of Regulation 17(1A) of SEBI (LODR) Regulations, 2015, the listed entities to obtain approval of the shareholders by way of Special Resolution to appoint or continue the Directorship of any Non-Executive and Independent Director who has attained the age of 75 years or more.

Since, Shri K KKesavan (DIN: 10243054) will be attending the age of 75 years as on October 17, 2024 hence, on recommendation of Nomination and Remuneration Committee and Board of Directors, the special resolution under Item No. 7 of the Notice has been placed before members for their consideration.

Except, Shri K KKesavan (DIN: 10243054) none of the other Directors or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution.

Details pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are as under:

| S.No. | Particulars | | |
|-------|--|---|-----------------------|
| (a) | Brief Resume of the Director | Name | Shri K KKesavan |
| | | DIN | 10243054 |
| | | Age & DOB | 75 years (17/10/1950) |
| | | Nationality | Indian |
| | | Qualification | Chartered Accountant |
| (b) | Nature of Expertise | He has served 44 years as Chartered Accountant. He has vast knowledge in the fields of Accounts, Taxation and Finance. | |
| (c) | Disclosure of relationships between Directors inter-se | Not Applicable | |
| (d) | Names of listed entities in which the person also holds the Directorship and the membership of Committees of the board (along with listed entities from which the person has resigned in the past three years) | NIL | |
| (e) | Shareholding of non-executive directors in the listed entity, including shareholding as a beneficial owner | NIL | |
| (f) | In case of independent directors, the skills and capabilities required for the role and the manner in which the proposed person meets such requirements | Shri K KKesavan has served 44 years as Chartered Accountant. He has vast knowledge in the fields of Accounts, Taxation and Finance. | |

Item No:8

Shri Raghu Prakash Swamy Pinninti (DIN: 08472327) was appointed as Non-Executive and Independent director at the 33rd Annual General Meeting held on September 24, 2019 for 5 years, not liable to retire by rotation.

The term of office of Shri Raghu Prakash Swamy Pinninti (DIN: 08472327) is going to be expired on September 22, 2024 and accordingly as per the recommendation of Nomination and Remuneration Committee and Board of

Directors at their meeting held on dated August 12, 2024 seeks the approval of members of the company, by way of Special Resolution, to appoint Shri Raghu Prakash Swamy Pinninti as Non-Executive and Independent Director for the second term of 5 consecutive years with effect from September 23, 2024 to September 22, 2024.

Except, Shri Raghu Prakash Swamy Pinninti, none of the other Directors or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution.

Details pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are as under:

| S.No. | Particulars | | |
|-------|--|--|-----------------------------------|
| (a) | Brief Resume of the Director | Name | Shri Raghu Prakash Swamy Pinninti |
| | | DIN | 08472327 |
| | | Age & DOB | 67 years (17/09/1957) |
| | | Nationality | Indian |
| | | Qualification | M.Sc (Agricultural Economics) |
| (b) | Nature of Expertise | 34 years of working experience as DRO in Bank of India and retired from the post of Chief Manager and havingt knowledge in the fields of Accounts and Finance. | |
| (c) | Disclosure of relationships between Directors inter-se | Not Applicable | |
| (d) | Names of listed entities in which the person also holds the Directorship and the membership of Committees of the board (along with listed entities from which the person has resigned in the past three years) | NIL | |
| (e) | Shareholding of non-executive directors in the listed entity, including shareholding as a beneficial owner | NIL | |
| (f) | In case of independent directors, the skills and capabilities required for the role and the manner in which the proposed person meets such requirements | Shri Raghu Prakash Swamy Pinnintih as 34 years of working experience as DRO in Bank of India and retired from the post of Chief Manager and havingt knowledge in the fields of Accounts and Finance. | |

DIRECTOR'S REPORT

Your directors are pleased and privileged to present 38th Annual Report together with the Audited Financial Statements of the Company for the year ended March 31, 2024.

FINANCIAL RESULTS

| PARTICULARS | 2023-24 | 2022-23 |
|--|----------|----------|
| Gross Revenue from Operations | 30208.08 | 28734.33 |
| Net Revenue from Operations | 24533.22 | 23422.56 |
| Other Income | 151.23 | 121.74 |
| Profit Before Depreciation, Interest and Tax (PBDIT) | 3329.00 | 3638.24 |
| Interest | 379.40 | 340.76 |
| Profit Before Depreciation and Tax | 2949.60 | 3297.48 |
| Depreciation | 1291.97 | 1324.80 |
| Profit before Exceptional Items | 1657.63 | 1972.69 |
| C S R | 32.06 | 54.98 |
| Extra-Ordinary Item | 0 | 0 |
| Profit after CSR | 1625.57 | 1917.70 |
| Provision for Taxation | | |
| Current Year | 380.67 | 503.51 |
| Deferred Taxation | -16.09 | -54.21 |
| Net Profit before Extra-Ordinary Item | 1260.98 | 1468.38 |
| Extra-Ordinary Item | | 0 |
| Net Profit after Extra-Ordinary Item | 1260.98 | 1468.38 |

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

DIVIDEND

Your Director's recommended dividend of Rs.2.00/- per equity share (20%) of face value of Rs.10/- each for the year ended March 31, 2024.

CREDIT RATING

During the Financial Year 2023-24, CRISIL awarded the following rating basing on Company financial results and ongoing Debt:

Long term Rating: CRISIL BBB+ /Stable

Short term Rating: CRISILA2

Review of business operations:

The 2 & 3-wheeler I.C. engine segment of the automotive industry has continued to face significant changes and challenges in 2023-24. Our efforts in the domestic market have resulted in slight growth, due to socio-economic and political challenges in key African markets, particularly Nigeria and Sudan. The situation in these regions impacted our business operations, and our major customer in Colombia faced setbacks, leading to a noticeable decline in exports. However, we mitigated these losses through strategic market diversification by initiating

business discussion with European and American market exporters and by strengthening our domestic market presence.

Your Company during the under review achieved Rs. 24533 Lakhs of net revenue out of which domestic Sales around Rs. 19867 Lakhs as against Rs. 17987 lakhs of FY 2022-23 an increase of 10.45%. Export Sales of Rs.4817 Lakhs as against Rs. 5557 Lakhs for the FY 2022-23 , decline to the extent of 13%.

The company’s focus on leveraging technology and maintaining high-quality standards has been crucial in navigating these dynamic market conditions. The post-pandemic economic recovery has also contributed to our steady growth. The Company also slightly improved the performance in after-market Sales by changing the strategies and to reach every corner of the Country.

We have continued to invest in R&D, focusing on advancing technology and meeting stringent environmental standards, thereby positioning ourselves to better serve both domestic and international markets.

FUTURE PROSPECTUS:

Looking ahead, with favourable economic indicators, supportive government policies, and projected **7 percent GDP growth**, India expects its auto components industry to perform well in FY25. SAMKRG, planning to expand its market reach by exploring business opportunities in Nepal and Kenya, as well as further developing our presence in Latin America and the Middle East. These regions offer significant growth potential for 2-wheelers, and we aim to capture a substantial market share. Additionally, our Company planning to introduce new product lines, including valves, connecting rods, bearings, and filters, in a step-wise manner. This expansion is aimed at increasing our product bandwidth and offerings in both the Indian domestic aftermarket and the export aftermarket sectors.

By leveraging our extensive distribution network and strong OEM relationships, we are well-positioned to enhance our market presence. We are dedicated to continuous innovation, ensuring our products meet the latest environmental standards and customer expectations. Our proactive approach to market changes and industry trends will help secure sustainable growth and long-term profitability for the company.

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:

- a) In the participation of Annual Accounts, the applicable Indian accounting standards had been followed along with proper explanation relating to material departures.
- b) 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, 2024 and the profit loss account of the Company for that period.
- c) 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.
- d) The Directors had prepared the Annual accounts on a going concern basis and
- e) The Directors, in the case of listed company had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively
- f) 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.

RISK MANAGEMENT COMMITTEE

Risk management committee consists of the following Directors:

| | | |
|----|----------------------------------|----------|
| 1. | Mr. S.Karunakar | Chairman |
| 2. | Mr. Pinninti Raghu Prakash Swamy | Member |
| 3. | Mr. K Kesavan | Member |

RISK MANAGEMENT POLICY

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

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

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

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

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility committee consists of the following Directors:

| | | |
|----|---------------------------------|----------|
| 1. | Mr. S Kishore | Chairman |
| 2. | Mr. PinnintiRaghu Prakash Swamy | Member |
| 3. | Mr. K Kesavan | Member |

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

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

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

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

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee consists of the following Directors:

| | | |
|----|------------------|----------|
| 1. | Mr. K.K Kesavan | Chairman |
| 2. | Ms. Rishita Nama | Member |
| 3. | Mr. S Kishore | Member |

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:

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

POLICIES ON APPOINTMENT OF DIRECTORS AND REMUNERATION

Your Company recognizes the importance and benefits of having the diverse Board to enhance quality of

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

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

PERFORMANCE EVALUATION OF DIRECTORS AT BOARD AND INDEPENDENT DIRECTORS' MEETINGS

Pursuant to the provisions of the Act and Listing Regulations, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its various Committees for the financial year 2023-24. The evaluation was conducted on the basis of a structured questionnaire which comprises performance criteria such as performance of duties and obligations, independence of judgement, level of engagement and participation, attendance of directors, their contribution in enhancing the Board's overall effectiveness, etc. The Board has

expressed their satisfaction with the evaluation process. The observations made during the evaluation process were noted and based on the outcome of the evaluation and feedback of the Directors, the Board and the management agreed on various action points to be implemented in subsequent meetings. The observations included those relating to further improvement in participation and deliberations at the meetings and conduct of the meetings, circulation of board presentations and its content.

The independent directors met on 29.05.2024 without the presence of other directors or members of Management. All the independent directors were present at the meeting. In the meeting, the independent directors reviewed performance of non-independent directors, the Board as a whole and Chairman. They assessed the quality, quantity and timeliness of flow of information between the Company management and the Board.

FAMILIARIZATION PROGRAMME

Pursuant to Regulation 25(7) of the SEBI (LODR) Regulations, the Company has put in place a system

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

| | | |
|---|-----------------|------|
| (i) No. of programs attended by Independent Director (during the year and on a cumulative basis till date) | During the year | 1 |
| | Cumulative | 23 |
| (ii) No. of hours spent by Independent Directors in such programs (during the year and on a cumulative basis till date) | During the year | 1.30 |
| | Cumulative | 25 |

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

POLICY FOR PROHIBITION OF INSIDER TRADING

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

The Company has also adopted a code of conduct for prevention of insider trading. All the Directors, Senior

Management employees and other employees who have access to the unpublished price sensitive information of the Company are governed by this code. During the year under report, there has been due compliance with the said code of conduct for prevention of insider trading based on the SEBI (Prohibition of Insider Trading) Regulations 2015.

The Company has also put in place requisite Structured Digital Database (SDD) system for the Designated Persons (DPs) to protect the confidentiality of Unpublished Price Sensitive Information (UPSI) of the Company.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS UNDER SECTION 186:

The company has neither issued any Loans, guarantees nor made any investments during the financial year 2023-24.

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

All Related Party Transactions that were entered into during the Financial Year under review were on an arm's length basis and in the ordinary course of business and are in compliance with the applicable provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. During the year, the Company had not entered into any contract/arrangement/transaction with related parties in terms of Section 188 of the Companies Act, 2013 and hence, Form AOC-2 pursuant to the provisions of Section 134(3)(h) of the Companies Act, 2013 and rule 8(2) of the Companies Accounts) Rules, 2014 is not applicable and does not form part of this report. There were no materially significant Related Party Transactions made by the Company during the year that required shareholders' approval under Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Policy on Materiality of Related Party Transactions and on dealing with Related Party Transactions as approved by the Board may be accessed on the Company's website at www.samkrgpistonsandrings.com There were no materially significant related party transactions which could have potential conflict with interest of the Company at large. The details of the Related Party Transactions are set out in the Notes to Financial Statements forming part of this Annual Report.

TRANSFER OF AMOUNTS TO RESERVES

The Company proposes to transfer an amount of Rs.126.10 lakhs to the general reserve for the financial year ended 31st March, 2024.

LISTING OF EQUITY SHARES

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

MEETINGS OF THE BOARD OF DIRECTORS

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

ANNUAL RETURN

The Annual Return is prepared in Form MGT-7 as per the provisions of the Companies Act, 2013 for all the previous years and the same is checked at <https://www.samkrgpistonsandrings.com>

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

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

BOARD OF DIRECTORS AND CHANGES THEREIN DURING THE YEAR 2023-24

Shri S Monish(DIN: 10217575), Director of the Company, who is liable to retire by rotation at this Annual General Meeting and being eligible, according to his performance and upon recommendation of nomination and remuneration committee, seeks for his re-appointment at the ensuing AGM.

Shri K. Chaitanya Abhishek (DIN: 08221971), Non-Executive and Independent Director resigned with effect from June 17, 2023 due to his personal reasons as stated by him in his resignation letter.

At the 37th AGM dated September 28, 2023, Shri S Karunakar (DIN:01665760), Chairman and Managing Director of the company was appointed for 5 years till June 29, 2028 and Shri S Monish(DIN: 10217575) and Shri S Kishore (DIN: 01665768), Directors of the company was appointed as director liable to be retire by rotation.

Further, Shri K.K. Kesavan (DIN: 10243054) was appointed as Non-Executive and Independent Director for 5 years till June 29, 2028.

Changes after March 31, 2024

Mrs. Sirisha Ramaraju and Mrs. Nandiniy Vijay Kumar was appointed at the meeting of the Board of Directors held on dated August 12, 2024 as an Additional Director in the category of Non-Executive and Independent Director, not liable to retire by rotation, for 5 years subject to further approval of members at the ensuing 38th Annual General Meeting of the Company.

DEPOSITS

The Company has not accepted any Deposits in terms of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014. Hence there are no details to be disclosed under Rule 8(5) (v) of the Companies (Accounts) Rules, 2014

AUDITORS

Statutory Auditors

In accordance with Section 139 of the Companies Act, 2013 and the rules made there under, Shri M.V.N Murthy., Chartered Accountants, Hyderabad Chartered Accountants (ICAI Reg. No. 201445) was appointed as Statutory Auditors of the Company in the AGM held on September 28, 2022 until the conclusion of the Annual General Meeting of the Company to be held in the calendar year 2027. They have confirmed their eligibility and qualification required under Sections 139, 141 and other applicable provisions of the Companies Act, 2013 and the Rules framed there under for continuation as Auditors of the Company. The Independent Auditors' Report for the financial year ended March 31, 2024 on the financial statements of the Company forms part of this Annual Report.

