

BOARD OF DIRECTORS

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

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

Bankers State Bank of India

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

Factories

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

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

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

Registrar Share Transfer Agent **M/s. XL Softech Systems Ltd**
3, Sagar Society, Road No.2
Banjara Hills,
Hyderabad - 500 034.
Ph: 040-23553214

NOTICE

NOTICE is hereby given that the Twenty Seventh (27th) Annual General Meeting of the Members of the **SAMKRG PISTONS AND RINGS LIMITED** will be held on Friday the 27th September, 2013 at 10.30 A.M at **Hotel Grandeur, Opp: J C Brothers, Beside New Science College, Main Road, Ameerpet, Hyderabad - 500073** to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the company as at 31st March 2013 and Profit and Loss Account for the year ended on that date together with Directors' report and Auditors' report thereon.
2. To declare a Dividend on Equity shares.
3. To appoint a Director in place of Shri V Chakrapani who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Shri M N Thakkar who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint Auditors to hold office from the conclusion of this Annual General Meeting up to the conclusion of the next Annual General Meeting and to authorise the Board of Directors to fix their remuneration.

SPECIAL BUSINESS

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

"RESOLVED THAT pursuant to sections 198, 269 and 309 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII thereto as amended up to date and all guidelines for managerial remuneration issued by the Central Government from time to time, and subject to such approval as there is necessary and as per the recommendation of remuneration committee, the Company hereby approved the re-appointment of

Shri S Karunakar, Whole Time Director of the company for a further period of 5 years with effect from 01.10.2013 to 30.09.2018 on the following terms and conditions and hereby approved with liberty to the Board of Directors to revise the remuneration from time to time within the limits provided for in the said schedule XIII or any amendment thereof for the time being in force.

Salary: 2,25,000/- per month (Including Dearness Allowances) in grade of ₹ 2,25,000-25,000-3,50,000.

Perquisites

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

a) Housing:

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

b) Medical Reimbursement:

Reimbursement of Medical for self and family, as per Rules of the Company.

c) Leave Travel Allowance:

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

d) Club Fees:

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

e) Personal Accident Insurance:

Personal accident insurance cover as applicable will be provided to him by the

Company. Premium payable shall not exceed ₹ 4000/- per annum.

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

a) Provident Fund/Superannuation Fund:

Contribution to Provident Fund, Superannuation Fund/Annuity Fund in accordance with the rules of the Company.

b) Gratuity:

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

c) Company Car:

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

d) Reimbursement of entertainment, traveling and all other expenses incurred for the business of the company.

e) Leave as per Rules of the Company.

f) Commission: 2% on the net profit of the company calculated as per sec. 349 and 350 of the companies Act, 1956

In the event of loss or inadequacy of profits in any financial year, the Whole Time Director shall be governed by the limits prescribed under section II of part II of schedule XIII of the Companies Act, 1956 including any statutory modification or re-enactment thereof, as may, for the time being, be in force.

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

"RESOLVED THAT pursuant to sections 198, 269 and 309 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII thereto as amended up to date and all guidelines for managerial remuneration issued by the Central Government from time to time, and subject to

such approval as there is necessary and as per the recommendation of remuneration committee, the Company hereby approved the re-appointment of Shri S Kishore, Whole Time Director of the company for a further period of 5 years with effect from 01.10.2013 to 30.09.2018 on the following terms and conditions and hereby approved with liberty to the Board of Directors to revise the remuneration from time to time within the limits provided for in the said schedule XIII or any amendment thereof for the time being in force.

Salary: 2,25,000/- per month (Including Dearness Allowances) in grade of ₹ 2,25,000-25,000-3,50,000.

Perquisites

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

a) Housing:

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

b) Medical Reimbursement:

Reimbursement of Medical for self and family, as per Rules of the Company.

c) Leave Travel Allowance:

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

d) Club Fees:

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

e) Personal Accident Insurance:

Personal accident insurance cover as applicable will be provided to him by the

Company. Premium payable shall not exceed ₹ 4000/- per annum.

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

a) Provident Fund/Superannuation Fund:

Contribution to Provident Fund, Superannuation Fund/Annuity Fund in accordance with the rules of the Company.

b) Gratuity:

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

c) Company Car:

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

d) Reimbursement of entertainment, travelling and all other expenses incurred for the business of the company.

e) Leave as per Rules of the Company.

f) Commission: 2% on the net profit of the company calculated as per sec. 349 and 350 of the companies Act, 1956

In the event of loss or inadequacy of profits in any financial year, the Whole Time Director shall be governed by the limits prescribed under section II of part II of schedule XIII of the Companies Act, 1956 including any statutory modification or re-enactment thereof, as may, for the time being, be in force..

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. Proxies in order to be effective should be duly stamped, completed and signed and must be deposited at the registered office of the Company not later than 48 hours before the commencement of meeting.

3. Members/Proxies should bring their copy of Annual reports along with Attendance Slip duly filled in for attending the meeting.
4. The Register of the members and Share Transfer Books of the Company will remain closed from 21st September 2013 to 27th September 2013 (Both days inclusive).
5. The dividend on equity shares as recommended by the Board of Directors, if declared at the 27th Annual General Meeting shall be paid to the members whose names appear on the Company's register of members as on 20th September, 2013.
6. *In respect of shareholding in dematerialised form, dividend will be paid to the Beneficial Owners as per list to be furnished by the Depositories directly through ECS wherever ECS facility is available subject to availability of bank account details. In case the said details have not been provide to the concerned Depository Participant or there is any change, the same may please be intimated to the concerned Depository Participant immediately.*
7. *In respect of shares held in Physical form to those members whose names appear in the register of members up to end of Business hours on 20th September, 2013.*
8. Pursuant to Section 205A of the Companies Act, 1956, all unclaimed / unpaid dividends up to the financial year ended 31st March, 2005 have been transferred to the General Revenue Account of the Central Government.
9. Consequent upon the introduction of Section 205(C) by the Companies (Amendment) Act, 1999, the amount of dividend remain unpaid or unclaimed for the period of seven years from the date of its transfer to the Unpaid Dividend Account of the Company is required to be transferred to the Investor Education and Protection Fund set up by the Government of India and no payment shall be made in respect of any such claims by the Fund.

10. Members, who have not yet en-cashed their dividend warrant(s) for the financial years from 2006 to 2011-2012, are requested to make their claims to the Company without any delay.
11. **In the terms of notification issued by SEBI, the Equity Shares of the Company are under compulsory Demat trading for all Investors from 24th July, 2000. Shareholders are advised to hold their shares in Demat mode and to send their Share Certificates along with Dematerialisation request to the RTA through their Depository Participants.**
12. The Members are requested to:
- Intimate changes, if any, in their registered address at an early date.
 - The Members are requested to use ECS facility for receiving Dividend by filling and deposit the ECS form enclosed in this report.
 - Members who have multiple Folios in identical names or joint names in the same*
13. *The Annual Listing fee for the year 2013-14 has been paid to Bombay Stock Exchange Ltd.*
14. In compliance with the General Circular No. 17 / 2011 dt.21.04.2011 issued by Ministry of Corporate affairs, the Annual Report of the Company for the year 2012-13 is sent by e-mail.
- BY ORDER OF THE BOARD
For **SAMKRG PISTONS AND RINGS LIMITED**
- S.D.M. RAO**
CHAIRMAN
& MANAGING DIRECTOR
- Place : Hyderabad
Date : 16.05.2013

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

ITEM NO.6

Shri S Karunakar was appointed as Whole Time Director for the period of 5 years w.e.f 01.10.2008 to 30.09.2013. The period of appointment will be expired on 30.09.2013 and needs reappointment for a further period of 5 years w.e.f 01.10.2013 to 30.09.2018. presently the remuneration is Rs.2,25,000/- including HRA and other perks respectively as approved by the shareholders in the 22nd Annual General Meeting held on 29.09.2008.