Ratification of appointment of Statutory Auditors at every AGM has been dispensed with by the Ministry of Corporate Affairs. Accordingly, the Notice convening the ensuing AGM does not carry any resolution on ratification of appointment of Statutory Auditors.

Auditors Report

There are no qualifications, reservations or adverse remarks made by Shri M.V.N Murthy., chartered

Accountants, Hyderabad Chartered Accountants (ICAI Reg. No.201445) Statutory Auditors in their report for the Financial Year ended March 31st 2024.

Further, there was no instance of fraud during the year under review, which required the Statutory Auditors to report to the Audit Committee and / or to the Board as required under Section 143(12) of the Act and the rules made thereunder.

Audit Committee

Composition of Audit Committee included in Corporate Governance report.

Corporate Governance

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

VIGIL MECHANISM

The Board of Directors has adopted whistle Blower policy. The Whistle Blower policy aims for conducting the affairs in the fair and transparent manner by adopting highest standards of professionalism, honest, integrity and ethical 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 case.

Secretarial Auditor

As per the provisions of Section 204 of the Companies Act, 2013, the Board of Directors have appointed Shri 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, 2024.

Secretarial Audit Report issued by Shri V B S S Prasad, Practicing Company Secretary in form MR-3 is enclosed as Annexure - 4 to this Annual Report and there is no any qualification, reservation adverse.

Cost Auditor

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 Shri P Srinivas was appointed as Cost Auditor of the company for the financial year 2023-24 and accordingly he carried out the cost audit and there is no any qualification, reservation adverse.

MATERIAL ORDERS OF JUDICIAL BODIES /REGULATORS:

During the year under review no any significant or material orders were passed by the Regulators or Courts or Tribunals against the Company or its Directors which may impact the going concern status of the Company or its operations in future or the Directors of the Company in any manner.

LISTING AND DEMATERIALISATION:

The Equity Shares of the Company are listed on the BSE Limited. Shareholders are requested to convert their physical holdings to dematerialized form to derive its benefits by availing the demat facility provided by NSDL and CDSL.

CASH FLOW AND CONSOLIDATED FINANCIAL STATEMENTS:

As required under the Regulation 34 (2) of the SEBI (LODR) Regulations, 2015 a cash flow statement enclosed with the financial statements is part of the Annual Report 2023 - 2024. Since, the Company has no subsidiary; the Consolidated Financial Statements of the Company for the financial year 2023 - 2024 is not applicable.

PREVENTION OF INSIDER TRADING:

The Company has also adopted a code of conduct for prevention of insider trading. All the Directors, Senior Management employees and other employees who have access to the unpublished price sensitive information of the Company are governed by this code. During the year under report, there has been due compliance with the said code of conduct for prevention of insider trading based on the SEBI (Prohibition of Insider Trading) Regulations 2015.

The Company has also put in place requisite Structured Digital Database (SDD) system for the Designated Persons (DPs) to protect the confidentiality of Unpublished Price Sensitive Information (UPSI) of the

Company.

RECONCILIATION OF SHARE CAPITAL AUDIT:

As directed by the Securities and Exchange Board of India (SEBI), Reconciliation of Share Capital Audit has been carried out by Shri VBSS Prasad, Practicing Company Secretary, during the financial year 2023-24.

COMPLIANCE WITH SECRETARIAL STANDARDS:

The Company hereby affirm that during the year under review it has complied with all the applicable secretarial standards (including any modifications or amendments thereto) issued by the Institute of Company Secretaries of India.

PARTICULARS OF APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL:

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

INSURANCE

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

CHANGE IN NATURE OF BUSINESS

There is no change in the Company's nature of business during the financial year ended March 31st, 2024.

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, 2024 to the date of signing of the Director's Report.

POLICY ON SEXUAL HARASSMENT

The Company has zero tolerance for sexual harassment at workplace and has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH) and the rules made thereunder. The Policy aims to provide protection to employees at workplace and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto, with the objective of providing a safe working environment, where employees feel secure.

During the financial year 2023-24, the Company received NO complaints on sexual harassment.

ACKNOWLEDGEMENTS

The Board of Directors would like to express their sincere thanks to the shareholders and investors of the Company for the trust reposed in the Company over the past several years. Your Directors would also like to thank the central government, state governments, financial institutions, banks, customers, dealers and vendors for their co-operation and assistance. The Directors also place on record their appreciation made by the employees at all levels.

The Board would like to reiterate its commitment to continue to build the organisation into a world-class enterprise in all aspects

On behalf of the Board of Directors

Place: Hyderabad
Date: August 12, 2024

Sd/-
SARIPALLI KARUNAKAR
CHAIRMAN & MANAGING DIRECTOR
DIN: 01665760

ANNEXURE - 2

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

A. CONSERVATION OF ENERGY:

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

Energy conservation measures taken:

- a. All foundry furnaces Retrofitted to reduce power losses.
- b. Improved Power factors through installation of additional capacitors in all plants.
- c. Optimum use of Continuous running of sealed quench furnace technique.
- d. Implementation of energy efficient Crucibles & introduced insulation with high “K” factor.
- e. Reduced lighting load.
- f. Introduced variable frequency drives
- g. Installation of Nitrogen Plant in all the 3 Plants to conserve Nitrogen Gas
- h. Installation of LED Lighting system

B. TECHNOLOGY ABSORPTION:

(A) Research and Development (R&D)

Advantages derived as a result of R&D

Piston Rings:

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

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

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

Piston:

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

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

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

Future Plan of Action Planning to develop and productionize taper and oval bore piston for Diesel Engines.

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

Planning to introduce much more sophisticated surface coating technologies.

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

EXPENDITURE ON R &D: (In lakhs)

| | | 2023-24 | 2022-23 |
|----|--|----------------|----------------|
| a) | Capital | 10.50 | 22.67 |
| b) | Recurring | 27.56 | 12.75 |
| c) | Total | 38.06 | 35.42 |
| d) | Total R & D Expenditure as A percentage of N.Sales | 0.15% | 0.15% |

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.1100.00 lakhs

Total foreign Exchange earned : Rs. 4816.97 lakhs

for and on behalf of the Board

Place: Hyderabad
Date: August 12, 2024

Sd/-
SARIPALLI KARUNAKAR
Chairman & Managing Director
DIN: 01665760

ANNEXURE - 3

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

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

2. Composition of CSR Committee

| S. No | Member' Name | Designation |
|-------|----------------------------------|-------------|
| 1 | Mr. S Kishore | Chairman |
| 2 | Mr. Pinninti Raghu Prakash Swamy | Member |
| 3 | Mrs. N. Rishita | Member |

3. Average Net Profit for Last Three Financial Years:

| Net Profit | For the Financial Year Ended 31 March (Rs. In Lakhs) | | |
|--|--|---------|---------|
| | 2022-23 | 2021-22 | 2020-21 |
| | 1468.39 | 1387.64 | 1732.42 |
| Average Net Profit for the preceding Three Financial Years | Rs. 1529.48 Lakhs | | |

| | |
|---|-----------------|
| Prescribed CSR Expenditure (2% of Average Net Profit) Details of CSR spend for financial year 2023-24 | Rs. 30.59 Lakhs |
| a. Total Amount Spent for the financial year | Rs. 32.06 Lakhs |
| b. Amount unspent, if any | Nil |
| Details of CSR spent for the financial year 2022-23 | |
| a. Total Amount Spent for the financial year | Rs. 54.98 Lakhs |
| b. Amount unspent, if any | Nil |

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

| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
|-------|--|--|--|--|--|---|---|
| S. No | CSR Project for Activity Identified | Sector in which the project is covered | Projects or Programs (1) Local area or other (2) Specify the State and District where the projects or programs was under taken | Amount Outlay (budget) project or program wise | Amount Spent in the projects or programs Sub Heads: 1) Direct Expenditure on projects or Programs 2) Overheads | Cumulative Expenditure up to the reporting period | Amount Spent: Direct or Through implementing agency |
| 1 | Skill Development Center, Educational Support and Infrastructure support, Construction of Toilets and providing clean drinking project | Rural development Project | Andhra Pradesh Vijayanagaram District | Rs. 30.59 Lakhs | Rs. 32.06 Lakhs | Rs. 398.61 Lakhs | Spent Directly |

5. The Company has to spend 2% of average net profits of the Last three financial years.

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

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2024

FORM NO. MR-3

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

To
The Members,
M/s. **SAMKRG PISTONS AND RINGS LIMITED**
1-201, DIVYA SHAKTI COMPLEX 7-1-58,
AMEERPET, HYDERABAD - 500016 Telangana.

1. I 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** CIN No: L27310TG1985PLC005423 (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 my 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 me and explanations furnished and representations made to me by the company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has during the Audit Period covering the Financial Year ended 31st March, 2024 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. I 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 2023 and ended with 31st March, 2024 (“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’):-
 - i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - ii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

As per the Management representation letter given by the concerned authority of the Company it is confirmed that the Directors, Promoters, Employees, Auditors and the Company Secretary of the Company were not directly or indirectly involved in the trading of Shares of the company during the period under which the trading window was closed.

- iii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 **(Not Applicable to the Company during the Audit period);**
 - iv. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 **(Not Applicable to the Company during the Audit period);**
 - v. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 **(Not Applicable to the Company during the Audit period);**
 - vi. The Securities and Exchange Board of India (Registrars to an issue and share transfer agents) Regulations, 1993 **(Not Applicable to the Company during the Audit period);**
 - vii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 **(Not Applicable to the Company during the Audit period);** and
 - viii. The Securities and Exchange Board of India (buyback of Securities) Regulations, 2018 **(Not Applicable to the Company during the Audit period);**
 - ix. As per the Management explanations Since the Company is into Production of Automobile Spare parts there are no specific laws applicable to the Company in the view of the Management.
5. I have also examined compliance of:
- a. The applicable regulations of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time
 - b. the applicable Secretarial Standards as issued by The Institute of Company Secretaries of India and notified by the Central Government.
6. I further report that, during the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned hereinabove.
7. I 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 no instances of dissenting members in the Board of Directors.

- e. It is also noted that the Company has an Internal Audit System to constantly monitor the process for efficient compliances.
- f. Required forms were filed with MCA, additional fee paid wherever required.
8. I 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. I further report that during the audit period, there were no specific events / actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc., referred to the above.

DATE: June 13, 2024
PLACE: HYDERABAD

VBSS PRASAD
PRACTICING COMPANY SECRETARY
M. NO: F4139
COP No: 4605
UDIN:F004139F000566745

Annexure to the Secretarial Audit Report

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

My 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. My responsibility is to express an opinion on these Secretarial records, Standards and procedures followed by the Company with respect to secretarial compliance.
3. I believe that audit evidence and information obtained from the company's Management is adequate and appropriate for me to provide a basis for my opinion.
4. Wherever required, I 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

DATE: June, 13, 2024
PLACE: HYDERABAD

VBSS PRASAD
PRACTICINGCOMPANY SECRETARY
M. NO: F4139
COP No: 4605
UDIN: F004139F000566745

ANNEXURE - 5

Details pertaining to remuneration as required under section 197(12) of the Companies Act, 2013 read with rule 5(1), 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

| S.No. | Disclosure Requirement | Name of Director/ KMP | Designation | Yearly remuneration | Ratio to median remuneration |
|-------|---|--------------------------|---------------------|---------------------|------------------------------|
| I | Ratio of Remuneration of each Director to the median remuneration of the employees of the Company for the financial year: | ShriS. Karunakar | CMD | 84,00,000 | 33.43 |
| | | Shri S. Kishore | Whole time Director | 84,00,000 | 33.43 |
| | | Shri S. Monish | Whole time Director | 12,19,500 | 4.85 |

Number of permanent employees on the rolls of the company as on March 31, 2024: 1474

In terms of Rule 5 (1) (xii) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 Remuneration of MD & WTD is within the limits approved by the Shareholders and as per remuneration policy of the company.

In terms of Rule 5 (2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, None of the employees of the Company was drawing remuneration of ` 8,50,000/- p.m. or ` 1,02,00,000/- p.a. or more during the year.

ANNEXURE - 5

Statement showing particulars of Employees pursuant to Rule 5 of Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014 for the year ended 31st March, 2024

| Name of the Employee | Age in Years | Designation | Qualification & Experience | Date of Commencement of employment | Remuneration & Commission | Particulars of Last Employment |
|----------------------|--------------|------------------------------|--------------------------------|------------------------------------|---------------------------|--------------------------------|
| S. Karunakar | 61 | Chairman & Managing Director | B.E (Mechanical) | 30.09.1998 | Rs. 84,00,000 | N. A |
| S Kishore | 60 | Whole Time Director | B.E (Mechanical) | 30.09.1998 | Rs. 84,00,000 | N. A |
| N. Ratna Kumari | 62 | General Manager | B.A & M.B. A | 01.07.1998 | Rs. 13,56,000 | N. A |
| S. Monish | 29 | Whole Time Director | B.E (Mechanical) | 01.08.2016 | Rs.12,19,500 | N. A |
| P. Veera Raghavaiah | 56 | GM Finance | MBA (Finance), CA Intermediate | 23.08.2023 | Rs. 7,25,000 | N.A |
| K. Ramesh | 55 | General Manager - Works | Diploma in Mechanical Engg. | 02.05.1992 | Rs.8,57,112 | N. A |
| S.Satyam | 51 | Dy. General Manager | Diploma in Mechanical Engg. | 04.08.1995 | Rs. 7,59,156 | N. A |
| S. K. Mastan | 57 | Dy. General Manager (D& D) | Diploma in Mechanical Engg. | 19.09.1997 | Rs. 7,31,748 | Sri Sudha Marines |
| B. V. Satyanarayana | 56 | Manager (T/R & P/S) | ITI | 26.04.1988 | Rs. 7,06,596 | N. A |

Management Discussion and Analysis Report

Our company specializes in manufacturing auto components such as pistons, gudgeon pins, rings, and auto shafts for various vehicle segments, including commercial vehicles, tractors, and heavy-duty stationary engines. The market is divided into OEMs, the replacement market, and exports, each offering distinct advantages and challenges.

The Indian auto component industry is evolving, establishing itself as a key global supplier with substantial export potential. Our growth is closely tied to the automobile industry's performance and the broader rural economy. We are actively upgrading our manufacturing technologies to comply with the latest emission standards, such as BS6 and Euro norms. Additionally, we are expanding our product range to include valves, connecting rods, bearings, and filters, which will enhance our offerings in the domestic and export markets.