In view of the growth in the activities of the company it is felt that remuneration of the Whole Time Director will be suitably commensurate with his responsibilities.

The Directors recommend the resolutions for approval. None of the Directors are interested in the resolution except Shri S D M Rao, Chairman & Managing Director, Shri S Madhava Rao, Director, Shri S Kishore, Whole Time Director who are related to Shri S Karunakar.

ITEM NO.7

Shri S Kishore was appointed as Whole Time Director for the period of 5 years w.e.f 01.10.2008 to 30.09.2013. The period of appointment will be expired on 30.09.2013 and needs reappointment for a further period of 5 years w.e.f 01.10.2013 to 30.09.2018. presently the remuneration is Rs.2,25,000/- including HRA and other perks respectively as approved by the shareholders in the 22nd Annual General Meeting held on 29.09.2008.

In view of the growth in the activities of the company it is felt that remuneration of the Whole Time Director will be suitably commensurate with his responsibilities.

The Directors recommend the resolutions for approval. None of the Directors are interested in the resolution except Shri S D M Rao, Chairman & Managing Director, Shri S Madhava Rao, Director, Shri S Karunakar, Whole Time Director who are related to Shri S Kishore.

DIRECTOR'S REPORT

DEAR SHAREHOLDERS

Your Directors are pleased to present 27th Annual Report and the Audited Accounts of the Company for the year ended March 31, 2013.

Financial results

	(₹ in lacs)	
	2012 - 2013	2011-2012
Gross Sales	19233.38	21933.89
Less: Excise Duty	1939.58	2010.30
Net Sales	17293.80	19923.59
Total Expenditure	14593.34	16819.48
Other Income	81.45	108.71
Operating Profit (PBDIT)	2781.91	3212.82
Interest	474.34	384.53
Cash Profit	2307.57	2828.29
Depreciation	1034.64	1053.15
Profit before Tax	1272.93	1775.14
Provision for Taxation		
i) Current Year	380.00	541.35
ii) Fringe Benefit Tax	-	-
iii) Deferred Taxation	26.00	56.00
Net Profit / (Loss) after Tax	866.93	1177.79

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

DIVIDEND:

In view of requirement of funds for the operations of the company and to meet with Capital expenditure with internal accruals and also to improve liquidity, your Directors recommend a dividend of ₹ 2.50 per equity share i.e 25% for the Year Ended 31st March 2013 as against ₹ 3.50 per equity share i.e.35% in the previous year.

OPERATIONS:

The Company achieved the gross turnover of ₹ 19233.38 lacs during 2012-13 as against ₹ 21933.89 lacs in the previous year 2011-12.

The company R&D expenditure is ₹ 86.47 lacs i.e., 0.50% of sales during the year to catch up with up-gradation of technology and to meet OEM's ever demanding quality and new developments requirement to improve life cycle of their product meeting Euro III norms.

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

Your company has posted Net turnover of ₹ 17293.80 lacs as compared to ₹ 19923.59 lacs for the previous year. The lower turnover is mainly due to slow down in industry and mostly because of slow down in rural economy and power shortage.

Earnings Before Depreciation, Interest and Tax (PBDIT) at ₹ 2781.91 lacs as against previous year of ₹ 3212.82 Lacs. The Profit Before Tax was at ₹ 1272.93 lacs as compared to ₹1775.14 lacs in 2011-12.

Management Discussion and Analysis Report:

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

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

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

Outlook:

The company continues its drive for sustainable growth in this growing Domestic automotive industry. In view of strong distribution network, committed technical and non-technical employees company able to meet and withstand the challenges of the market.

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

The company is expects moderate demand growth in the automobile industry during 2013-14 and long term prospects for the industry remain strong in the line with the outlook for the OEM segment.

Concern & Risks:

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

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

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

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

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The company has well defined internal control systems and procedures 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.

FINANCIAL PERFORMANCE:

The Company earned total net revenue of ₹ 17344.91 lacs compared with ₹ 19933.74 lacs in the previous year and the operational expenses ₹ 18041.90 lacs compared with ₹ 20381.85 lacs incurred last year mainly on account of steep increase in raw material cost, power cost and drop in sales.

Profit Before Depreciation, interest and tax (PBDIT) at ₹ 2781.91 lacs. The Profit Before Tax was at ₹ 1272.93 lacs during 2012-13 as compared to ₹ 1775.14 Lacs in 2011-12.

HUMAN RESOURCES:

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

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

CAUTIONARY STATEMENT:

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

10 YEARS RECORD:

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

Corporate Governance:

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

EXPORTS:

The Export Turnover of ₹ 3955.96 lacs during the year as against ₹ 3868.91 lacs of the previous year an increase by 2.25%.

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

POLLUTION CONTROL SAFETY & ENVIRONMENTAL PROTECTION:

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

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

BOARD OF DIRECTORS:

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

Shri M N Thakkar, Director is liable to retire by rotation at this Annual General Meeting and being eligible, offers himself for reappointment.

DIRECTORS RESPONSIBILITY STATEMENT:

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

- In the participation of Annual Accounts the applicable accounting standards have been followed and that there have been no material departures.
- The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2013 and of the profit to the Company for the year.
- Your Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the

provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

- That the Directors have prepared the Annual accounts on a going concern basis.

The Company's Internal Auditors have conducted periodic audit to provide reasonable assurance that the Company's established policies and procedures have been followed. The Audit Committee of the Board meets once in a quarter with Internal Auditors to review internal control and financial reporting issues.

AUDITORS:

M/s. Ravi & Keshav, Chartered Accountants, will retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The Company has received the Certificate U/s 224 (1-B) of the companies Act, 1956 from M/s. Ravi & Keshav that their appointment, if made, would be in compliance with the provisions of said section. Relevant notes to the Accounts concerning Auditors observation there on are self-explanatory.

PARTICULARS OF EMPLOYEES:

Particulars of employees required to be furnished under section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975

are given in the annexed statement with forms an integral part of this report. The Company continued to have cordial and harmonious relations with its employees.

DISCLOSURE OF PARTICULARS:

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

FIXED DEPOSITS:

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

ACKNOWLEDGEMENTS:

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

On behalf of the Board of Directors

Place : Hyderabad
Date : 16.05.2013

S.D.M. RAO
CHAIRMAN
& MANAGING DIRECTOR

ANNEXURE: Statement showing particulars of Employees pursuant to Section 217 (2A) of the Companies Act, 1956 for the year ended 31st March, 2013.

Name of the Employee	Age	Designation	Qualification & Experience	Date of commencement of employment	Remuneration	Particulars of last employment
Shri S.D.M. Rao	79 Years	Chairman & managing Director	B.Sc, B.E Industrial Experience over 46 years	01.07.1987	22,40,000/-	A.P.S. Limited
Shri S. Karunakar	50 Years	Whole Time Director	B.E (Mechanical)	30.09.1998	38,80,000/-	N.A
Shri S. Kishore	48 Years	Whole Time Director	B.E (Mechanical)	30.09.1998	38,80,000/-	N.A

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

ANNEXURES TO DIRECTORS' REPORT FOR THE YEAR ENDED 31.03.2013

ANNEXURE - I

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

A. CONSERVATION OF ENERGY:

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

Energy conservation measures taken:

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

B. TECHNOLOGY ABSORPTION:

(A) Research and Development (R&D)

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

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

I) On Design:

- i) Completed change over to twin casting Machines and tooling to reduce Aluminium Alloy consumption and to improve quality.
- ii) Developed complete steel ring packs for 2W, 3W, Cars & Trucks.
- iii) Developed flexible lines on CNC to reduce cycle times and on line inspection.
- iv) Developed Asymmetric Profile Piston Rings for both Nitrated & Chrome plate Rings.
- v) Developed Moly coating processes for piston & Rings.
- vi) Developed Asymmetric profile Pistons for Motorcycle with Japanese Technology.