Opportunities and Threats

The rise of electric vehicles presents both opportunities and challenges for our company. While the shift towards electric mobility poses a threat to the traditional I.C. engine market, it also offers opportunities for innovation and diversification. To stay competitive, we are focusing on cost-effective manufacturing processes and adopting sophisticated technologies, supported by technical expertise from Japanese and German consultants. Our plans to introduce new products like valves, connecting rods, bearings, and filters further diversify our portfolio, catering to evolving market demands.

Our strong relationships with domestic OEMs, agricultural tractor manufacturers, and the replacement market, along with a robust export presence, provide a solid foundation for growth. However, we must navigate risks such as foreign currency fluctuations, raw material price volatility, and intense competition from international players and the unorganized sector.

Outlook

In the face of these challenges, the company is committed to sustainable growth. We are leveraging our strong distribution network and partnerships with OEMs to enhance our market presence. By

implementing cost-effective measures and focusing on zero-defect quality and timely delivery, we aim to meet the evolving needs of our customers.

We are poised for moderate demand growth across all market segments, driven by continuous product innovation and compliance with stringent environmental standards. Our strategy includes the introduction of new products such as valves, connecting rods, bearings, and filters, expanding our offerings in the Indian domestic and export aftermarkets. This approach will help us capitalize on existing strengths while exploring new opportunities in emerging markets.

RISK and Concerns

The company continues to operate in a highly competitive environment, facing various risks such as technology obsolescence, regulatory changes, and geopolitical uncertainties. However, we are proactively managing these risks through strategic planning, investments in advanced technologies, and maintaining a flexible business model. Our harmonious industrial relations and comprehensive risk management strategies ensure the resilience and sustainability of our operations.

Overall, the company remains focused on leveraging its strengths and exploring new opportunities to secure long-term growth and profitability.

INTERNAL CONTROL SYSTEM:

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

INDUSTRIAL RELATIONS:

Industrial relations during the year are little distributed due to high inflation & price rises of all commodities are on a very much increasing side. The Company encourages good talent and introduced a skill development program in the rapidly challenging business and competitive environment. Adequate

safety measures, training and development of the employees continue to receive top priority.

FINANCIAL PERFORMANCE:

The Company earned total revenue of Rs 24684.55 lakhs compared with Rs 23544.30 lakhs in the previous year.

Profit Before Depreciation, interest and tax (PBDIT) at Rs. 3329 lakhs. The Profit Before Tax was at Rs 3638.24 lakhs.

KEY FINANCIAL RATIOS:

Pursuant to the provisions of Regulation 34(3) of SEBI (LODR) Regulations 2015 read with Schedule V part B (1) details of changes in Key Financial Ratios are given as hereunder :

| Particulars | 2023-24 | 2022-23 |
|-----------------------------|---------|---------|
| Debtors Turnover Ratio | 4.01 | 4.71 |
| Inventory Turnover Ratio | 3.46 | 3.48 |
| Interest Coverage Ratio | | |
| Current Ratio | 1.95 | 2.53 |
| Debt Equity Ratio | 0.15 | 0.10 |
| Operating Profit Margin (%) | | |
| Net Profit Margin (%) | 6.64 | 8.21 |

The details of return on net worth is as follows:

| Particulars | 2023-24 | 2022-23 |
|----------------------------|---------|---------|
| Return on Capital Employed | 0.15 | 0.18 |
| Return on net worth | 0.07 | 0.08 |

STATUTORY COMPLIANCE:

The Chairman & Managing Director and Chief Financial Officer makes a declaration at each Board Meeting regarding the compliance with provisions of various statutes after obtaining confirmations from all the units of the company. The Company ensures compliance with SEBI regulations and provisions of the listing agreement

HUMAN RESOURCES

The Company maintains continuously planning to have cordial industrial relations environment and the Company continues to establish its training facilities at all levels of employees for cost reduction programmes.

CAUTIONARY STATEMENT

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

10 YEARS RECORD

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

EXPORTS

The Company is focusing exports to developed Countries like Europe, U.K, France, Germany, Spain Brazil and Russia and also to Gulf & Asian Countries. 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 is very much concerned for safety of men and machines through safety awareness training programs.

DISCLOSURE OF PARTICULARS

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

REPORT ON CORPORATE GOVERNANCE

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

1. Company's philosophy on Code of Corporate Governance

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 consisting of Six, three are Executive Directors, the other Three are Non-Executive Independent Directors (NED).

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

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

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

b) DETAILS OF BOARD MEETINGS

During the Financial Year 2023-2024 the Board of Directors met 6 (Six)times on are 30.05.2023, 30.06.2023, 09.08.2023, 16.09.2023, 10.11.2023 and 12.02.2024.

The following table gives the composition of Directors and their attendance at the Board meetings held on the dates above mentioned, and the Thirty SeventhAnnual General Meeting held on 28th September, 2023

| Name of the Director | Category | No of Board meetings attended | Attendance at Last AGM | No. of outside directorships held |
|----------------------------------|----------|-------------------------------|------------------------|-----------------------------------|
| Mr S. Karunakar | CMD | 6 | Yes | Nil |
| Mr S. Kishore | ED | 6 | Yes | Nil |
| Mr. S.Monish | ED | 4 | Yes | Nil |
| Ms. Nama Rishita | NED | 4 | Yes | Nil |
| Mr. Pinninti Raghu Prakash Swamy | NED | 6 | Yes | Nil |
| Mr. K. Kesavan | NED | 4 | Yes | Nil |

ED - Executive Director, NED - Non-Executive and Independent Director

| S. No | Name of the Directors | Designation | Name of the Companies in which Directorships held as on 31-03-2024 | Total no. of Membership(s)/ Chairmanship(s) of Audit/ Stakeholder Committee(s) as on 31-03-2024 | | Membership(s)/ Chairmanship(s) of Audit/ Stakeholder Committee(s) held as Chairman Member on 31-03-2024 |
|-------|-----------------------------------|------------------------------|--|---|--------|---|
| | | | | Chairman | Member | |
| 1 | Mr S. Karunakar | Chairman & Managing Director | Samkrg Pistons and Rings Limited | NIL | 1 | Member in SRC |
| 2 | Mr S. Kishore | Whole Time Director | Samkrg Pistons and Rings Limited | NIL | 1 | Member in AC |
| 3 | Mr. S. Monish | Whole Time Director | Samkrg Pistons And Rings Limited | NIL | NIL | NIL |
| 4 | Ms. Nama Rishita | Independent Director | Samkrg Pistons and Rings Limited | NIL | 2 | Member in SRC and AC |
| 5 | Mr. K.Kesavan | Independent Director | Samkrg Pistons and Rings Limited | 1 | 1 | Chairman in AC |
| 6 | Shri Pinninti Raghu Prakash Swamy | Independent Director | Samkrg Pistons and Rings Limited | 1 | 1 | Chairman in SRC |

None of the Director on the Board is a member of more than ten Committees or Chairman of five Committees (committees being AuditCommittee and Stakeholders Relationship Committee) across all the Indian public companies in which he/she is a director. Necessarydisclosures regarding their committee positions have been made by all the Directors.

None of the Directors hold office in more than ten public companies and seven listed entities. None of the Independent

Directors of the Company serve as an Independent Director in more than seven listed companies. None of the Whole-time Director/Managing Director is an Independent Director in any other listed companies. All Directors are also in compliance with the limit on Directorships/ Independent Directorships of Listed Companies as prescribed under Regulation 17A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

| S. No. | Name of the Directors | Designation | Core skills/expertise/competencies |
|--------|-----------------------|---------------------|--|
| 1. | Shri S. Karunakar | Whole Time Director | Shri S. Karunakar is qualified B.E (Mechanical) and having varied industrial experience. |
| 2. | Shri S. Kishore | Whole Time Director | Shri S. Kishore is qualified B.E (Mechanical) and having varied industrial experience. |
| 3. | Shri S. Monish | Whole Time Director | Shri S. Kishore is qualified B.E (Mechanical) and having industrial experience |

| S. No. | Name of the Directors | Designation | Core skills/expertise/competencies |
|--------|-----------------------------------|----------------------|---|
| 4. | Shri K K. Kesavan | Independent Director | Chartered Accountant from Indian Institute of Commerce and Accountant. He has served 44 Years as CHARTERED ACCOUNTANT in Practice He has vast knowledge in the field of Accounts, Taxation and Finance. |
| 5. | Shri Pinninti Raghu Prakash Swamy | Independent Director | Shri Pinninti Raghu Prakash Swamy is qualified M.Sc (Agricultural Economics) and having more than 35 years of experience as DRO in Bank of India and retired from the post of Chief Manager. |
| 6 | Ms. N Rishita | Independent Director | Ms.NRishita is qualified B.Tech, MS (Bradford England) and having 9 years of experience in the field of HR |

Pursuant to Clause C(2)(i) of Schedule V read with Regulation 34(3) of Listing Regulations, in the opinion of the Board all the independent directors fulfil the conditions as specified in the Listing Regulations and are independent of the management.

Relationships between directors inter-se:

Shri S. Karunakar Saripalli (Chairman & Managing Director) and Shri S.Kishore Saripalli (Wholetime Director) are Brothers. ShriMonishSaripalli (Director) is son of Shri Kishore Saripalli.

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;

c) Directors seeking re-appointment.

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

Code of Conduct

We at 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 committee

a. **Audit Committee:**

Brief description of terms of reference:

The terms of reference of this committee cover the matters specified for the audit committee under Listing Regulations as well as in Section 177 of the Companies Act. The audit committee was constituted to ensure prudent financial and accounting practices, fiscal discipline and transparency in financial reporting. The quarterly results are reviewed by the audit committee and recommended to the board for its adoption. The Chairman of the committee is an Independent Director having knowledge in Finance.

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

The Audit Committee during the year ended 31st March, 2024 comprised of Three members out of whom there are Two Non-Executive Independent Director and One Whole time Director Viz., Shri K.K. Kesavan (Chairman and Non-Executive Independent Director of the Committee), Ms. Nama Rishita (Non-Executive Independent Director) and Mr. Kishore (Whole time Director) who are financially literates and chairman is an expert in financial management.

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

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

| Name | No. of Meetings Held | No of Board meetings attended | No of Board meetings attended through Conference call |
|---|----------------------|-------------------------------|---|
| Mr. K CAbhishek (Chairman) till 17.06.2023 | 1 | 1 | Nil |
| Mr. K K. Kesavan (Chairman) w.e.f. 30.06.2024 | 3 | 3 | Nil |
| Ms. N Rishita | 4 | 4 | Nil |
| Mr. S. Kishore | 4 | 4 | Nil |

The audit committees met on four occasions in the year 2023-24 i.e., are 30.05.2023, 09.08.2023, 10.11.2023 and 12.02.2024

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

Pursuant to Section 178 of the Act and Regulation 19 of the Listing Regulations, the Board of Directors has duly constituted the Nomination & Remuneration Committee.

Brief description of terms of reference:

The Committee reviews appointment of Directors and Key Managerial Persons. The Committee has formulated the criteria for determining qualifications, positive attributes and independence of a director.

Executive Directors

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

Non-Executive Directors

Non-Executive Directors are paid sitting fee only.

The Remuneration committee presently comprises of three non-executive directors i.e. Shri. K.K. Kesavan, Ms. Nama Rishita, Shri Pinninti Raghu Prakash Swamy).

The Committee met two times during the year i.e. 29.05.2023 and 30.06.2023 and all the committee members attended the meetings

Roles and Objectives:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees.
2. Formulation of criteria for evaluation of Independent Directors and the Board.
3. Devising a policy on board diversity.
4. 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 their appointment and removal.
5. The Nomination & Remuneration Committee also has a role as defined under Regulation 19(4) of SEBI

(Listing Obligations and Disclosure Requirements) Regulations, 2015.

REMUNERATION OF DIRECTORS:

The details of remuneration paid/payable to all the directors for the year 2023-24 are:

i. Non-executive directors (sitting fee only)

| | |
|----------------------------------|---------|
| Mr. Pinninti Raghu Prakash Swamy | 50000/- |
| Mr. K Chaitanya Abhishek | 10000/- |
| Mr. K K Kesavan | 30000/- |
| Ms. N Rishita | 40000/- |

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

| | Managing Director | % To Net Profit | Whole Time Director | % To Net Profit | Executive Director | % To Net Profit |
|--------------|-------------------|-----------------|---------------------|-----------------|--------------------|-----------------|
| Fixed | | | | | | |
| Salary | 8400000/- | 5.15 | 8400000/- | 5.15 | 1219500/- | 0.70 |
| Variable | | | | | | |
| Commission | | | | | | |
| Total | 8400000/- | 5.15 | 8400000/- | 5.15 | 12195000/- | 0.70 |

a. **Stakeholders’ relationship/ Grievance committee**

Pursuant to Section 178 of the Act and Regulation 20 of the Listing Regulations, the Board of Directors has duly constituted the Stakeholders’ Relationship Committee.

Brief description of terms of reference:

The Committee reviews the performance of the Company’s Registrar and Transfer Agent and also recommends the Board measures for overall improvement for better investor services.

Roles and Objectives:

To look into complaints of shareholders and investors pertaining to transfer / transmission of shares, non-receipt of share certificates, non-receipt of dividends, non-receipt of annual reports, issue of duplicate share certificates and other miscellaneous complaints.

The Committee is responsible for satisfactory Redressal of Investor’s complaints.

The Stakeholder Relationship Committee also has a role as defined under Regulation 20(4) of SEBI (Listing Obligations and

Disclosure Requirements) Regulation, 2015

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

| | | |
|---|----------|---------------|
| Shri. Pinninti Raghu Prakash Swamy | Chairman | Non-Executive |
| Shri. S Karunakar | Member | Executive |
| Ms. Nama Rishita | Member | Non-Executive |

The committee met twice during the year i.e. 29.05.2023 and 30.06.2023. All the members have attended all the meeting. Company Secretary is compliance officer of the Company.

The Company has attended to most of the investor’s grievances/correspondence within a period of 15 days from the date of receipt. Almost all the rest of the grievances was attended within the maximum period allowed under respective regulations. The transfers were completed within the maximum period allowed.

4. ANNUAL GENERAL MEETINGS:

| Year | Location of holding AGM | Date and Time of AGM |
|-------------|--|---|
| 2022 - 2023 | The 37th AGM was held through VC/OAVM from the registered office of the company. | 28 th September, 2023 at 11.00 A.M |
| 2021 - 2022 | The 36th AGM was held through VC/OAVM from the registered office of the company. | 28 th September, 2022 at 11.00 A.M |
| 2020 - 2021 | The 35th AGM was held through VC/OAVM from the registered office of the company. | 28 th September, 2021 at 11.00 A.M |

| Special Resolutions passed during the previous three Annual General Meetings: | |
|---|--|
| 37 th Annual General Meeting | There are no Special Resolution |
| 36 th Annual General Meeting | There was Two Special Resolution i) To re-appoint Mr. Saripalli Madhava Rao who has attained the age of 75 years. ii) To consider the appointment of Shri S.D.M Rao as Managing Director for further period of 3 years |
| 35 th Annual General Meeting | There was One Special Resolution i) Re-appointment of Ms. Rishita Nama, as Woman Independent Director. |

1. DISCLOSURES

- a) Related party transactions during the year have been disclosed as part of financial statements as required under Indian Accounting Standard issued by The Institute of Chartered Accountants of India. The Audit Committee reviews these transactions. The Policy on Related Party Transactions has been uploaded on the website of the Company i.e., www.samkrpistonsandrings.com under Investor relation/Investor Information tab.
- b) The Company promotes ethical behaviour in all its business activities and has put in place a mechanism of reporting illegal or unethical behaviour. The Company has whistle blower policy wherein the employees are encouraged to report violation of laws, rules and regulations. The confidentiality of such reporting is maintained and is not subject to any discriminatory practice. We affirm that no employee has been denied access to the Audit Committee. The said Whistle-Blower Policy has been hosted on the website of the Company.
- c) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of this clause:
- d) The Company has complied with all the mandatory requirements relating to Corporate Governance applicable to the Company as per the Provisions of SEBI (LODR) Regulations, 2015 and Companies Act, 2013. The company has adopted the one of non-mandatory requirement that the internal auditor directly reports to the audit committee. It is always an endeavour of the Board to implement the suggestion for the non-mandatory requirement. Disclosure pursuant to Schedule-V Para -C and clause 13 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

| Regulations | Particulars | | Status |
|-------------|--|---|----------|
| 17 | Board of Directors | | Complied |
| 18 | Audit Committee | | Complied |
| 19 | Nomination and Remuneration Committee | | Complied |
| 20 | Stakeholders Relationship Committee | | Complied |
| 21 | Risk Management Committee | | Complied |
| 22 | Vigil Mechanism | | Complied |
| 23 | Related Party Transactions | | Complied |
| 24 | Corporate Governance requirements with respect to | | Complied |
| 25 | Obligations with respect to Independent Directors | | Complied |
| 26 | Obligations with respect to employees including senior management, KMP, directors and promoters. | | Complied |
| | Corporate Social Responsibility | | Complied |
| 27 | Other Corporate Governance requirements | | Complied |
| 46(2) | b | Terms and conditions of appointment of Independent Director | Complied |
| | c | Composition of various Committees of Board of Director | Complied |
| | d | Code of Conduct of Board of Directors and Senior Management personnel | Complied |
| | e | Establishment of Vigil Mechanism and Whistle Blower Policy | Complied |
| | F | Criteria for making payments to non-executive Directors | Complied |
| | g | Policy on dealing with related party transaction | Complied |
| | h | Policy for determining “material” contracts | Complied |
| | i | Details of familiarisation programmes imparted to Independent Directors | Complied |

- e) During the year, the Company has fully complied with the mandatory requirements of corporate governance as per SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. The Company voluntarily formulated Risk Management Committee and it has been complying the respective provisions applicable with it.
- f) To promote ethical conduct and maintain high standards in carrying out business transactions of the company, a Code of Conduct has been laid down for procedures to be followed by Board members and the senior management employees. This code is also posted on the company’s website.
- g) The Managing Director and CFO have issued a certificate pursuant to the provisions of SEBI (Listing Obligations and Disclosures Requirements) Regulations 2015, certifying that the financial statements do not contain any untrue statements and these statements represent a true and fair view of the company’s affairs. The said certificate is annexed.
- h) No strictures or penalties have been imposed on the Company by the Stock Exchanges or by the Securities and Exchange Board of India (SEBI) or by any statutory authority on any matters related to capital markets during the last three year.

The Company has complied provisions as prescribed in Regulation 17 to 27 and Clause (b) to (i) of sub regulation (2) of Regulation 46 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. Regulations 21 and 24 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 are not applicable to the Company.

- i) The company has followed all relevant Accounting Standards notified by the Companies (Indian Accounting Standards) rules, 2015 while preparing Financial Statements for the Financial year 2023-24.
- j) During the financial year 2023-24, the Board has accepted all the recommendations of its committees.
- k) Company has obtained certificate from Practicing Company Secretary stating that none of the Directors of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by SEBI, Ministry of Corporate Affairs or any statutory authority and the said certificate is provided.
- l) There are no any arrangements entered into by the shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel, employees of the Company, among themselves or with the Company or with a third part, solely or jointly, which , either directly or indirectly or potentiality or whose purpose and effect is to, impact the management or control of the Company or impose any restriction or create any liability upon the Company, during the year 2023-24 and as on the date of annual report, as specified under Regulation 30 A read with clause 5A to Para A of part of schedule III of SEBI (LODR) regulations , 2015.
- m) Disclosure in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:
 - i. number Complaints filed during the Financial Year: NIL
 - ii. number of Complaints disposed during the Financial Year - NIL
 - iii. Number of Complaints pending as on end of the Financial Year - NIL

2. MEANS OF COMMUNICATION

Quarterly Financial Results of the Company are submitted to the BSE Limited and published in Financial Express (English) and Andhra Prabha/ Nava Telangana (Telugu). And it is also available on website of the company.

Pursuant to the MCA circulars and SEBI Circulars, the Annual Report for FY 2023-24 containing the Notice of AGM was sent through e-mails to all those Members whose e-mail IDs were registered with the Company / depository participants.

3. POSTAL BALLOT

The company did not pass any resolution by postal ballot during the Financial Year 2023-24.

4. GENERAL SHAREHOLDER INFORMATION:

| | |
|---|---|
| Date, Time and Venue of the 38th Annual General Meeting | 25th September, 2024 Through VC/OAVM without physical presence of members at common venue |
| Financial Calendar | April to March |
| First quarter results | On or before 2 nd week of August 2024 |
| Second quarter results | On or before 2 nd week of November 2024 |
| Third quarter results | On or before 2 nd week of February 2025 |
| Results for the year ending Mar, 2024 | On or before ending of May 2025 |
| Date of Book Closure | 19 th September 2024 to 25 th September 2024 (Both days inclusive) |
| Listing on Stock Exchanges | BSE Limited |
| Stock Code | 520075 (BSE) |
| Demat ISIN No for CDSL and NSDL | INE706B01012 |
| Dematerialization of shares | 97.67% of the paid-up capital has been Dematerialized as on 31.03.2024 |

Stock Performance:

The Performance of the Company's shares on the BSE during the Financial Year 2023-24

MARKET PRICE DATA ON Company's SCRIP ON BSE DURING THE YEAR 2023 - 2024

| Month | High Rate | Low Rate |
|-----------------|-----------|----------|
| April, 2023 | 142.95 | 121.15 |
| May, 2023 | 159.80 | 129.95 |
| June, 2023 | 146.50 | 133.20 |
| July, 2023 | 160.00 | 142.00 |
| August, 2023 | 169.90 | 140.00 |
| September, 2023 | 154.00 | 139.65 |
| October, 2023 | 148.00 | 134.00 |
| November, 2023 | 151.00 | 133.00 |
| December, 2023 | 160.00 | 136.00 |
| January, 2024 | 187.00 | 148.00 |
| February, 2024 | 182.70 | 144.8 |
| March, 2024 | 174.90 | 135.00 |

Performance of the Company's equity shares (closing share price) in comparison to BSE Sensex during the Financial Year 2023-24

| Month | Closing Price | BSE Sensex |
|-----------------|---------------|------------|
| April, 2023 | 142.20 | 61112.44 |
| May, 2023 | 133.10 | 62622.24 |
| June, 2023 | 145.45 | 64718.56 |
| July, 2023 | 156.80 | 66527.67 |
| August, 2023 | 145.55 | 64831.41 |
| September, 2023 | 143.90 | 65828.44 |
| October, 2023 | 137.10 | 63874.93 |
| November, 2023 | 146.60 | 66988.44 |
| December, 2023 | 150.80 | 72240.26 |
| January, 2024 | 180.95 | 71752.11 |
| February, 2024 | 151.35 | 72500.30 |
| March, 2024 | 141.20 | 73651.35 |

| | |
|--|---|
| Outstanding ADR/GDR Registered Office | Not Issued 1-201, Divya Shakti Complex, 7-1-58, Ameerpet , Hyderabad - 500016 Ph.No.040-23730596, 23735578,Fax 040-23730216 E-mail: admin@samkr.com |
| Plant Locations | PLANT-I (Pistons)& (Steel Ring), Sy.No.537, TempleRoad, BonthapallyNarsapur Taluk, Sangareddy District. |
| | PLANT-II (Rings) Sy.No.33, Varisam, Pydibhimavaram, Ranastalam Mandal, Srikakulam District. |
| | PLANT-III (Pistons) Sy.No.232, Arinama, Akkivalasa, Allinagaram, Etcherla Mandal, Srikakulam District. |
| Investors' correspondence & share Transfer Agent in Physical form & In Electronic Mode | M/s XL Softech Systems Ltd 3, Sagar Society, Road No.2 Banjara Hills Hyderabad - 500034 Tel(040) 23553214 |
| Transfer of shares (Electronic Form) | As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April1,2019, except in case of request received for transmission or transposition of securities. |
| Compliance Officer | Mrs. Surabhi R Jain (till August 12, 2024) |
| 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

| | | | | | |
|---------|-----|---------|-----|---------|-----|
| 2011-12 | 35% | 2011-12 | 35% | 2013-14 | 25% |
| 2014-15 | 30% | 2015-16 | 40% | 2016-17 | 45% |
| 2017-18 | 50% | 2018-19 | 50% | 2019-20 | 50% |
| 2020-21 | 50% | 2021-22 | 25% | 2022-23 | 25% |

| | |
|---|--------|
| Closing price of Company's Shares on BSE Limited, Mumbai on 31.03.2024 | 141.20 |
| All Time high of Company's Share price on Bombay Stock Exchange Limited | 172.90 |

| | |
|-------------------|--|
| 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 31.03.2024

| Category | No. of Shares held | % of Holding |
|--|--------------------|----------------|
| A. PROMOTER'S HOLDING | | |
| Promoter & Promoter Group | 6567839 | 66.88 |
| Sub Total (A) | 6567839 | 66.88 |
| B. PUBLIC SHAREHOLDING | | |
| 1. Institutional Investors | | |
| a) Financial Institutions/ Banks | 1200 | 0.01 |
| b) NBFC Registered with RBI | | |
| Sub Total (B1) | 1200 | 0.01 |
| 2. Central Government/ State Government(s)/ President of India | | |
| Central Government / State Government(s) | 0 | 0 |
| Sub Total (B2) | 0 | 0 |
| 3. Non-Institutional Investors | | |
| Investor Education and Protection Fund (IEPF) | 50722 | 0.52 |
| Individual share capital upto Rs.2 Lakhs | 2522402 | 25.69 |
| Individual share capital in excess of Rs.2 Lakhs | 313434 | 3.19 |
| Non-Resident Indians | 91504 | 0.93 |
| Bodies Corporate | 97920 | 1.00 |
| Any others (LLP, Clearing Member & HUF) | 175224 | 1.78 |
| Trusts | 255 | 0.00 |
| Sub Total (B3) | 3251461 | 33.11 |
| Sub Total (B1+B2+B3) | 3252661 | 33.12 |
| GRAND TOTAL (A)+(B 1)+(B 2) | 9820500 | 100.00% |

DISTRIBUTION OF SHAREHOLDING AS ON 31.03.2024

| | Range | No. of Shareholders | % | Share Amount | |
|----------|--------------|---------------------|---------------|-----------------|---------------|
| | | | | In Rs. | % |
| Up to | 5,000 | 9886 | 90.20 | 11416490 | 11.63 |
| 5,001 | 10,000 | 594 | 5.42 | 4662680 | 4.75 |
| 10,001 | 20,000 | 263 | 2.40 | 3906080 | 3.98 |
| 20,001 | 30,000 | 89 | 0.81 | 2225930 | 2.27 |
| 30,001 | 40,000 | 35 | 0.32 | 1257800 | 1.28 |
| 40,001 | 50,000 | 24 | 0.22 | 1102300 | 1.12 |
| 50,001 | 1,00,000 | 35 | 0.32 | 2387410 | 2.43 |
| 1,00,001 | & Above | 34 | 0.31 | 71246310 | 72.55 |
| | TOTAL | 10960 | 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, 2024 as envisaged in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Place: Hyderabad
Date: 29th May, 2024

Sd/-
SARIPALLI KARUNAKAR
CHAIRMAN & MANAGING DIRECTOR
DIN: 01665760

MANAGING DIRECTOR (MD) & CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

(Pursuant to Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the financial year ended March 31, 2024)

To,
The Board of Directors
SAMKRG PISTONS AND RINGS LIMITED

We the undersigned, in our respective capacities as Chief Executive Officer and Chief Financial Officer of the Company hereby certify that :

- A. We have reviewed the Financial Statements and the Cash Flow Statement for the financial year ended March 31, 2024 and that to the best of our knowledge and belief:
- (1) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (2) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. We hereby certify that, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended March 31, 2024 are fraudulent, illegal or violative of the Company's Code of Conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies;
- D. The Auditors and Audit Committee have been indicated:
- (1) That there have been no significant changes in the above-mentioned internal controls over financial reporting during the financial year 2023-24;
 - (2) That there have been no significant changes in the accounting policies during the financial year 2023-24 and the same have been disclosed in the notes to the financial statements; and
 - (3) That we have not noticed any instance of significant fraud particularly those involving the, management or an employee having a significant role in the Company's internal control system over Financial Reporting.