II) Manufacturing Process:

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

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

Technology absorption & up gradation ongoing process by Japanese consultancy agency and as a result of this, the Company has been able to develop pistons and rings meeting Euro III norms for futuristic engines and as a result new business operations both in domestic and exports.

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

3. Future plan of action:

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

4. EXPENDITURE ON R & D:

	(₹ In lacs)	
	2012-13	2011-2012
a) Capital	38.91	44.72
b) Recurring	47.56	54.90
c) TOTAL	86.47	99.62
d) Total R & D Expenditure as A percentage of Sales.	0.50%	0.50%

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

- a. During the year, the company's senior executives travelled to various countries to explore new export markets for its products.
- b. Total foreign Exchange used and earned:
- | | |
|-------------------------------|------------------|
| Total foreign Exchange used | : ₹ 473.54 lacs |
| Total foreign Exchange earned | : ₹ 3461.14 lacs |

For and on behalf of the Board

Place : Hyderabad
Date : 16.05.2013

S.D.M. RAO
Chairman & Managing Director

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, 2013 as envisaged in clause 49 of the listing agreement with stock exchanges.

Place : Hyderabad
Date : 16.05.2013

S.D.M. RAO
Chairman & Managing Director

REPORT ON CORPORATE GOVERNANCE (PURSUANT TO CLAUSE 49 OF LISTING AGREEMENT)

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

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

2. BOARD OF DIRECTORS:

- a) The present strength of Board of Directors is consists of Seven, three are Executive Directors, and the other Four are Non Executive Directors (NED).

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

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

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

b) DETAILS OF BOARD MEETINGS:

During the Financial Year 2012-2013 the Board of Directors met 5 (Five) times on 26th may 2012, 06th August 2012, 27th September 2012, 07th November 2012 and 14th February 2013.

The following table gives the composition of Directors and their attendance at the Board meetings held on the dates above mentioned, and the Twenty Sixth Annual General Meeting held on 27th September, 2012.

Name of the Director	Category	No. of Board meetings attended	Attendance at Last AGM	No. of outside directorships held
Mr. S D M Rao	ED	5	YES	Nil
Mr. M N Thakkar	NED	3	NO	3
Mr. S Madhava Rao	NED	5	YES	1
Mr. V Chakrapani	NED	4	NO	1
Mr. S Karunakar	ED	5	YES	Nil
Mr. S Kishore	ED	5	YES	Nil
Dr. V Venkat Reddy	NED	5	YES	Nil

ED - Executive Director, NED - Non Executive Director

c) Information placed before the Board

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

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

d) Directors seeking re-appointment

Shri M N Thakkar and Shri V Chakrapani, Directors, retire by rotation at the forth coming Annual General Meeting and seek re-appointment.

Shri M N Thakkar, is a Chartered Accountant and having 32 years experience and he is senior partner of M/s N.M Rajji & Co., Chartered Accountants.

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

Shri S Karunakar, Whole time Director's term of office expire on 30.09.2013 and Board proposes for his re-appointment.

Shri S Karunakar, B.E. Mechanical Engineer having around 25 years of Industrial Experience in production and Marketing.

Shri S Kishore, Whole time Director's term of office expire on 30.09.2013 and Board proposes for his re-appointment.

Shri S Kishore, B.E. Mechanical Engineer having around 25 years of Industrial Experience in production and Operatinions.

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. AUDIT COMMITTEE:

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

The Audit Committee during the year ended 31st March, 2013 comprised of Three members out of whom there are two Non-Executive Independent Directors and one Non-Executive Director Viz., Mr. S. Madhava Rao (Chairman and Non-Executive Independent Director of the Committee), Mr. M.N. Thakkar (Non-Executive Independent Director) and Mr. V Chakrapani (Non-Executive Director) who are financially literates and chairman is an expert in financial management.

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

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

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

The audit committee met on four occasions i.e 26th May 2012, 06th August 2012, 7th November 2012 and 14th February 2013.

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

4. REMUNERATION COMMITTEE:

Executive Directors

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

Non-Executive Directors

Non Executive Directors are paid sitting fee only.

The Remuneration committee presently comprises of Three non-executive directors i.e. shri. V. chakrapani, Mr. M.N. Thakkar and Dr. V. Venkat Reddy.

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

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

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

REMUNERATION OF DIRECTORS:

The details of remuneration paid/payable to all the directors for the year 2012-13 are:

i. Non executive directors (sitting fee only)

Mr. M.N. Thakkar	₹ 10,000/-
Mr. S Madhava Rao	₹ 18,000/-
Mr. V Chakrapani	₹ 14,000/-
Dr. V Venkat Reddy	₹ 10,000/-

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

	Managing Director (₹)	Wholetime Director (₹)	Wholetime Director (₹)
Fixed Component			
Salary	15,00,000/-	24,00,000/-	24,00,000/-
Perquisites	7,40,000/-	2,40,000/-	2,40,000/-
Variable Component			
Commission		14,80,000/-	14,80,000/-
TOTAL	22,40,000/-	41,20,000/-	41,20,000/-

5. SHAREHOLDERS/INVESTOR GRIEVANCES COMMITTEE:

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

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

The Committee met twice during the year. The details on which the meetings were held are : 06.08.2012 & 14.02.2013. All the members have attended all the meetings and the Manager - commercial is the compliance officer of the company.

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

6. DISCLOSURES:

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

7. MEANS OF COMMUNICATION:

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

8. ANNUAL GENERAL MEETINGS:

Year	Location of holding AGM	Date and Time of AGM
2011-2012	Hotel Athithi Inn, Dharam Karam Road, Ameerpet, Hyderabad.	27th September, 2012 at 10.30 A.M
2010-2011	Hotel Athithi Inn, Dharam Karam Road, Ameerpet, Hyderabad.	30th August, 2011 at 10.30 A.M
2009-2010	Hotel Athithi Inn, Dharam Karam Road, Ameerpet, Hyderabad.	16th August, 2010 at 10.30 A.M

Special Resolutions passed during the previous three Annual General Meetings:

- **26th Annual General Meeting**
No Special Resolutions passed in 26th Annual General Meeting.
- **25th Annual General Meeting**
No Special Resolutions passed in 25th Annual General Meeting.
- **24th Annual General Meeting**
A Special Resolution for Revision of Commission of 1% for Shri S D M Rao, Managing Director was passed.
A Special Resolution for Revision of Salary of ₹ 1,50,000/- P.M and Commission of 2% of the net profit for Shri S Karunakar, Wholetime Director was passed.
A Special Resolution for Revision of Salary of ₹ 1,50,000/- P.M and Commission of 2% of the net profit for Shri S Kishore, Wholetime Director was passed

9. POSTAL BALLOT:

The company did not pass any resolution by postal ballot during the Financial year 2012-13.