Place: Hyderabad
Date: 29th May, 2024

Sd/-
SARIPALLI KARUNAKAR
CHAIRMAN & MANAGING DIRECTOR
DIN: 01665760

Sd/-
Boorugu Venkatesham
Chief Financial Officer

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34 Place: Hyderabad (3) and Schedule V Para C clause (10) (i) of SEBI
(Listing Obligation and Disclosure Requirements) Regulations, 2015)

To,
The Members of
M/s. **SAMKRG Pistons and Rings Limited**
1-201, Divya Shakti Complex, 7-1-58
Ameerpet, Hyderabad - 500016

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of SAMKRG PISTONS AND RINGS LIMITED having CIN L27310TG1985PLC005423 and having its registered office at 1-201, Divya Shakti Complex 7- 1-58 Ameerpet, Hyderabad -500016 (hereinafter referred to as 'the Company'), produced before me by the Company for the issuing this certificate, in accordance with Regulation 34(3) read with Schedule V Para-C subclause 10(1) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its Officers, I hereby certify that none of the directors on the Board of the Company as stated below for the Financial Year ending on 31st March 2024 have been debarred or disqualified from being appointed or continuing as Director of Companies by the Securities Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

| S.No | Name of the Director | DIN | Date of Initial Appointment | DIN Status on MCA Website |
|------|----------------------------------|----------|-----------------------------|---------------------------|
| 1 | Sri S. Karunakar | 01665760 | 01/10/2008 | Approved |
| 2 | Sri S Kishore | 01665768 | 30/09/1998 | Approved |
| 3 | Sri S Monish | 10217575 | 30/06/2023 | Approved |
| 4 | Sri N Rishita | 07143463 | 02/02/2015 | Approved |
| 5 | Sri Pinninti Raghu Prakash Swamy | 08472327 | 20/04/2019 | Approved |
| 6 | Sri K. K. Kesavan | 10243054 | 29/06/2023 | Approved |

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these based on our certification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

PLACE: HYDERABAD
DATE: August 12, 2024

VBSS PRASAD
PRACTICING COMPANY SECRETARY
M. NO: F4139;CP No: 4605
UDIN number F004139F000978684

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of
M/s. **SAMKRG Pistons and Rings Limited**
1-201, Divya Shakti Complex, 7-1-58
Ameerpet, Hyderabad - 500016

We have examined the compliance of conditions of Corporate Governance by SAMKRG Pistons & Rings Limited (the Company) for the year ended on 31st March, 2024, as stipulated under Regulation 15 (2) read with Schedule V Part E of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended).

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management, we certify that the

Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015(as amended)

We further state 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.

Place: HYDERABAD
Date: 12-08-2024

M V N MURTHY
Chartered Accountant
M.NO- 201445
UDIN: 24201445BKII06126

Confirmation with reference to Clause (i) of Para C pf Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

I, Saripalli Karunakar, Chairman and Managing director pf the Company, do hereby confirm in terms of Clause (i) of Para C of Schedule V of SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015 that in opinion of the board, the Independent Directors fulfil the conditions specified in the said regulations and are independent of the management.

Place: Hyderabad
Date: 29.05.2024

Sd/-
SARIPALLI KARUNAKAR
CHAIRMAN & MANAGING DIRECTOR
DIN: 01665760

INDEPENDENT AUDITOR'S REPORT

To the Members of SAMKRG Pistons and Rings Limited Report on the Indian Accounting Standards (Ind AS) Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of SAMKRG Pistons and Rings Limited ("the Company"), which comprises the Balance Sheet as at 31st March, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity, and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone Ind AS Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the afore said Standalone Financial Statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the standalone state of affairs of the Company as at March 31, 2024 and its standalone profit (including Other Comprehensive Income), standalone changes in equity and its standalone cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone Ind AS financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Following is the Key Audit Matter identified which is of most significance:

TRADE RECEIVABLES: Trade Receivables accounts for 62.03% of total current assets of the company.

The Company is not exposed to potential risk of financial loss as there is no risk of default on receivables from the customers. As the company has good valued customers both in domestic OEM's and Replacement market and Export.

We have performed the following procedures in relation to recoverability of Trade Receivables

- Tested the accuracy of trade receivables at year end on sample basis
- Obtained a list of Outstanding Receivables and evaluated its recoverability through discussion with management.
- Assessed the recoverability Trade Receivables through sample basis through our evaluation of management assessment with reference to

- (a) Credit Profile of Customers
- (b) Historical Payment pattern of customers
- (c) Tested subsequent settlement of trade receivables after the balance sheet date on a sample basis.

Based on above procedures we found the key judgements and assumptions used by management in the recoverability of assessment of Trade Receivables to be supported based on available evidence.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the standalone Ind AS Financial Statements, Secretarial Report and our auditor's report thereon, which we obtained prior to the date this auditor's reports.

Our opinion on the Standalone Ind AS Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone Ind AS Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and those Charged with Governance for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS Financial Statements that give a true and fair view of the standalone financial position, standalone financial performance (including other comprehensive income), standalone changes in equity and standalone cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 judgments 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 standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Financial Statements, the management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can

arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls. and operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

- From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid standalone Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
 - e. On the basis of the written representations received from the directors as on 31st March, 2024 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2024 from being appointed as a director 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, refer to our separate report in "AnnexureB".
 - g. As required by section 197 (16) of the Act; in our opinion and according to information and explanation provided to us, the remuneration paid by the company to its directors is in accordance with the provisions of section 197 of the Act and remuneration paid to its directors is not in excess of the limit laid down under this section.
 - h. With respect to the other matters to be included in the Auditor's Report 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 not any pending litigations and disclosure of the same is not applicable.
 - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31st March 2024
 - iii) There has not been any delay in transferring amounts, required to be transferred, to the investor Education and Protection Fund by the Company

Place: HYDERABAD
Date: 29-05-2024

MVN MURTHY
Chartered Accountant
M.NO- 201445
UDIN:24201445BKCIHV9590

Annexure - A to the Auditor's Report

Referred to in paragraph 1 of our Report on Other Legal and Regulatory Requirements of even date to the Members of SAMKRG Pistons and Rings Limited.

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets with respect to most of its fixed assets and is in the process of updating quantitative and situation details with respect to certain fixed assets in the records maintained by the Company.
- (b) The fixed assets of the Company are physically verified by the Management as per policy. In our opinion, the frequency of verification is reasonable.
- (c) The title deeds of immovable properties as disclosed in note 1 on Property, Plant & Equipment to the financial statements, are held in the name of the Company.
- (d) The company has not revalued its PPE or intangible assets or both during the year.
- (e) There are no proceedings initiated or pending as specified in clause 3(i)(e) of CARO 2020 against the company, as per the information and explanations from the company.
- (ii) (a) The inventory was physically verified during the year by the management. In our opinion the frequency of verification is reasonable. Discrepancies between the physical stock and the book records noticed on verification were properly dealt with in the books of accounts.
- (b) The company has been sanctioned working capital limits in excess of Rs. 5 Crore rupees in aggregate, from STATE BANK OF INDIA, IFB, SOMAJIGUDA, HYDERABAD on the basis of security of its current assets. The quarterly returns/statements filed by the company with such bank are in agreement with the books of accounts of the company
- (iii) According to information and explanations given to us, the Company has not granted loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act 2013, accordingly the reporting under Clause 3 (iii)(a) to 3(iii)(f) of the Companies (Auditor's report) Order, 2020, is not applicable to the Company.
- iv) According to information & explanations given to us, the company has not granted any loans, secured or unsecured to firms, LLP'S or other parties covered by provisions Sections 185 and 186 of the Companies Act, 2013. Hence reporting on whether there is a compliance with the said provisions does not arise.
- v) According to information and explanation given to us, the Company has not accepted any deposits from public, accordingly the reporting under Clause 3 (v) of the Companies (Auditor's report) Order, 2020, is not applicable to the Company.
 - (i) We have broadly reviewed the books of accounts and records maintained by the Company relating to manufacture of base metals castings (Auto-components of Aluminium & Steel) pursuant to the rules made by Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Companies Act 2013 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have,
 - (ii) (a) According to information and explanation given to us, the Company is generally regular in depositing undisputed statutory dues with appropriate authorities including Provident fund, Employees' State insurance, Income tax, Sales tax, Service Tax, Duty of Customs, Duty of excise, Value added tax, Goods and Services tax, cess and any other statutory dues applicable to it.

- (a) According to the information and explanations provided to us, no disputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Service Tax, Sales Tax, Goods and Services Tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess and Other Statutory Dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (b) According to information and explanation given to us, there are no dues of Income tax, Sales Tax, Service Tax, Duty of Custom, Duty of Excise, Goods and Services tax and Cess which have not been deposited on account of any dispute other than those mentioned below.
- (c) Details of Statutory dues pending at various Forums:

Rupees in Lakhs

| S. No | Statutory Dues, Nature of Dues | Forum | Outstanding Balance |
|-------|--|---|---------------------|
| 1 | Sales Tax Act, 1956 - Entry tax | ADC (IT) | 22.47 |
| 2 | VAR ACT, 2005 - Entry Tax 2011-12 to 2016-17 | Assistant Commissioner State Tax, Punjagutta, Hyderabad | 48.85 |
| 3 | Income Tax (2015-16) | Appellate Tribunal < Hyderabad | 16.02 |

(viii) According to information and explanation given to us, in our opinion the Company not having any unrecorded income disclosed in the tax assessments as per the clause 3(viii) of CARO 2020.

- (ix) (a) According to the information and explanation given to us, in our opinion the company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) The company has not been declared a willful defaulter by any bank of financial institution or other lender.
- (c) As per the information and explanation given to us there were no term loans raised by the company during the year under audit. Hence clause 3(ix)(c) of CARO 2020 does not apply to this company.

According to the information and explanations given to us and on overall examination of the balance sheet of the company, we report that no funds raised on short term basis have been used for long term investment by the company. 3(ix)(d) of CARO 2020.

As per the information and explanations and overall examination of books of account the company has not any subsidiary/associate/joint venture. Hence reporting requirements of this clause 3(ix)(e) of CARO 2020 does not apply to this company.

As the company has not any subsidiary etc, as mentioned above clause 3 (ix)(f) is not applicable to this company.

- (x) (a) The company has not raised any moneys by way of IPO or further public offer during the year under audit. The reporting requirements of clause 3(x)(a) does not apply to this company.
- (b) The company has not made any preferential allotment or private placement of shares and the company does not have debentures during the year and clause 3(x)(b) does not apply to this company
- (xi) As per the information and explanation produced before us there were no frauds by the company or any fraud on the company has been noticed or reported during the year under clause 3(xi) of CARO, 2020
- (xii) The Company is not a Nidhi Company, accordingly the reporting under Clause 3 (xii) of the Companies (Auditor's report) Order, 2020, is not applicable to the Company.

- (xiii) According to information and explanation given to us, in our opinion all transactions with related parties are in compliance with sections 177 & 188 of Companies Act, 2013 wherever applicable and the details have been disclosed in notes to accounts of Financial Statements as per Ind AS 24 - Related Party Disclosures.
- (xiv) The company has got adequate internal audit system commensurate with the size and nature of business
- (xv) According to information and explanation given to us, the Company has not entered into non-cash transactions with directors or persons connected with him; accordingly, provisions of section 192 are not applicable to the Company.
- (xvi) According to information and explanation given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.
- (xvii) The company has not incurred cash losses in the financial year and in the immediately preceding financial years.
- (xviii) There has not been any resignation of statutory auditor during the year clause 3(xviii) of CARO, 2020
- (xix) On overall analysis of financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, knowledge of the Board of Directors and Management plans we are of the opinion that there is no material uncertainty exists as on the date of the audit report that the company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
- (xx) As per the information and explanations produced before us the company has spent an amount of Rs.32.06 lakhs towards CSR and there is no unspent amount on that account.
- (xxi) The information required to be furnished under clause 3(xxi) is not applicable to this company.

Place: HYDERABAD
Date: 29-05-2024

MVN MURTHY
Chartered Accountant
M.NO- 201445
UDIN:24201445BKCIHV9590

Annexure - B to the Auditor's Report

(Referred to in paragraph 2(f) of our Report on Other Legal and Regulatory Requirements of even date to the Members of Samkrg Pistons& Rings Limited)

Report on the Internal Financial Controls with reference to Standalone Ind AS Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to Standalone Ind AS Financial Statements of **Samkrg Pistons& Rings Limited** ("the Company") as of 31st March, 2024 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). 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 company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by 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 controls, both applicable to an audit of Internal Financial Controls 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 internal financial controls with reference to Financial Statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the existence of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to Financial Statements included obtaining an understanding of internal financial controls with reference to Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A 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 receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting with reference to Standalone Ind AS Financial Statements, 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, projections of any evaluation of the internal financial controls over financial reporting with reference to Standalone Ind AS Financial Statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to Standalone Ind AS Financial Statements 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 controls with reference to financial statements and such internal financial controls were operating effectively as at March 31, 2024 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India

Place: HYDERABAD
Date: 29-05-2024

MVN MURTHY
Chartered Accountant
M.NO- 201445
UDIN:24201445BKCIHV9590

BALANCE SHEET AS AT 31ST MARCH 2024

Rs. In Lakhs

| PARTICULARS | NOTE NO. | 2023-24 As at 31.03.2024 | 2022-23 As at 31.03.2023 |
|---|----------|-----------------------------|-----------------------------|
| II. ASSETS &NON-CURRENT ASSETS | | | |
| (1) Fixed Assets | | 15109.87 | 13577.28 |
| (a) Tangible Assets | 1 | 14159.10 | 12744.60 |
| (b) Intangible Assets | | | |
| (c) Capital Work-in-progress | | 496.71 | 458.72 |
| (d) Intangible assets under development | | | |
| (e) Non-Current investments | | | |
| (f) Deferred Tax assets (net) | | | |
| (g) Long-Term loans and advances | 2 | 454.06 | 373.96 |
| (h) Other non-current assets | | | |
| (2) Current Assets | | 11089.34 | 9936.53 |
| (a) Current Investments | | | |
| (b) Inventories | 3 | 3734.67 | 4329.35 |
| (c) Trade receivables | 4 | 6878.34 | 5331.18 |
| (d) Cash and Cash equivalents | 5 | 105.00 | 42.93 |
| (e) Short-term loans and advances | 6 | 371.34 | 233.08 |
| TOTAL ASSETS | | 26199.21 | 23513.81 |
| I. EQUITY AND LIABILITIES | | | |
| (1) Share Holders' Funds | | 19000.90 | 17985.43 |
| (a) Share Capital | 7 | 982.05 | 982.05 |
| (b) Other Equity | 8 | 18018.85 | 17003.38 |
| (3) Non-Current Liabilities | | 1499.80 | 1603.96 |
| (a) Financial Liabilities -borrowings | 9 | 1050.00 | 1139.02 |
| (b) Provisions | 10 | 162.92 | 161.96 |
| (c) Deferred Tax Liabilities | | 286.88 | 302.97 |
| (4) Current Liabilities | | 4326.02 | 2591.58 |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 11 | 3007.02 | 1840.16 |
| (ii) Trade payables | | 1265.75 | 703.32 |
| (iii) Other Financial Liabilities | | | |
| (b) Other current liabilities | | 53.25 | 48.10 |
| (c) Provisions | 12 | 1372.50 | 1332.85 |
| TOTAL EQUITY AND LIABILITIES | | 26199.21 | 23513.81 |

This is the form of the Balance Sheet Referred to the in Our Report on Event Date