10. GENERAL SHAREHOLDER INFORMATION:

Date, Time and Venue of the 27th Annual General Meeting : 27th September, 2013
At Hotel Grandeur
Opp: J C Brothers, Beside New Science College,
Main Road, Ameerpet, Hyderabad - 500073

Financial Calendar	:	April to March
First quarter results	:	Last week of July 2013
Second quarter results	:	Last week of October 2013
Third quarter results	:	Last week of January 2014
Results for the year ending Mar,2014	:	End May 2014
Date of Book Closure	:	21.09.2013 to 27.09.2013 (Both days inclusive)
Dividend Payment date	:	Within 30 days from Date of AGM
Listing On Stock Exchanges	:	Bombay Stock Exchange Limited
Stock Code	:	520075 (BSE)
Demat ISIN No for CDSL and NSDL	:	INE706B01012
Dematerialisation of shares	:	95.46% of the paid up capital has been Dematerialised as on 31.03.2013

Stock Performance:

The performance of the company's shares on the BSE is given in the chart below:

MARKET PRICE DATA ON Company's SCRIP ON BSE DURING THE YEAR 2012-2013

Month	High Rate (₹)	Low Rate (₹)
April, 2012	81.50	72.00
May, 2012	82.50	70.15
June, 2012	71.80	67.05
July, 2012	71.95	66.00
August, 2012	70.00	65.00
September, 2012	71.50	65.00
October, 2012	69.50	64.10
November, 2012	66.15	60.00
December, 2012	66.90	60.85
January, 2013	65.85	60.15
February, 2013	64.00	55.00
March, 2013	59.95	45.00

Outstanding ADR/GDR	:	Not Issued
Registered Office	:	1-201, Divya Shakti Complex 7-1-58, Ameerpet , Hyderabad - 500016 Ph.No.040-23730596, 23735578,Fax 040-23730216 E-mail: admin@samkrp.com
Plant Locations	:	PLANT-I (Pistons) Sy.No.537, Temple Road, Bonthapally Narsapur Taluk, Medak District. PLANT-II (Rings) Sy.No.33, Varisam, Pydibhimavaram, Ranastalam Mandal, Srikakulam District. PLANT-III (Pistons) Sy.No.232, Arinama Akkivalasa, Allinagaram, Etcherla Mandal, Srikakulam District.

Investors' correspondence & share Transfer Agent in Physical form & In Electronic Mode	:	M/s XL Softech Systems Ltd 3, Sagar Society, Road No.2 Banjara Hills, Hyderabad - 500034 Tel(040) 23553214
Trading in shares (Electronic Form) Stock Exchanges	:	Made Compulsory for all categories of Investors w.e.f on 26-12-2000 as per SEBI's mandate
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.
Name of the Compliance Officers	:	Mrs. N. Ratnakumari
Dividend Declared for the last 10 years	:	2002-03 - 30% 2003-04 - 45% 2004-05 - 50% 2005-06 - 30% 2006-07 - 35% 2007-08 - 35% 2008-09 - 30% 2009-10 - 40% 2010-11 - 45% 2011-12 - 35%
Closing price of Company's Shares on Stock Exchange, Mumbai on 28.03.2013	:	₹ 47.10
All Time high of Company's Share price on Bombay Stock Exchange Limited	:	₹ 82.50
Secretarial Audit	:	Secretarial Audit is being carried out every quarter by a practising Company Secretary and audit report is placed before the Board for its perusal and filed regularly with the Stock Exchanges within the stipulated time.

PATTERN OF SHAREHOLDING AS ON 31.03.2013

Description	No. of Shareholders	%	No. of Shares	%
Promoters	10	0.1346	6567839	66.879
Individuals	7260	97.4758	2969415	30.237
FII's, NRIs/OCB	38	0.5102	50635	0.516
Financial Institutions and Banks	4	0.0537	2800	0.029
Mutual Funds	1	0.0134	600	0.006
Bodies Corporate	135	1.8136	229211	2.334
TOTAL	7448	100.000	9820500	100.000

DISTRIBUTION OF SHAREHOLDING AS ON 31.03.2013

Range	No. of Shareholders	%	No. of Shares	%
1 - 500	6469	86.86	1089793	11.10
501 - 1000	543	7.29	442887	4.51
1001 - 2000	244	3.28	362501	3.69
2001 - 3000	77	1.03	192334	1.96
3001 - 4000	28	0.38	100563	1.02
4001 - 5000	21	0.28	99683	1.02
5001 - 10000	33	0.44	238145	2.42
10001 & Above	33	0.44	7294594	74.28
TOTAL	7448	100.00	9820500	100.00

CERTIFICATE BY CEO/CFO

Pursuant to the provisions of Clause 49 of the Listing Agreement with the Stock Exchanges, it is hereby certified that for the financial year ended March 31, 2013:

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

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

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

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

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

We have indicated to the Auditors and the Audit Committee:

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

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

Place : Hyderabad

Date : 16-05-2013

S.D.M. RAO

Chairman & Managing Director

AUDITORS' CERTIFICATE REGARDING CORPORATE GOVERNANCE

To

The Members of
SAMKRG PISTONS AND RINGS LIMITED

We have reviewed the record concerning the company's compliance of conditions of Corporate Governance by SAMKRG PISTONS AND RINGS LIMITED for the year ended 31st March 2013 as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

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

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

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

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

For **M/S. Ravi & Keshav**
Registration No. : 0031875
Chartered Accountants

Place : Hyderabad

Date : 16-05-2013

(K.K. KESAVAN)

Proprietor

M.No. : 017489

AUDITOR'S REPORT

To
The Members of
SAMKRG PISTONS AND RINGS LIMITED

We have audited the attached FORM OF Balance Sheet of SAMKRG PISTONS AND RINGS LTD as at 31st March, 2013 and FORM OF STATEMENT OF Profit and Loss Account for the year ended as on that date annexed thereto and the cash flow statement for the period ended on that date. This financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

Further We report as follows :

1. As required by the Companies (Auditors Report) order 2003 issued by the central government of India in terms of subsection (4A) of section 227 of the Companies Act, 1956 and on the basis of the such checks of books and records of the company as we considered appropriate and according to information and explanations given to us during the course of the audit, We annex hereto a statement on that matter specified in paragraph 4 and 5 of the said order to the extent applicable.
2. Further to our comments in the statement referred to in paragraph (1) above.
 - A. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - B. In our opinion, the Company has kept proper books of accounts as required by law so far as appears from the examination of books.
 - C. The Balance Sheet and Profit and Loss Account referred to in the Report are in agreement with the books of accounts.
 - D. In our opinion the Balance sheet and the Profit and Loss account dealt with by this Report comply with the mandatory accounting standards referred to in subsection (3-C) of section 211 of the Companies Act 1956.
 - E. *On the basis of the written representation received from the Directors, as on 31st March 2013 and taken on record by the Board of Directors, We report that none of the directors are disqualified as on 31st March 2013 from being appointed as director under clause (g) of sub-section (1) of section 274 of companies Act 1956.*
 - F. In our opinion and to the best of our information and according to the explanation given to us, the accounts read together with other notes annexed to and forming part of the accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view.
 - i) In so far as it relates to the FORM OF Balance Sheet of the state of affairs of the Company as at 31st March 2013 and
 - ii) In so far as it relates to the FORM OF STATEMENT OF Profit and Loss Account of the Profit of the Company, for year ended as on that date.
 - iii) In the case of the cash flow statement of the cash flow for the year ended on that date.

For **M/S. Ravi & Keshav**
Registration No. : 003187S
Chartered Accountants

Place : Hyderabad
Date : 16-05-2013

(K.K. KESAVAN)
Proprietor
M.No. : 017489

ANNEXURE TO AUDITORS REPORT

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

IN RESPECT OF ITS FIXED ASSETS

1. (a) The Company has maintained proper records showing the full particulars including quantitative details and situation of fixed assets.
- (b) The Company has programme for phased physical verification of all its fixed assets which in our opinion, is reasonable having regard to the size of the company and the nature if its assets. As informed, no material discrepancies were noticed on such verification.
- (c) The company has not disposed off any substantial part if its fixed assets during the year.

IN RESPECT OF ITS INVENTORIES

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

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

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

7. The Company has not accepted any deposits from public. Hence, the provisions of Section 58A of the Companies Act, 1956, will not be applicable.
8. In our opinion, reasonable records have been maintained by the Company for the sales and disposal of realizable scrap.
9. In our opinion the company has internal audit system commensurate with the size of the Company and the nature of its business.
10. We have broadly reviewed the books of account relating to materials, labor and other items of cost maintained by the company pursuant to the rules made by the Central Government for the maintenance of the cost records under Section 209(i)(d) of the Companies Act, 1956 and are of the opinion that, prima facie, the prescribed records and accounts have been maintained by the Company. We have, however, not made a detailed examination of the records with a view to determine whether they are accurate and complete.
11. (a) The Provident Fund and Employees State Insurance dues have regularly deposited with the appropriate authorities.
- (b) According to the information and explanation given to us the Company does not have undisputed amounts payable in respect of Income Tax ,Wealth Tax, Excise Duty and Customs Duty outstanding for a period of more than six months from the date they become payable.

In respect of Sale Tax (Entry Tax) there is disputed amount of ₹ 22.47 lacs not deposited with Sales Tax department. The company had filed an appeal with ADC (CT) PUNJAGUTTA DIVISION HYDERABAD against certain points in the order of the for the assessment year 2002.03

S.No	Name of The Statute	Nature of Dues	Amount In ₹ In Lacs	Forum Where Dispute Is Pending
1	SALES TAX ACT	ENTRY TAX	22. 47	ADC (CT)

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

For M/S. Ravi & Keshav
Registration No. : 0031875
Chartered Accountants

Place : Hyderabad
Date : 16.05.2013

(K.K. KESAVAN)
Proprietor
M.No. : 017489

BALANCE SHEET AS AT 31ST MARCH, 2013

(₹ in lacs)

Particulars	Note No.	As at 31st March, 2013	As at 31st March, 2012
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds		6758.08	6293.31
(a) Share Capital	1	982.05	982.05
(b) Reserves & Surplus	2	5776.03	5311.26
(c) Money Received Against Share Warrants		-	-
(2) Share Application Money Pending Allotment		-	-
(3) Non-current Liabilities		3358.38	3706.55
(a) Long-term Borrowings	3	1402.73	1688.07
(b) Deffered Tax Liabilities (Net)		132.00	106.00
(c) Other Long-term Liabilities	4	1537.48	1657.25
(d) Long-term Provisions	5	286.17	255.23
(4) Current Liabilities		5931.28	6259.75
(a) Short-term Borrowings	6	2659.16	2363.80
(b) Trade Payables		2015.04	1903.73
(c) Other Current Liabilities		524.72	917.22
(d) Short-term Provisions	7	732.36	1075.00
TOTAL		16047.74	16259.61
II. ASSETS NON CURRENT ASSETS			
(1) (a) Fixeds Assets			
(i) Tangible Assets	8	9974.14	9816.45
(ii) Intangible Assets		-	-
(iii) Capital Work-in-progress		392.00	0
(iv) Intangible Assets Under Development		-	-
(b) Non-current Investments		-	-
(c) Defered Tax Assets (Net)		-	-
(d) Long-term Loans Advances	9	216.57	170.22
(e) Other Non-current Assets		-	-
(2) Current Assets		5465.03	6272.94
(a) Current Investments		-	-
(b) Inventories	10	2056.75	2403.70
(c) Trade Receivables	11	3161.28	3318.55
(d) Cash And Cash Equivalent	12	62.03	259.89
(e) Short Term Loans And Advances	13	46.50	216.07
(f) Other Current Assets	14	138.47	74.74
TOTAL		16047.74	16259.61

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

for M/s. Ravi & Keshav

Chartered Accountants,

Firm Registration No. : 0031875

for and on behalf of the Board of Directors

K.K. Kesavan

Proprietor

Membership No. : 017489

Place : Hyderabad

Date : 16.05.2013

S.D.M. Rao

Chairman & Managing Director

M.N. Thakkar

Director

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2013

(₹ in lacs)

Particulars	Note No.	For the year Ended 31st March, 2013	For the year Ended 31st March, 2012
I Revenue From Operations	1	17344.91	19933.74
II Other Income	2	30.34	98.56
III Total Revenue		17375.25	20032.30
IV Expenses:			
- Cost of Materials Consumed	3	8301.73	10181.66
- Purchase of Trading Goods	4	115.37	116.89
- Change in Inventories of Finished Goods, Work in Progress and Stock in Trade	5	103.32	(868.58)
- Employees Benefits Expenses	6	3013.26	3440.61
- Financial Expenses	7	759.31	459.57
- Depreciation / Amortization	8	1034.64	1053.15
- Other Expenses	9	2774.71	3873.87
Total Expenses		16102.33	18257.16
V Profit Before Exceptional and Extraordinary Items and Tax (III-IV)		1272.93	1775.14
VI Exceptional Items		-	-
VII Profit Before Extraordinary Items and Tax (V-VI)		1272.93	1775.14
VIII Extraordinary Items		-	-
IX Profit Before Tax (VII-VIII)		1272.93	1775.14
X Tax Expenses			
(1) Current Tax		380.00	541.35
(2) Deferred Tax		26.00	56.00
XI Profit (Loss) for the Period from Continuing Operations (IX-X)		866.93	1177.79
XII Profit (Loss) from Discontinuing Operations		-	-
XIII Tax Expense of Discontinuing Operations		-	-
XIV Profit (Loss) from Discontinuing Operations (Afetr Tax) (XII-XIII)		-	-
XV Profit (Loss) for the Period (XI-XIV)		866.93	1177.79
XVI Earning Per Share			
(1) Basic		8.82	12.00
(2) Diluted		8.82	12.00

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

for M/s. Ravi & Keshav

Chartered Accountants,

Firm Registration No. : 0031875

for and on behalf of the Board of Directors

K.K. Kesavan
Proprietor
Membership No. : 017489

S.D.M. Rao
Chairman & Managing Director

M.N. Thakkar
Director

Place : Hyderabad
Date : 16.05.2013

SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS

Significant Accounting Policies

1. Method of Accounting

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

The accounts were regrouped according to the requirements of the revised schedule VI

2. Revenue Recognition

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

3. NOTES FORMING PART OF BALANCE SHEET

(₹ in lacs)

Particulars	As at March 31, 2013	As at March 31, 2012
NOTE-1		
SHARE CAPITAL		
Authorized	12500000	12500000
Issued, Subscribed and Paid Up	9820500	9820500
Par Value of Share	10	10
Shares Held By Share Holder Holding More Than 5 % Share		
SDM Rao	1005044	1005044
SDM Rao-Huf	668276	668276
S. Saraswathi	2630205	2630205
S. Karunakar	522774	522774
S. Kishore	513035	513035
For the period of Five Years Immediately proceeding the date as at the Balace Sheet prepared		
Forfeited Shares		
(AMOUNT ORIGINALY PAID UP)	1.03	1.03
10800 Shares @ ₹ 5 Per Share	0.54	0.54
9750 Shares @ ₹ 5 Per Share	0.49	0.49
NOTE-2		
RESERVES AND SURPLUS		
(i) Capital Reserve	56.03	56.03
(ii) Securities Primium Reserve	163.92	163.92
(iii) Revaluation Reserve	155.21	155.21
(iv) General Reserve	1006.37	1296.52
(v) Surplus In Statement of Profit and Loss Account	4394.51	3639.58
TOTAL	5776.03	5311.26

NOTES FORMING PART OF BALANCE SHEET

(₹ in lacs)

Particulars	As at March 31, 2013	As at March 31, 2012
THE CAPITAL RESERVE INCLUDES AN AMOUNT OF ₹ 1.03 LACS FROM FORFEITURE OF SHARES AND SUBSIDY FROM THE GOVT FOR SETTING UP THE UNIT IN BACKWARD AREA		
GENERAL RESERVE		
Opening balance	1296.52	1103.99
Add: Transfer from P/L A/C	112.00	221.89
Less: Earlier years tax	402.15	-29.36
NET RESERVE	1006.37	1296.52
PROFIT AND LOSS ACCOUNT		
Opening balance	3639.58	2683.68
Add: Current year profit	866.93	1177.79
Less: Transfer to general reserve	112.00	221.89
Net profit and loss account	4394.51	3639.58

NOTE-3

LONG TERM BORROWINGS

FULLY SECURED

Term loan from SBI	0.00	283.70
SBI-Machinery		
Loans for vehicles	2.73	4.37

UNSECURED

Other Loans	1400.00	1400.00
TOTAL	1402.73	1688.07

Term Loan from SBI Secured By First Charge on All Fixed Assets (present and future both moveable and immovable) of the company collateral-second charge on all current assets of the company.