In terms of our Report Attached

For and on behalf of the Board of Director

Sd/-
MVN Murthy
Chartered Accountant
Membership No.201445

Sd/-
K.CHAITANYA ABHISHEKH
Independent Director
DIN: 01665768

Sd/-
SARIPALLI KARUNAKAR
Whole Time Director
DIN: 01665760

Place :Hyderabad
Date : 29th May 2024

sd/-
B. Venkatesham
Chief Financial Officer

sd/-
SURABHI. R. JAIN
Company Secretary
Membership No.A55650

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH 2024

Rs. In Lakhs

| PARTICULARS | | NOTE NO. | 2023-24 AS AT 31.3.2024 | 2022-23 AS AT 31.3.2023 |
|-------------|--|----------|----------------------------|----------------------------|
| I | Revenue from Operations | 1 | 24533.22 | 23422.56 |
| II | Other Income | 2 | 151.23 | 121.74 |
| III | Total Revenue | | 24684.45 | 23544.30 |
| IV | Expenses | | | |
| | Cost of Material Consumed | 3 | 13941.67 | 13959.26 |
| | Purchase of Stock in Trade | 4 | 0.00 | |
| | Change in Inventories of Finished Goods, Work in Progress and Stock in Trade | 4 | 202.78 | -329.58 |
| | Employees Benefits Expenses | 5 | 5286.90 | 4375.02 |
| | Finance Cost | 6 | 379.40 | 340.76 |
| | Depreciation and Amortization Expenses | 7 | 1291.97 | 1324.80 |
| | Other Expenses | 8 | 1956.16 | 1956.35 |
| | Total Expenses | | 23058.88 | 21626.60 |
| V | Profit Before Exceptional items (III-IV) | | 1625.57 | 1917.70 |
| VI | Exceptional Items | | 0.00 | 0.00 |
| VII | Profit before Extraordinary items and Tax (V-VI) | | 1625.57 | 1917.70 |
| VIII | Extraordinary items | | | |
| IX | Profit before Tax (VII-VIII) | | 1625.57 | 1917.70 |
| X | Tax Expenses | | | |
| | (1) Current Tax | | 380.67 | 503.51 |
| | (2) Deferred Tax | | -16.09 | -54.21 |
| XI | Profit (Loss) for the period from continuing operations (IX-X) | | 1260.98 | 1468.39 |
| XII | Profit (Loss) from discontinuing Operations | | | |
| XIII | Tax Expenses of discontinuing operations | | | |
| XIV | Profit (Loss) from discontinuing operations (aftertax) (XII-XIII) | | | |
| XV | Profit (Loss) for the period (XI-XIV) | | 1260.98 | 1468.39 |
| XVI | Earnings per Share | | | |
| (1) | Basic | | 12.84 | 14.95 |
| (2) | Diluted | | 12.84 | 14.95 |

In terms of our Report Attached

For and on behalf of the Board of Director

Sd/-
MVN Murthy
Chartered Accountant
Membership No.201445

Sd/-
K. CHAITANYA ABHISHEKH
Independent Director
DIN: 01665768

Sd/-
SARIPALLI KARUNAKAR
Whole Time Director
DIN: 01665760

Place :Hyderabad
Date : 29th May 2024

sd/-
B. Venkatesham
Chief Financial Officer

sd/-
SURABHI. R. JAIN
Company Secretary
Membership No.A55650

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2024

Rs. In Lakhs

| Particulars | Year Ended March 2024 | Year Ended March 2023 |
|---|--------------------------|--------------------------|
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net Profit Before Tax and exceptional items | 1625.57 | 1917.70 |
| ADJUSTMENTS FOR: | | |
| Depreciation | 1291.97 | 1324.80 |
| provision written back | 0.00 | 0.00 |
| Sales Tax Deferment | 0.00 | -61.26 |
| Interest | 379.40 | 340.76 |
| Interest earned | 25.88 | 21.72 |
| Gratuity provision | 127.10 | 25.00 |
| OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES | 3449.91 | 3568.72 |
| ADJUSTMENTS FOR: | | |
| Increase in receivables | -1547.16 | -741.02 |
| Decrease/increase in inventories | 594.68 | -637.03 |
| Increase/decrease in loans and advances | 136.71 | -68.77 |
| Increase/decrease in payables & provisions | 242.64 | -57.36 |
| CASH GENERATED FROM OPERATIONS | 2876.78 | 2064.53 |
| Interest paid | 379.40 | 340.76 |
| Payment of Income Tax | 150.00 | 250.00 |
| Gratuity paid | 267.20 | 243.28 |
| NET CASH FLOW FROM OPERATING ACTIVITIES | 2080.18 | 1230.50 |
| Net Increase in Bank Borrowings | | |
| Net Increase in Cash Flow | 2080.18 | 1230.50 |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| PPE AND INTANGIBLE ASSETS | 2706.47 | 927.80 |
| Capital Work in Progress | 37.99 | 108.72 |
| Interest received | 25.88 | 21.72 |
| Term Loans | 0.00 | 0.00 |
| NET CASH USED IN INVESTING ACTIVITIES | 2770.34 | 1058.23 |
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| increase in long term loans and advances | -169.12 | -41.43 |
| Increase in Working Capital Loan (net of payments) | 1166.86 | 87.32 |
| Dividend and Dividend tax | -245.51 | -245.31 |
| NET CASH USED IN FINANCING ACTIVITIES | 752.23 | -199.43 |
| NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS | 62.08 | -27.16 |
| CASH AND CASH EQUIVALENTS AS AT THE COMMENCEMENT OF THE YEAR | 42.93 | 70.09 |
| CASH AND CASH EQUIVALENTS AS AT THE END OF THE YEAR | 105.00 | 42.93 |

Notes: 1. The above Cash Flow Statement has been prepared under the indirect method as set out IND AS -7 on Cash Flow Statements

2. The Previous Figures were re-grouped as per Current Year

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

In terms of our Report Attached

For and on behalf of the Board of Director

Sd/-
MVN Murthy
Chartered Accountant
Membership No.201445

Sd/-
K. CHAITANYA ABHISHEKH
Independent Director
DIN: 01665768

Sd/-
SARIPALLI KARUNAKAR
Whole Time Director
DIN: 01665760

Place :Hyderabad
Date : 29th May 2024

sd/-
B. Venkatesham
Chief Financial Officer

sd/-
SURABHI. R. JAIN
Company Secretary
Membership No.A55650

NOTES FORMING PART OF BALANCE SHEET

Rs. In lakhs

NOTE-1

| Particulars | VALUE AS AT 01-4-2023 | ADDITION DURING THE Year | DELETION DURING THE Year | VALUE AS AT 31.12-2024 |
|-------------------------|--------------------------|--------------------------------|--------------------------------|---------------------------|
| FIXED ASSETS | | | | |
| LAND-FREE HOLD | 189.61 | 0.00 | | 189.61 |
| BUILDINGS | 4038.99 | 0.00 | | 4038.99 |
| PLANT AND MACHINERY | 26546.06 | 2599.43 | 9.03 | 29136.46 |
| ELECTRICAL INSTALLATION | 906.27 | 57.43 | | 963.70 |
| FURNITURE AND FIXTURES | 184.63 | 0.00 | | 184.63 |
| VEHICLES | 438.59 | 23.61 | | 462.20 |
| SOFTWARE | 121.79 | 25.99 | | 147.78 |
| IMPAIRMENT OF ASSETS | 194.18 | 0.00 | | 194.17 |
| TOTAL | 32620.10 | 2706.47 | 9.03 | 35317.54 |

1. The Fixed Assets includes self-made machines.
2. The Cost of Fixed Assets is Net of GST availed and to be claimed.

| | 2023-24 | 2022-23 |
|---|-----------------|-----------------|
| NET BLOCK OF FIXED ASSETS AS ON 01-04-2023 | 12744.60 | 13141.60 |
| ADDITIONS DURING THE YEAR | 2706.47 | 927.80 |
| LESS: DEPRECIATION PROVIDED DURING THE YEAR | 1291.97 | 1324.80 |
| NET BLOCK AS ON 31.03.2024 | 14159.10 | 12744.60 |

NOTE-2

LONG TERM-LOANS AND ADVANCES

UNSECURED AND CONSIDERED GOOD

| | | |
|-----------------------|---------------|---------------|
| SPDCL / EPDCL DEPOSIT | 454.06 | 373.96 |
| TOTAL | 454.06 | 373.96 |

NOTE-3

INVENTORIES

| | | |
|---------------------|----------------|----------------|
| STORES AND SPARES | 480.12 | 612.09 |
| RAW MATERIALS | 780.77 | 1040.70 |
| SEMI FINISHED GOODS | 818.67 | 860.57 |
| FINISHED GOODS | 1655.10 | 1815.99 |
| TOTAL | 3734.67 | 4329.35 |

The Work-in-Progress represents only part of the regular product that are under production and not covered for any reservation for warranty claims.

The Finished Goods are Valued at lower of the Cost of Sale or Realisable Value. The Cost does not include GST component. The GST is neither considered for Opening Stock nor Closing Stock. This method was followed consistently by the Company. The raw-material including Trading Goods, Stores and Spares are valued at Cost to the Unit.

NOTES FORMING PART OF BALANCE SHEET

Rs. In lakhs

| | 2023-24 | 2022-23 |
|--|-----------------|-----------------|
| NOTE-4 | | |
| TRADE RECEIVABLES | | |
| UNSECURED CONSIDERED GOOD | 6878.34 | 5331.18 |
| TOTAL | 6878.34 | 5331.18 |
| NOTE-5 | | |
| CASH AND CASH EQUIVALENTS | | |
| CASH IN HAND | 0.50 | 0.59 |
| BALANCE WITH BANKS | 61.29 | 1.65 |
| MARGIN MONEY WITH BANKS | 43.21 | 40.69 |
| TOTAL | 105.00 | 42.93 |
| NOTE-6 | | |
| SHORT TERM LOAN AND ADVANCES | | |
| SECURED CONSIDERED GOOD | | |
| ADVANCES TO STAFF | 162.16 | 13.38 |
| OTHER DEPOSITS | 0.00 | 55.42 |
| UNSECURED CONSIDERED GOOD | | |
| ADVANCES TO OTHERS | 59.18 | 112.29 |
| OTHER ADVANCES | 150.00 | 51.99 |
| TOTAL | 371.34 | 233.08 |
| NOTE-7 | | |
| SHARE CAPITAL | | |
| AUTHORIZED | | |
| ISSUED, SUBSCRIBED AND PAID UP | 1250 | 1250 |
| PAR VALUE OF SHARE -RUPEES | 982.05 | 982.05 |
| | 10 | 10 |
| SHARES HELD BY SHARE HOLDER HOLDING MORE THAN 5% SHARE (IN NOS) | | |
| SDM RAO | 4303531 | 4303531 |
| S.KARUNAKAR | 522774 | 522774 |
| S.KISHORE | 513035 | 513035 |
| NOTE-8 | | |
| OTHER EQUITY | | |
| (I) CAPITAL RESERVE | 56.03 | 56.03 |
| (II) SECURITIES PREMIUM RESERVE | 163.92 | 163.92 |
| (III) REVALUATION RESERVE | 155.21 | 155.21 |
| (IV) GENERAL RESERVE | 2924.32 | 2798.22 |
| (V) SURPLUS IN STATEMENT OF PROFIT AND LOSS | 14719.37 | 13830.00 |
| TOTAL | 18018.85 | 17003.38 |

NOTES FORMING PART OF BALANCE SHEET

Rs. In lakhs

The Capital Reserve Includes an amount of Rs. 1.03 Lakhs from Forfeiture of Shares and Subsidy from the Government for setting up the Unit Backward area.

| | 2023-24 | 2022-23 |
|----------------------------------|-----------------|-----------------|
| GENERAL RESERVE | | |
| OPENING BALANCE | 2798.22 | 2548.60 |
| ADD: TRANSFER FROM P/L A/C | 126.10 | 249.63 |
| NET RESERVE | 2924.32 | 2798.22 |
| PROFIT AND LOSS ACCOUNT | | |
| OPENING BALANCE | 13830.00 | 13347.87 |
| ADD: CURRENT YEAR PROFIT | 1260.98 | 1468.39 |
| LESS: TRASFER TO GENERAL RESERVE | 126.10 | 249.63 |
| | 14964.88 | 14566.64 |
| LESS: EARLIER YEARS DIVIDEND | 245.51 | 736.64 |
| NET PROFIT AND LOSS ACCOUNT | 14719.37 | 13830.00 |

NOTE-9

Financial Liabilities - Borrowings

| | | |
|-----------------------------|----------------|----------------|
| OTHER LONG-TERM LIABILITIES | 1050.00 | 1050.00 |
| SALES TAX DEFERAL LOAN | 0.00 | 89.02 |
| TOTAL | 1050.00 | 1139.02 |

Interest Fees Sales Tax Loan is Repayable as follows:

1. Plant-1A - Second deferment repayable in 14 Years commenced from April 2012.
2. Plant II - First Deferment Repayable in 104 years commenced from 2004 and Second Deferment from April 2015.
3. Plant III - Repayable in 14 years commenced from April 2011.
4. And amount of Rs.89.02 Lakhs represents repayable in the next 12 months has shown under Current Liabilities

NOTE-10

LONG TERM PROVISIONS

| | | |
|------------------------|---------------|---------------|
| PROVISION FOR GRATUITY | 162.92 | 161.96 |
| TOTAL | 162.92 | 161.96 |

The provision of Gratuity provided for the employees who are eligible under the Provisions of Payment of Gratuity Act' 1972.