The Term Loan-1 is repayable in 12 quarterly instalments and out of which 10 are paid.

The repayment commenced from December, 2010.

The second term loan of ₹ 500 lacs taken on 09.11.2011 and the repayable in 10 quarterly instalments commenced from December, 2011.

The instalments that were falls due in the next 12 months has been shown under current liabilities an amount of ₹ 283.35 lacs was shown under current liabilities.

The loan for vehicles from ICICI Bank and the vehicle is hypothecated to ICICI Bank the instalment for the next 12 months amounting ₹ 1.25 lacs were considered under current liabilities.

The other loans are from directors and their relatives. The interest were paid at 15%.

No part of the loan is repayable till the term loan from the banks are cleared.

NOTES FORMING PART OF BALANCE SHEET

(₹ in lacs)

Particulars	As at March 31, 2013	As at March 31, 2012
NOTE-4		
OTHER LONG TERM LIABILITIES		
Sales Tax Deferal Loan	1537.48	1657.25
TOTAL	1537.48	1657.25

INTEREST FREE SALES TAX LOAN IS REPAYABLE AS FOLLOWS:

1. Plant-I - Second Deferment Repayable in 14 Years Commenced from April 2012.
2. Plant-II - First Deferment Repayable in 10 Years Commenced from 2004 and Second Deferment from April 2015
3. Plant-III - Repayable in 14 Years Commenced from April 2011.

An Amount of ₹ 165.35 Lacs represents Repayable in the Next 12 Months had been shown under Current Liabilities.

NOTE-5**LONG TERM PROVISIONS**

Provision for Gratuity	286.17	255.23
TOTAL	286.17	255.23

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

NOTE-6**SHORT TERM BORROWINGS****SECURED**

Cash Credit - Stocks	1811.99	1679.99
PCFC A/C	0.00	482.30
SBI SLC	400.00	201.51
Term Loan Due Within a Year	283.35	0.00
EEFC EURO & USD A/C	-2.78	0.00
ICICI Vehicle Loan	1.25	0.00
Sales Tax Deferment Loan - Payable Within a Year	165.35	0.00
TOTAL	2659.16	2363.80

Working Capital Loan With SBI is Secured By Hypothecation of All Current Assets Including Book Debts on First Charge Basis and Second Charge on All Fixed Assets and Immovable Properties of the Company.

NOTE-7**SHORT TERM PROVISIONS**

Other Provisions	482.36	425.00
Provision for Employees Benefits	250.00	650.00
TOTAL	732.36	1075.00

The Other Provisions Includes the Power Bill for the Month of March'13 Amounting to ₹ 176.00 Lacs etc.

NOTES FORMING PART OF BALANCE SHEET

NOTE-8

(₹ in lacs)

FIXED ASSETS	VALUE AS AT 01-04-2012	NET ADDITION DURING THE YEAR	VALUE AS AT 31-03-2013
Land -free Hold	189.61	0	189.61
Buildings	1394.41	51.39	1445.80
Plant and Machinery	13822.78	1076.49	14899.27
Electrical Installation	411.74	24.03	435.77
Furniture and Fixtures	127.21	5.64	132.85
Vehicles	156.35	34.78	191.13
Impairment of Assets	194.18	0	194.18
TOTAL	16296.28	1192.33	17488.61

1. THE FIXED ASSETS INCLUDES SELF MADE MACHINES.
2. THE COST OF FIXED ASSETS IS NET OF CENVAT CREDIT AVAILED AND TO BE CLAIMED.

Particulars	As at March 31, 2013	As at March 31, 2012
NET BLOCK OF FIXED ASSETS AS ON 01.04.2012	9816.45	8870.27
Additions During The Year	1192.33	1999.33
Less: Depreciation Provided During The Year	1034.64	1053.15
NET BLOCK AS ON 31.03.2013	9974.14	9816.45

NOTE-9

LONG-TERM LOANS AND ADVANCES

Unsecured and considered good		
A P S E B Deposit	216.57	170.22
TOTAL	216.57	170.22

NOTE-10

INVENTORIES

Stores & Spares	200.21	223.91
Raw Materials	397.20	625.45
Semi Finished Goods	532.22	768.28
Finished Goods	912.54	779.80
Traded Goods	14.58	6.26
TOTAL	2056.75	2403.70

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

The finished goods were valued at cost which does not include excise duty component. The excise duty is neither considered for opening stock nor closing stock .

This method was followed consistently by the company.

The raw materials including traded goods, stores and spares were valued at cost to the unit.

NOTES FORMING PART OF BALANCE SHEET

(₹ in lacs)

Particulars	As at March 31, 2013	As at March 31, 2012
NOTE-11		
OUTSTANDING FOR A PERIOD OF MORE THAN SIX MONTHS		
From the date they are due	59.62	186.79
Unsecured considered good-others	3101.66	3131.53
TOTAL	<u>3161.28</u>	<u>3318.32</u>
NOTE-12		
CASH AND CASH EQUIVALENTS		
Cash in hand	1.97	3.29
Balance with banks	3.98	207.82
Margin money with banks	56.08	48.78
TOTAL	<u>62.03</u>	<u>259.89</u>
NOTE-13		
SHORT TERM LOAN AND ADVANCES		
Secured considered good		
Advances to staff	11.76	60.90
Other deposits	7.48	5.55
Unsecured considered good		
Advances to suppliers	9.83	87.39
Other advances	17.44	62.23
TOTAL	<u>46.50</u>	<u>216.07</u>
NOTE-14		
OTHER CURRENT ASSETS		
Excise Duty Deposit	100.73	44.04
Service Tax	37.73	35.59
Vat credit	-	-4.89
TOTAL	<u>138.47</u>	<u>74.74</u>

NOTES FORMING PART OF STATEMENT OF PROFIT AND LOSS.

(₹ in lacs)

Particulars	As at March 31, 2013	As at March 31, 2012
4. NOTES FORMING PROFIT AND LOSS ACCOUNT		
NOTE-1		
REVENUE FROM OPERATIONS		
(a) Sale of Products	19233.38	21933.89
(b) Sale of Services	-	-
(c) Other Operating Revenue	51.11	10.15
TOTAL	19284.49	21944.04
Less : Excise Duty	1939.58	2010.30
Net Operating Revenue	17344.91	19933.74
The Other Operating Revenue Represents Sale of Scrap and Sale of DEPB		
NOTE-2		
OTHER INCOME		
(a) Interest Income-with Notes Intrest From Bank on Margin Money And Deposits With Apseb	26.20	17.55
(b) Dividend Income	-	-
(c) Net Gain/Loss on Sale of Investments	-	-
(d) Other Non-operating Income(net)	4.14	81.01
TOTAL	30.34	98.56
NOTE-3		
COST OF MATERIALS CONSUMED		
Opening Stock of Raw Material	597.15	267.24
Aluminium	1886.38	2424.71
Alloying Elements	702.73	1024.66
Pin Steel	319.70	488.88
Costoms Duty on Raw Material	148.34	182.18
Direct & Indirect Material	1050.65	1548.00
Less: Cash Discount Received	-53.82	-82.89
TOTAL	4651.13	5852.77
Less: Closing Stock of Raw Material	357.76	603.41
Net Consumption of Raw Material	4293.37	5249.36
Power and Fuel	1605.30	1444.92
Transportation	147.38	325.16
Consumption of Stores and Spares		
Opening Stock	223.91	227.19
Purchases	1414.56	2134.78
Less: Closing Stock	200.21	223.91
Net Consumption of Stores and Spares	1438.26	2138.06
Consumption of Packing Material		
Opening Stock	28.31	35.21
Purchases	828.56	1017.25
Less: Closing Stock	39.45	28.31
Net Consumption of Stores and Spares	817.42	1024.15
TOTAL CONSUMTION OF RAW MATERIAL	8301.73	10181.66

NOTES FORMING PART OF STATEMENT OF PROFIT AND LOSS.

(₹ in lacs)

Particulars	As at March 31, 2013	As at March 31, 2012
NOTE-4		
GOODS - TRADED GOODS		
OPENING STOCK	6.26	9.18
Stop Pegs	12.06	29.57
Circlips	102.28	84.40
Other Items	9.35	-
Closing Stock	14.58	6.26
TOTAL	115.37	116.89
The Other Items represents the Carriage Inward incurred exclusively for Traded Goods.		
NOTE-5		
(INCREASE)/DECREASE IN STOCKS:		
OPENING STOCK:		
Semi Finished Goods	768.28	377.51
Finished Goods	779.80	295.72
TOTAL	1548.07	673.23
CLOSING STOCK:		
Semi Finished Goods	532.22	768.28
Finished Goods	912.54	773.54
TOTAL	1444.76	1541.81
(INCREASE)/DECREASE IN STOCKS	103.32	-868.58
NOTE-6		
EMPLOYEES BENEFIT EXPENSES		
(i) Salaries And Wages	2682.88	3044.43
(ii) Contribution to Provident Fund and Other Funds	111.94	133.63
(iii) Staff Welfare Expenses	218.43	262.54
TOTAL	3013.26	3440.61
NOTE-7		
FINANCE COST		
(a) Interest Expenses with Notes	474.34	384.53
(b) Other Borrowing Cost	64.91	106.53
(c) Net Gain / Loss on Foreign Currency Transactions and Translation-with notes	220.05	-31.50
TOTAL COST	759.31	459.57

NOTES FORMING PART OF STATEMENT OF PROFIT AND LOSS.

(₹ in lacs)

Particulars	As at March 31, 2013	As at March 31, 2012
NOTE-8		
DEPRECIATION AND AMORTIZATION EXPENSES CONSIDERED FOR DEPRECIATION		
	1034.64	1053.15
NOTE-9		
OTHER EXPENSES		
Rent, Rates & Taxes	128.94	125.65
Printing & Stationary	68.64	49.65
Communicational Expenses	24.10	29.84
Conveyance & Travelling	56.36	99.99
Director's Sitting Fee	0.38	0.10
Insurance	16.66	20.06
Auditor's Remuneration	9.25	9.25
Legal & Professional Charges	8.94	7.54
Repairs & Maintenance	249.16	324.69
Sales Promotion	1726.33	2549.80
Advertisement	6.72	4.19
Miscellaneous Expenses	40.58	52.99
Gratuity	50.00	101.69
C S T	276.80	331.62
A P VAT	111.85	166.81
TOTAL	2774.71	3873.87

5. OTHER INFORMATION:

1. Foreign Currency Transactions

- a) Other income includes the following items
i) Sale of DEPB Licenses ₹ 42.95 lacs.

2. Retirement Benefits

- a) The Company's contribution to Provident Fund is administered through Regional Provident Fund Commissioner and being charged to revenue as incurred.
- b) Gratuity in respect of past and present services of employees is being accounted for on accrual basis based on actuarial valuation done by the company. The payment of Gratuity to the employees who had left the service had been adjusted against the provision made. The provision of gratuity has been computed as on the date of closure of accounts by reducing the provision made in the earlier years.
- c) Leave encashment is accounted for on cash basis on the basis of the actual payments made.

3. Taxes on Income

- Current Tax: Provision for Income Tax is determined in accordance with the provisions of Income Tax Act. 1961.
- Deferred Tax Provision: Deferred Tax is recognized on timing differences being the differences between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent period(s). Provision had been made on the account of above as there exist deferment assets.
- The timing deference on account of Depreciation charged on the Assets as per the Companies Act and as per the Income Tax Act has been provided. The Net Deferred Tax liability over the Deferred Tax Assets was ₹ 132.00 lacs was considered for the current year as ₹ 132.00 lacs.

4. Contingent liabilities not provided for

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

5. DETAILS UNDER MASA

SUNDRY CREDITORS

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

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

(₹ in lacs)

Sl. No.	Particulars	2012-13		2011-12	
		Principal	Interest	Principal	Interest
i	Principal Amount and Interest thereon due, remaining unpaid at the end of the year.	315.76	Nil	63.69	Nil
ii	Interest paid during the year	Nil	Nil	Nil	Nil
iii	Interest due and payable (on the amount which have been paid beyond the appointed date during the year)	NA	Nil	NA	Nil
iv	Interest remaining accrued and unpaid at the end of year	NA	Nil	NA	Nil
v	Interest due of the previous year	NA	Nil	NA	Nil

- Amount of exchange difference as per AS-11 accounting for the effects of changes in Foreign Exchange rates included in the finance cost account of ₹ 220.05 lacs (Previous year ₹ 31.50 lacs).
- Estimated amount of contracts remaining to be executed on capital account is ₹ 60.67 lacs (Previous year ₹ 182.43 lacs) against which advances have been paid ₹ 5.05 lacs (Previous Year ₹ NIL lacs.)

(₹ in lacs)

	2012-13	2011-12
8. Expenditure in Foreign Currency Travelling (On payment basis)	2.35	-
9. Earnings in Foreign currency (On receipt basis)	3461.14	3415.23

10. Segment reporting under Accounting Standard-17

The Company operates in single primary business segment namely manufacture of Auto Components - Piston Assemblies, hence no separate disclosure is required.

11. Related Party Disclosures

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

Sl. No.	Names of related parties & Description of relationship	Nature of Transaction	Amount ₹	Balance Outstanding (TO)/ FROM ₹
1	Shri S.D.M. RAO - Chairman & M.D	Unsecured Loan	5,95,00,000	
2	Shri S.D.M. RAO HUF - Chairman & M.D	Unsecured Loan	50,00,000	
3	Shri S. KARUNAKAR - Director	Unsecured Loan	20,00,000	
4	Shri S. KARUNAKAR HUF - Director	Unsecured Loan	30,00,000	
5	Shri S. KARUNAKAR - Director	Rent paid / payable	11,40,000	
6	Shri S. KISHORE - Director	Unsecured Loan	20,00,000	
7	Shri S. KISHORE HUF - Director	Unsecured Loan	30,00,000	
8	Shri S. KISHORE - Director	Rent paid / payable	10,20,000	
9	Smt. S. Saraswathi - W/o S.D.M. Rao	Rent paid / payable	12,00,000	
10	SARASWATHI ENTERPRISES (FIRM)	Rent paid / payable	34,80,000	
11	Smt. S. Saraswathi - W/o S.D.M. Rao	Unsecured Loan	6,55,00,000	
12	Key Management Personnel	Remuneration &		
	- Shri S.D.M. RAO - Chairman & M.D	Commission paid	22,40,000	
	- Shri S. KARUNAKAR - Director	--do--	38,80,000	
	- Shri S. KISHORE - Director	--do--	38,80,000	

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

The interest paid to Directors for an amount of ₹ 94,42,810/- and relative of Directors ₹ 1,14,75,000/- .