NOTE-11

SHORT TERM BORROWINGS

SECURED

| | | |
|--|----------------|----------------|
| CASH CREDIT - STOCKS | 2917.99 | 1752.41 |
| SALES TAX DEFERRMENT LOAN-PAYABLE WITH IN A YEAR | 89.02 | 87.74 |
| TOTAL | 3007.02 | 1840.16 |

NOTES FORMING PART OF BALANCE SHEET

Rs. In lakhs

Working Capital Loan with SBI is secured by way of First Charge on Current Assets including Book Debts and Second Charge on all Fixed assets and immovable properties of the company.

| | 2023-24 | 2022-23 |
|-----------------------------------|----------------|----------------|
| NOTE-12 | | |
| SHORT TERM PROVISIONS | | |
| OTHER PROVISIONS | 912.32 | 1259.66 |
| PROVISION FOR EMPLOYEES' BENEFITS | 460.18 | 73.19 |
| TOTAL | 1372.50 | 1332.85 |
| CURRENT LIABILITIES | | |
| Trade payables | 1265.75 | 703.32 |
| other current Liabilities | 53.25 | 48.10 |
| TOTAL | 1319.00 | 751.42 |

NOTES FORMING PART OF THE PROFIT AND LOSS ACCOUNT

Rs. In lakhs

| | 2023-24 | 2022-23 |
|---|-----------------|-----------------|
| NOTE-1 | | |
| REVENUE FROM OPERATIONS | | |
| (a) SALE OF PRODUCTS(GROSS) | 30208.08 | 28734.33 |
| (b) SALE OF SERVICES | 0.00 | 0.00 |
| LESS: GST ON SALES | 5589.58 | 5122.51 |
| NET SALES | 24618.50 | 23611.82 |
| LESS: INCENTIVES ON SALES | 136.92 | 241.57 |
| NET REVENUE FROM SALES | 24481.58 | 23370.25 |
| (c) OTHER OPERATING REVENUE | 51.64 | 61.61 |
| LESS: GST ON OTHER OPERATING REVENUE | 0.00 | 9.30 |
| TOTAL NET OPERATING REVENUE | 24533.22 | 23422.56 |
| NOTE-2 | | |
| OTHER INCOME | | |
| (a) INTEREST INCOME-WITH NOTES | 25.88 | 21.72 |
| INTEREST FROM BANK ON MARGIN MONEY AND DEPOSITS WITH APSEB | | |
| (d) EXPORTS INCENTIVES | 63.65 | 81.78 |
| (b) DIVIDEND INCOME | 0.00 | |
| (C) NET GAIN/ LOSS ON FOREIGN CURRENCY | 53.12 | 17.70 |
| (d) OTHER NON-OPERATING INCOME (NET) | 1.83 | 0.54 |
| Profit on Sale of Fixed Assets | 6.75 | 0.00 |
| TOTAL | 151.23 | 121.74 |
| NOTE-3 | | |
| COST OF MATERIALS CONSUMED | | |
| OPENING STOCK | 1652.79 | 1345.34 |
| PURCHASES | 13549.77 | 14266.71 |
| LESS: CLOSING STOCK | 1260.89 | 1652.79 |
| NET CONSUMPTION OF MATERIALS CONSUMED | 13941.67 | 13959.26 |
| NOTE-4 | | |
| INCREASE/DECREASE IN STOCKS | | |
| OPENING STOCK | | |
| SEMI FINISHED GOODS | 860.57 | 765.95 |
| FINISHED GOODS | 1815.99 | 1581.02 |
| | 2676.56 | 2346.98 |
| CLOSING STOCK | | |
| SEMI FINISHED GOODS | 818.67 | 860.57 |
| FINISHED GOODS | 1655.10 | 1815.99 |
| | 2473.78 | 2676.56 |
| INCREASE/DECREASE IN STOCKS | 202.78 | -329.58 |

NOTES FORMING PART OF THE PROFIT AND LOSS ACCOUNT

Rs. In lakhs

| | 2023-24 | 2022-23 |
|---|----------------|----------------|
| NOTE-5 | | |
| EMPLOYEES BENEFIT EXPENSES | | |
| (I) SALARIES & WAGES | 4712.73 | 3889.83 |
| (ii) CONTRIBUTION TO PROVIDENT FUND AND OTHER FUNDS | 287.40 | 163.21 |
| (iii) STAFF WELFARE EXPENSES | 286.77 | 321.97 |
| TOTAL | 5286.90 | 4375.02 |

| | | |
|--------------------------|---------------|---------------|
| NOTE-6 | | |
| FINANCE COST | | |
| (A) INTEREST EXPENSES | 343.84 | 287.80 |
| (B) OTHER BORROWING COST | 35.56 | 52.96 |
| TOTAL COST | 379.40 | 340.76 |

| | | |
|---|----------------|----------------|
| NOTE-7 | | |
| DEPRECIATION AND AMORTIZATION EXPENSES | | |
| DEPRECIATION | 1291.97 | 1324.80 |
| TOTAL | 1291.97 | 1324.80 |

| | | |
|-----------------------------------|----------------|----------------|
| NOTE-8 | | |
| OTHER EXPENSES | | |
| RENT, RATES & TAXES | 180.58 | 204.37 |
| PRINTING & STATIONARY | 67.34 | 49.14 |
| COMMUNICATIONAL EXPENSES | 31.26 | 32.30 |
| CONVEYANCE & TRAVELLING | 303.36 | 399.29 |
| DIRECTOR'S SITTING FEE | 1.40 | 1.60 |
| INSURANCE | 74.26 | 72.18 |
| AUDITOR'S REMUNERATION | 6.00 | 6.00 |
| LEGAL & PROFESSIONAL CHARGES | 17.66 | 5.62 |
| REPAIRS & MAINTENANCE | 377.91 | 362.57 |
| SELLING AND DISTRIBUTION EXPENSES | 522.33 | 681.36 |
| ADVERTISEMENT | 10.15 | 5.44 |
| MISCELLANEOUS EXPENSES | 204.65 | 56.50 |
| GRATUITY | 127.20 | 25.00 |
| CSR EXPENDITURE | 32.06 | 54.98 |
| TOTAL | 1956.16 | 1956.35 |

OTHER INFORMATION:

- CORPORATE INFORMATION:** Samkr Pistons and Rings Limited (the company) is engaged in the Manufacturing of Automobile components. The Company has manufacturing plants at Bonthapally, Sanga Reddy Dist. (T.S.) and two units at Srikakulam District, Andhra Pradesh. The Company is a Public Limited Company and is listed on the Bombay Stock Exchange. The Functional Currency of the company is Indian Rupees. The Financial Statements prepared under Company (Accounting Standards) Rules, 2015, as amended for the year ended 31st March, 2024 were adopted by the company as on 29th MAY 2024.

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

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

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

The Financial Statements of the Company for the year ended 31/03/2024 were approved for issue in accordance with the resolution of the board of directors on 29/05/2024

- Basis of Measurement:** These Financial Statements are prepared under historical cost convention unless otherwise stated.
- Revenue Recognition:** Revenue from contracts with customers are recognized as per Ind AS 115 when control of the goods or services are transferred to the customers at the fair value of consideration received or receivable. The Company recognizes revenue when the same can be reliably measured, it is probable that future economic benefits will flow to the Company and specific criteria have been met for each of the Company's activities as described below. Revenue is measured at the value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. Amounts disclosed as revenue are exclusive of GST and net of returns, trade allowances, rebates, discounts, and amounts collected on behalf of third parties.
 - Sale of Goods**
Sales are recognized when substantial risk and rewards of ownership are transferred to customer, In case of domestic customers, sales generally take place when goods are dispatched or delivery is handed over to the transporter. In case of export customers, sales generally take place when goods are shipped on-board based on bill of lading.
 - Interest Income is recognized on time proportion basis taking into account the amount invested and rate of interest.
 - Revenue in respect of other claims is recognized on accrual basis to the extent the ultimate realization is reasonably.

4. **Expenses** are accounted on accrual basis.
5. **Employee Benefits:**
- (i) Contributions to defined contribution schemes such as ESI, Labour welfare fund, employee pension scheme are charged as expense based on the amount of contribution required to be made as and when services are rendered by the employees. Companies provident fund contribution in respect of certain employees is made to government administered fund and charged as an expense to the statement of profit and loss. The above benefits are classified as Defined contribution schemes as the company has no further defined obligations beyond the monthly contribution.
 - (ii) Defined benefit plans: In accordance with payment of Gratuity Act, 1972, the company provides gratuity a defined benefit retirement plan covering eligible employees. The plan provides for a payment to vested employees at retirement, death while in employment or on termination of employment, an amount equivalent to 15 days salary payable for each completed year of service, subject to maximum as may be prescribed. Vesting occurs upon completion of five years of service, except in case of death while in employment in which case the legal heirs would receive the gratuity. Accordingly, a lump sum provision is made as per management policy.
6. **Property, Plant and Equipment:** Property, plant and equipment are stated at acquisition cost includes related duties freight etc., and interest on borrowed fund if any directly attributable to acquisition/ construction of qualifying fixed assets and is net of duty/tax credit availed.

Subsequent expenditure related to an item of property, plant and equipment are added to book value only if they increase the future benefits from existing asset beyond its previously assessed standard of performance. In all such cases, the useful life of assets subsequently added to parent asset are brought at par and depreciated in line with parent asset.

Losses arising from the retirement of, and gains or losses arising from disposal of property, plant and equipment which are carried at cost are recognized in statement of profit or loss.

Depreciation is provided on SLM basis, based on useful life of the assets in accordance with Schedule II of the Companies Act, 2013.

Free hold land is not depreciated.

The residual value of 5% is retained in books for all assets other than the assets whose useful life has elapsed as on 01-04-2014 or those assets whose book value has already been reduced below 5% of acquisition cost.

The depreciation has been provided on SLM basis based on the life of the asset given below:

- Building 30 years
- Plant and Machinery 15 years
- Lab Equipment 10 years
- Electrical Installation 10 years
- Office Equipment 5 years
- Vehicles 8 years
- Computers 3 years

De-recognition: The carrying amount of an item of property, plant and equipment shall be derecognized

- (i) On disposal or
- (ii) When no future economic benefits are expected from its use or disposal

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

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

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

Computer Software 10 Years

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

8. **Foreign Currencies:** The Company's financial statements are presented in INR, which is also the functional currency of the company.

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

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

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

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

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

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

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

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

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

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

A Financial Asset is:

- Cash
- A Contractual right to receive cash or another Financial Asset.
- A Contractual right to exchange Financial Assets or Liabilities with another entity under potentially favorable conditions; or
- An equity instrument of another entity.

A Financial Liability is:

- A Contractual obligation to deliver cash or another financial asset; or
- To exchange Financial Instruments with another entity under potentially unfavorable conditions.

A derivative is a Financial Instrument that derives its value from underlying price or index; requires little or no initial net investment; and is settled at a future date.

IND AS 109 divides all Financial Assets into Two Classifications:

Those measured at amortised at cost.

Those measured at Fair Value.

When assets are measured at fair value, gains and losses are recognized entirely in profit or loss (Fair value through profit or loss, FVTPL), or recognized in other comprehensive income (Fair value through other comprehensive income, FVTOCI).

The classification of Financial Asset is made at the time it is initially recognized, namely when the entity becomes a party to contractual provisions of the instrument.

13. **Provisions and contingent liabilities:**

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

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

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

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

15. **Segment Reporting under Ind AS-108:**

The Company is engaged in a single segment (i.e. the business of “automotive components” from where it is earning its revenue and incurring expenses. The operating results are regularly reviewed and performance

is assessed by its Chief Operating Decision Maker (CODM). All the company resources are dedicated to this single segment and all the discrete financial information is available for this segment. The geographical information in respect of customers

Is given in Note 38, Notes to accounts and Significant accounting policies.

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

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

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

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

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

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

18. CURRENT VS NON-CURRENT CLASSIFICATION:

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

- Expected to be realized or intended to sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period,
Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current

A liability is current when:

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

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

Deferred tax assets and liabilities are classified as noncurrent assets/noncurrent liabilities.

19. Ind AS 116 - Leases

The Company elects not to apply IND AS 116, as it has got short term leases (Recognition Exemption)

20. Functional and presentation currency:

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

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

21. Capital management

The Company's objective for managing capital is to ensure a sunder:

- i) To ensure the company's ability to continue as a going concern
- ii) Maintaining a strong credit rating and debt equity ratio in order to support business and maximize the share holders' value.
- iii) Maintain an optimal capital structure.
- iv) Compliance of financial covenant under the borrowing facilities.

For the purpose of capital management, capital includes issued equity capital, and all other equity reserves attributable to the equity holders of the Company

The Company manages its capital structure keeping in view of:

- i) Compliance of financial covenant under the borrowing facilities.
- ii) Changes in economic conditions

In order to achieve this over all objective of capital management, amongs together things, the Company aims to ensure that it meets financial covenants attached to the borrowing's facilities defining capital structure requirements, where breach in meeting the financial covenants may permit the lender to call the borrowings.

There has been no breach in the financial covenants of any borrowing facility in the current period. There is no change in the objectives, policies or processes for managing capital over previous year. To maintain the capital structure, the Company may vary the dividend payment to shareholders. (Refer Note 41 Notes on Significant Accounting Policies)

22. Financial risk management

The Company's principal financial liabilities comprise of loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that it derives directly from its operations. The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks under appropriate policies and procedures.

i) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits.

a) Foreign exchange risk

The Company is subject to the risk that changes in foreign currency values impact the Company's export revenues and imports of raw material and property, plant and equipment. The net unhedged exposure to the Company on holding financial assets (Trade Receivables and capital advances) and liabilities (trade payables and capital creditors) other than in their functional currency amounted to Rs.13.90 Crores.

The Company is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to US Dollar and Euro and Yen. The Company manages currency exposures within prescribed limits.

Foreign exchange transactions are covered with strict limits placed on the amount of uncovered exposure, if any, at any point in time. The aim of the Company's approach to management of currency risk is to leave the company with no material residual risk.

b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company is not exposed to any significant/material interest rate risk.

ii) Credit risk

Credit risk is the risk that counterpart will not meet its obligations under a financial instrument or customer

Leading to a financial loss. The company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities including deposits with banks, financial institutions, foreign exchange transactions and other financial instruments.

Credit risk is managed by company's established policy, procedures and control relating to customer credit risk management. Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business.

iii) Liquidity risk

Liquidity risk is the risk that the Company, will face in meeting its obligations associated with its financial liabilities. The Company's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions.

The Company maintained a cautious liquidity strategy, with a positive cash balance throughout the year ended 31-03-2024 and 31-03-2023.

Cash Flow from operating activities provides the funds to service the financial liabilities on a day to day basis.

The Company regularly monitors the rolling forecasts to ensure it has sufficient cash on an ongoing basis to meet its operational needs. Any short-term surplus cash generated, over and above the amount required for working capital management and other operational requirements is retained as cash and cash equivalent (to the extent required) and any excess is invested in interest bearing term deposits to optimize the cash return on investments while ensuring sufficient liquidity to meet its liabilities.

v) **Fair value hierarchy**

The Company uses the following hierarchy for determining and or disclosing the fair value of financial instruments by valuation techniques:

The following is the basis of categorizing the financial instruments measured at fair value in to Level 1 to Level 3.

- **Level 1** - This level includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2** - This level includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- **Level 3** - This level includes financial assets and liabilities, measured using inputs that are not based on observable market data (unobservable inputs). Fair values are redetermined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor they are based on available market data.

Fair value hierarchy of assets and liabilities measured at fair value on a current basis as of March 31, 2024

The Company uses Level 2 for determining and or disclosing the fair value of financial instrument.