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

(₹ in lacs)

13. Payment to Auditors

	2012-13	2011-12
(a) Audit fees	7.75	7.75
(b) for taxation matters	1.50	1.50
TOTAL	9.25	9.25

	(₹ in lacs)	
	2012-13	2011-12
14. CIF VALUE OF IMPORTS		
by the company during the financial year in respect of		
(a) Raw material	320.62	598.10
(b) Components and spare parts	9.51	NIL
(c) Capital Goods	231.06	NIL
15. Expenditure in foreign currency		
royalty		
know-how	NIL	NIL
professional and consultation fees		
interest		
other matters		
16. Consumption		
Imported raw materials	320.62	598.10
spare parts	2.25	NIL
components	7.28	NIL
Total indigenous raw material	6316.87	7006.18
spare parts components		
Total of percentage of each		
INDIGENIOUS	95.03	92.10
IMPORTED	4.97	7.90
Earning in foreign exchange		
i. Export of goods calculated in F.O.B. basis	3461.14	3415.23
ii. Royalty, know-how, professional fees		
iii. Interest and dividend		
iv. Other income-indicating the nature		
17. The company proposes to declare a dividend of ₹ 2.50 per shares on a face value of ₹ 10/- per share and the total amount works out to ₹ 245.51 lacs		
18. Figures for the previous year has been regrouped/reclassified wherever necessary to be conformity with the current year revised format of schedule VI.		
19. The figures are rounded off to the nearest rupee		

As per our report attached
for **M/s. Ravi & Keshav**
Chartered Accountants,
Firm Registration No. : 0031875

for and on behalf of the Board of Directors

K.K.Kesavan
Proprietor
Membership No. : 017489

S.D.M.Rao
Chairman & Managing Director

M.N.Thakkar
Director

Place : Hyderabad
Date : 16.05.2013

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2013

(₹ in lacs)

Particulars	Year Ended 31st March 2013	Year Ended 31st March 2012
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit Before Tax and extraordinary items	1272.93	1775.14
Adjustments For:		
Depreciation	1034.64	1053.15
Sales Tax Deferment	-119.77	-36.28
Interest	474.34	384.53
Interest Earned	-26.20	-17.55
Gratuity provision	50.00	100.00
operating profit before working capital changes	2685.94	3258.99
Adjustments For:		
Receivables	157.27	-110.43
Inventories	346.95	-1191.66
Loans & Advances	123.21	-45.37
Payables	-281.19	680.65
Cash generated from Operations	3032.18	2592.18
Interest paid	474.34	384.53
Taxes paid	280.00	620.70
Gratuity paid	19.06	1.02
Net Cash Flow from Operating Activities	<u>2258.78</u>	<u>1585.93</u>
Net Increase in Bank Borrowings	295.36	0
NET INCREASE IN CASH FLOW	2554.14	1585.93
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	1584.33	1999.33
Interest received	-26.20	-17.55
Term Loan From SBI	285.34	-113.99
Sale of Fixed Assets	-	-
NET CASH USED IN INVESTING ACTIVITIES	1843.47	1867.79
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from Unsecured Loans	0	955.00
Increase (Decrease) in Working capital loan (net of payments)	506.38	-106.16
Dividend and Dividend tax	402.15	-517.04
NET CASH USED IN FINANCING ACTIVITIES	908.53	331.80
NET INCREASE IN CASH AND CASH EQUIVALENTS	-197.86	49.94
CASH AND CASH EQUIVALENTS AS AT THE COMMENCEMENT OF THE YEAR	259.89	209.95
CASH AND CASH EQUIVALENTS AS AT THE END OF THE YEAR	62.03	259.89

Notes : The above cash flow statement has been prepared under the indirect method as set out in the accounting standard-3 on cash flow statements.

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

for and on behalf of the Board of Directors

for M/s. Ravi & Keshav
Chartered Accountants,
Firm Registration No. : 0031875

K.K.Kesavan
Proprietor
Membership No. : 017489

S.D.M.Rao
Chairman & Managing Director

M.N.Thakkar
Director

Place : Hyderabad
Date : 16.05.2013

ELECTRONIC CLEARING SERVICES (ECS) MANDATE FORMAT

To
SAMKRG PISTONS AND RINGS LTD.
M/S. XL SOFTECH SYSTEMS LTD
3, SAGAR SOCIETY, ROAD NO.2
BANJARA HILLS,
HYDERABAD - 500034.

Dear Sirs,

FORM FOR ELECTRONIC CLEARING SERVICES FOR PAYMENT OF DIVIDEND / INTEREST.

Please fill-in the information in CAPITAL LETTERS in ENGLISH ONLY. Please wherever is applicable.

For Shares held in physical form

Master
Folio No.

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

FOR OFFICE USE ONLY

ECS
Ref. No.

For Shares held in electronic form

DP. Id

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Client Id

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Name of First Holder																					
Bank Name																					
Branch Name																					
Branch Code	<table border="1"><tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr></table> <p>(9 Digits Code Number appearing on the MICR Bank of the cheque supplied by the Bank). Please attach a xerox copy of a cheque or blank cheque of your bank duly cancelled for ensuring accuracy of the banks name, branch name and code number.</p>																				

Account type

Savings

Current

Cash Credit

A/c. No. (as appearing
in the cheque book)

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Effective date of this
mandate

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

I, hereby, declare that the particulars given above are correct and complete. If any transaction is delayed or not effected at all for reasons of incompleteness or incorrectness of information supplied as above, M/s. XL Softech Systems Ltd., will not be held responsible. I agree to avail the ECS facility provided by RBI, as and when implemented by RBI/ Samkrg Pistons and Rings Limited.

I further undertake to inform the Company any cheque in my Bank/branch and account number.

Dated :

(Signature of First holder)

Note : Once dematerialisation of existing physical shares, for which you have availed ECS facility, the above form needs to be re-submitted.

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SAMKRG PISTONS AND RINGS LIMITED

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

Name of Member in Capital Letter
Folio Number:
No.of Shares:

ATTENDANCE SLIP
PLEASE HAND OVER THIS ADMISSION SLIP AT THE ENTRANCE OF THE MEETING HALL

27th ANNUAL GENERAL MEETING
27th September, 2013 at 10.30 a.m.
HOTEL GRANDEUR
Opp: J C Brothers,
Beside New Science College, Main Road,
Ameerpet, Hyderabad - 500073

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

I hereby register my presence at the meeting

Signature of the Member/Proxy



SAMKRG PISTONS AND RINGS LIMITED

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

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

PROXY FORM	
FOLIO	NO.OF SHARES

in the district of ----- being a member / members of SAMKRG PISTONS AND RINGS LIMITED hereby appoint ----- of ----- or failing him as my / our Proxy to vote for me / us and on my / our behalf at the 27th ANNUAL GENERAL MEETING of the Company to be held on Friday, the 27th September, 2013, at 10.30 a.m. or any adjournment thereof at HOTEL GRANDEUR OPP: J C BROTHERS, BESIDE NEW SCIENCE COLLEGE, MAIN ROAD, AMEERPET, HYDERABAD - 500073.

Signed this day of 2013

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

FOR OFFICE USE ONLY	
PROXY NO.	DATE OF RECEIPT