23. TAXES AND INCOME

- a) Current Tax: Provision for Income Tax is determined in accordance with the provisions of Income Tax Act, 1961.
- b) Taxable temporary differences will always lead to Deferred Tax Liability.
- c) The timing deferral on account of Depreciation charged on the Assets as per the Companies Act, 2013 and as per the Income Tax Act, 1961 has been provided. The net Deferred Tax Asset considered for the current year was Rs. 16.67 Lakhs. Previous Year we have recognised the net deferred tax assets of Rs. 54.21 Lakhs.

| | Rs. In Lakhs | |
|--------------------------------|---------------|---------------|
| | 2023-24 | 2022-23 |
| DEFERRED TAX LIABILITY (NET) | | |
| Opening Balance | 302.97 | 357.18 |
| Deferred Tax Asset/(Liability) | -16.09 | -54.21 |
| Deferred Tax Liability | 288.88 | 302.97 |

24 Contingent Liabilities not provided for

Disputed amount of Rs.22.47 lakhs towards A.P Tax on entry of goods for the assessment year 2002-03 is pending which we have already paid an amount of Rs. 3.21 lakhs the case did not come for any hearing further.

Disputed amount of Rs.48.85 lakhs towards Entry Tax for the periods 2011-12 to 2016-17 is pending with The Telangana VAT Appellate Tribunal against which we have already paid an amount of Rs.24.42 lakhs the case did not come for any hearing further.

25 Details under Micro Small and Medium Enterprises Development Act**SUNDRY CREDITORS**

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

| S. No | Particulars | 2023-24 | | 2022-23 | | Interest |
|-------|---|-----------|----------|-----------|----------|----------|
| | | Principal | Interest | Principal | Interest | |
| 1 | Principal Amount and Interest thereon due, remaining unpaid at the end of the Year | 294.70 | | 296.16 | NIL | NIL |
| 2 | Interest Paid during the Year | NIL | NIL | NIL | NIL | NIL |
| 3 | Interest due and payable (on the amount which have been paid beyond the appointed date during the year) | NA | NA | NA | NA | NA |
| 4 | Interest remaining accrued and unpaid at the end of year | NA | NA | NA | NA | NA |
| 5 | Interest due to the previous Year | NA | NA | NA | NA | NA |

| | | 2023-24 Rs. In Lakhs | 2022-23 Rs. In Lakhs |
|----|---------------------------------|-------------------------|-------------------------|
| 26 | Expenditure in Foreign Currency | 1093.99 | 1495.62 |
| 27 | Earnings in Foreign Currency | 4816.97 | 5108.44 |

28 Related Party Disclosure as IND AS -24

Related Parties Transactions for the Year Ended 31st March 2024

| S. No | Name of the Related Party | Description of Relation Ship | Nature of Transactions | Amount Paid | Balance |
|-------|---------------------------|------------------------------|--------------------------------|-------------|---------|
| 1 | Sri S. Karunakar | Chairman & M. D | Rent Paid/Payable | 0 | 2580000 |
| 2 | Sri S. Kishore | Whole time Director | Rent Paid/Payable | 0 | 2340000 |
| 3 | Sri S D M Rao | Ex-CMD | Rent Paid/Payable | 375403 | 0 |
| 4 | Saraswathi Enterprises | Firm | Rent Paid/Payable | | 7118400 |
| 5 | KEY MANAGERIAL PERSON | | | | |
| | Sri S. Karunakar | Chairman & M. D | | 5525000 | 2875000 |
| | Sri S. Kishore | Whole time Director | Remuneration & Commission Paid | 4675000 | 3725000 |
| | Sri S. Monish | Whole time Director | | 1084000 | 135500 |
| 6 | Director's Sitting Fee | | | | |
| | Sri N. Rishita | Director | Sitting Fee | 40000 | |
| | Sri K. Kesavan | Director | Sitting Fee | 40000 | |
| | Sri P Raghu Prakash Swamy | Director | Sitting Fee | 50000 | |
| | Sri Chaitanya Abhisek | Director | Sitting fee | 10000 | |

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 in Srikakulam District, branch office at Visakhapatnam.

| | | |
|--|-----------------|-----------------|
| 29. EXPENDITURE ON CSR | 2023-24 | 2022-23 |
| CSR SPENT | 32.06 | 54.98 |
| 30. Depreciation and Amortisation | | |
| Depreciation on Property, Plant & Equipment | 1278.64 | 1312.58 |
| Amortisation of Intangible assets | 13.33 | 12.22 |
| Total Depreciation and Amortisation | 1291.97 | 1324.80 |
| 31. Payment to Auditors | | |
| | 2023-24 | 2022-23 |
| (a) Audit Fee | 4.50 | 4.50 |
| (b) Limited Review | 0.50 | 0.50 |
| © For Tax Audit & other Plant matters | 1.00 | 1.00 |
| TOTAL | 6.00 | 6.00 |
| 32. CIF VALUE OF IMPORTS | 2023-24 | 2022-23 |
| By the company during the financial year in respect of | | |
| a. Raw Material | 1005.59 | 1462.46 |
| b. Components and Spare parts | 73.78 | 33.16 |
| c. Capital goods | 10.16 | 0.00 |
| TOTAL | 1089.53 | 1495.62 |
| 33. CONSUMPTION | 2023-24 | 2022-23 |
| Imported Raw Materials | 1005.59 | 1462.46 |
| Spare Parts & Components | 73.78 | 33.16 |
| Indigenous Raw Material | 12010.15 | 11610.63 |
| Spare Parts & Components | | 0.00 |
| Total of percentage of each | | |
| Indigenous | 91.76 | 88.59 |
| Imported | 8.24 | 11.41 |
| 34. The obligation under EPCG concessional duty scheme on account of import of Capital Equipment amounting to Nil. | | |
| 35. 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. | | |
| 36. Figures for the previous year has been regrouped/reclassified wherever necessary to be conformity with the current year format of IND AS SCHEDULE - III to the Companies Act. | | |
| 37. SEGEMENT REPORTING | 2023-24 | 2022-23 |
| Domestic Sales | 4816.97 | 18054.65 |
| Export Sales | 19801.53 | 5557.17 |
| TOTAL | 24618.50 | 23611.82 |

Revenue from the one Customer amount to Rs. 6714.08 (Previous Year Rs. 6078.52 Lakhs) no other single customer represents 10% or more to the Company revenue for the year ending 31.03.24 and 31.03.23 respectively.

| | | |
|--|----------------|----------------|
| 38 EARNINGS PER SHARE UNDER IND AS 33 | 2023-24 | 2022-23 |
| Profit after taxation as per Profit & Loss Account | 1260.98 | 1468.39 |
| Number of Weighted Average of Shares | 9820500 | 9820500 |
| Basic and Diluted Earnings per Share | 12.84 | 14.95 |
| Nominal Value per Equity Share | 10.00 | 10.00 |
| 39 RECONCILIATION OF ACCOUNTING PROFIT WITH TAX EXPENSE | 2023-24 | 2022-23 |
| Accounting Profit Before Income Tax expense | 1625.57 | 1917.70 |
| Tax effect of adjustments in taxable income tax @25.17% | 409.16 | 482.69 |
| CSR | 8.07 | 13.84 |
| Other Disallowance | 32.02 | 6.29 |
| Allowance | 68.57 | 0.69 |
| CURRENT TAX EXPENSE | 380.67 | 503.51 |
| 40 CAPITAL GEARING RATIO | 2023-24 | 2022-23 |
| LOANS AND BORROWINGS | 2917.99 | 1840.16 |
| LESS CASH & BANK BALANCE | 105.00 | 42.93 |
| NET DEBT | 2812.99 | 1797.23 |
| EQUITY | 19000.90 | 17985.43 |
| CAPITAL AND DEBT | 21813.99 | 19278.08 |
| CAPITAL GEARING RATIO | 12.90 | 9.32 |
| c NET DEBT RECONCILIATION | 2023-24 | 2022-23 |
| Cash and Cash Equivalents | 105.00 | 42.93 |
| Current Borrowings | -2917.99 | -1752.41 |
| Total | -2812.99 | -1709.48 |

| Particulars | Cash & Cash Equivalents | Borrowings | Total |
|---------------------------|-------------------------|------------|----------|
| Net debt as on 01-4-2022 | 70.09 | -1866.22 | -1796.13 |
| Cash Flows | -27.16 | 113.81 | 86.65 |
| Net debt as on 31.03.2023 | 42.93 | -1752.41 | -1709.48 |
| Cash Flows | 62.07 | -1165.58 | -1103.51 |
| Net debt as on 31.03.2024 | 105.00 | -2917.99 | -2812.99 |

42. Capital Work-in-Progress (Disclosure as per Schedule III of the Companies Act 2013)

| Capital WIP | < 1 year | 1-2 Years | 2 -3 Years | >3 Years | TOTAL |
|--------------------------------|---------------|-----------|------------|----------|---------------|
| Projects in Progress | 496.71 | - | - | - | 496.71 |
| Projects Temporarily Suspended | Nil | - | - | - | - |
| TOTAL | 496.71 | - | - | - | 496.71 |

43. Ageing Schedule of Trade Receivable (Schedule III)

| Capital WIP | < 6 Months | 6M -1 Year | 1 -2 Years | 2-3 Years | >3 Years |
|---|----------------|------------|------------|-----------|----------|
| i. Un disputed Trade Receivables -considered good | 6878.34 | - | - | - | - |
| ii. Un disputed Trade receivables -which have significant increase on Credit risk | Nil | - | - | - | - |
| iii. Undisputed Trade Receivables - Credit Impaired | | | | | |
| iv. Disputed Trade Receivables | | | | | |
| v. Disputed Trade Receivables - increase in credit risk | | | | | |
| vi. Disputed Trade Receivables - Credit Impaired | | | | | |
| TOTAL | 6878.34 | - | - | - | - |

44. Ageing Schedule of Trade Payables (Schedule III)

| Capital WIP | < 6 Months | 6M -1 Year | 1 -2 Years | 2-3 Years | >3 Years |
|--------------------------|---------------|------------|------------|-----------|----------|
| i. MSME | 294.70 | - | - | - | - |
| ii. Others | Nil | - | - | - | - |
| iii. Disputed Dues -MSME | | | | | |
| iv. Disputed Due -Others | | | | | |
| TOTAL | 294.70 | - | - | - | - |

45 Various Ratios

| | 2023-24 | 2022-23 |
|---------------------------------------|-----------------|----------------|
| (a) Current Ratio (A/B*100) | 1.95 | 2.53 |
| Current Assets (A) | | |
| Trade Receivables | 6878.34 | 5331.18 |
| Inventory | 3734.67 | 4329.35 |
| Cash | 105.00 | 42.93 |
| Loans and Advances | 371.34 | 233.08 |
| TOTAL(A) | 11089.34 | 9936.54 |
| Current Liabilities (B) | | |
| Trade Payables | 1265.75 | 703.32 |
| Other Current Liabilities | 53.25 | 48.10 |
| Cash Credit | 2917.99 | 1752.41 |
| Sales Deferment Payable within a Year | 89.02 | 87.74 |
| Short Term Provisions | 1372.50 | 1332.85 |
| TOTAL(B) | 5698.51 | 3924.42 |

| | 2023-24 | 2022-23 |
|---|----------------|----------------|
| (b) Debt Equity Ratio | 0.15 | 0.10 |
| Debt as per Note 11 of Balance Sheet (A) | 2917.99 | 1752.41 |
| Equity as per Balance Sheet (B) | 19000.90 | 17585.43 |
| (c) Debt Service Coverage Ratio | 8.69 | 10.52 |
| Earnings before Interest, Tax and Depreciation (EBITDA) | | |
| Profit Before Tax | 1625.37 | 1917.70 |
| Interest | 379.40 | 340.76 |
| Depreciation | 1291.97 | 1324.80 |
| EBIDTA | 3296.93 | 3583.26 |
| TOTAL DEBT SERVICE | 379.40 | 340.76 |
| (d) Return on Equity Ratio | 0.07 | 0.08 |
| PAT | 1260.98 | 1468.39 |
| Shareholder Funds | 19000.80 | 17585.43 |
| (e) Inventory Turnover Ratio | 3.46 | 3.48 |
| Cost of Goods Sold | 13941.67 | 13959.26 |
| Opening Inventory | 4329.35 | 3692.32 |
| Closing inventory | 3734.67 | 4329.35 |
| Average Inventory | 4032.01 | 4010.83 |
| (f) Trade Receivable Turnover Ratio | 4.01 | 4.71 |
| Credit Sales | 24481.58 | 23370.25 |
| Opening Trade Receivables | 5331.18 | 4590.16 |
| Closing Trade Receivables | 6878.34 | 5331.18 |
| Average Receivables | 6104.76 | 4960.67 |
| (g) Trade Payable Turnover Ratio | 7.72 | 8.33 |
| Credit Purchases | 7596.36 | 6736.86 |
| Opening Trade Payables | 703.32 | 913.34 |
| Closing Trade Payables | 1265.75 | 703.32 |
| Average Trade Payables | 984.54 | 808.33 |
| (h) Net Capital Turnover Ratio | 1.59 | 1.60 |
| Total Sales | 30208.08 | 28734.33 |
| Shareholders' Equity | 19000.90 | 17985.43 |
| (i) Net Profit Ratio | 0.07 | 0.08 |
| Net Profit | 1625.57 | 1917.70 |
| Net Sales | 24481.58 | 23370.25 |
| | 2023-24 | 2022-23 |

| | | |
|--------------------------------|----------|----------|
| (j) Return on Capital Employed | 0.15 | 0.18 |
| EBIT | 3296.93 | 3583.26 |
| Total Assets | 26199.21 | 23513.81 |
| Current Liabilities | 4326.01 | 3924.43 |
| Capital Employed | 21873.19 | 19589.38 |
| (k) Return on Investment | 0.07 | 0.08 |
| PAT | 1260.98 | 1468.39 |
| Net worth | 19000.90 | 17985.43 |

46. Signatures to Notes 1-8, Statement of Profit/Loss

Signatures to Notes 1-12, Balance Sheet

Signatures to Notes to significant Accounting Policies

In terms of our Report Attached

For and on behalf of the Board of Director

Sd/-
MVN Murthy
 Chartered Accountant
 Membership No.201445

Sd/-
K. CHAITANYA ABHISHEKH
 Independent Director
 DIN: 01665768

Sd/-
SARIPALLI KARUNAKAR
 Whole Time Director
 DIN: 01665760

Place :Hyderabad
 Date : 29th May 2024

sd/-
B. Venkatesham
 Chief Financial Officer

sd/-
SURABHI. R. JAIN
 Company Secretary
 Membership No.A55650





SAMKRG PISTONS AND RINGS LIMITED

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

Registered Office:

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Ameerpet, Hyderabad-500 016.

E-mail: admin@samkrg.com

Website: www.samkrgpistonsandrings.com

