

**SHRIRAM PISTONS & RINGS LTD.**

Regd. Office: 23, 3<sup>rd</sup> Floor, Himalya House, Kasturba Gandhi Marg, New Delhi-110001  
 Tel.: +91 11 2331 5941 Fax: +91 11 2331 1203, Website: www.shrirampistons.com  
 E-mail: spr.fdc@shrirampistons.com, CIN: L29112DL1963PLC004084, PAN: AAACS0229G

FORM DPT-1

**CIRCULAR OR CIRCULAR IN THE FORM OF ADVERTISEMENT INVITING DEPOSITS**

[Pursuant to section 73 (2)(a) and section 76 and rule 4(1) and 4(2) of the Companies (Acceptance of Deposits) Rules, 2014]

**1. GENERAL INFORMATION**

a. Name, address, website and other contact details of the company;	SHRIRAM PISTONS & RINGS LTD. Regd. Office: 23, 3 <sup>rd</sup> Floor, Himalya House, Kasturba Gandhi Marg, New Delhi-110001		
b. Date of incorporation of the company	December 9, 1963		
c. Business carried on by the company and its subsidiaries with the details of branches or units, if any	Manufacture and Marketing of Pistons, Piston Rings, Piston Pins, and Engine Valves. The company's registered office is at New Delhi, and manufacturing units are at Ghaziabad (UP) & Pathredi (Rajasthan) and Assembly Units are at Gurgaon (Haryana), Sahibabad (UP), Pune (Maharashtra), Hosur (Tamil Nadu) and Becharaj (Gujrat).		
d. Brief particulars of the management of the company	The Company is managed by the Managing Director subject to the superintendence, control and direction of Board of Directors.		
e. Names, addresses, DIN and occupations of the directors	<b>NAME</b>	<b>DIN</b>	<b>OCCUPATION</b>
			<b>ADDRESS</b>
	Shri. Pradeep Dinodia (Chairman)	00027995	Practicing Chartered Accountant
	Shri. Hari S. Bhatia	00010499	Industrialist
	Smt. Farida Chopra	08415847	Service
	Smt. Meenakshi Dass	00524865	Company Director
	Shri Ravinder Narain	00059197	Advocate
	Dr. Peter Neu	00324469	Service
	Shri C.Y. Pal	00106536	Company Director
	Shri Alok Ranjan	08254398	Service
	Shri M. Sekimoto	00452082	Service
	Shri Inderdeep Singh	00173538	Company Director
	Shri Kiyoto Tone	08154738	Service
	Shri A. K. Taneja (Managing Director)	00124814	Service
	Shri R. Srinivasan (Joint Managing Director)	00124760	Service
	Shri Luv D. Shriram (Whole-Time Director)	00051065	Service
	Shri Noritada Okano (Alternate Director to Shri M. Sekimoto)	02005759	Service
	Shri Ralf Buschbeck (Alternate Director to Dr. Peter Neu)	08247923	Service
f. Management's perception of risk factors	Increased focus on quality by OEMs, low cost competition in OEMs, volatility in foreign exchange rates may impact sales/profit.		
g. Details of default, including the amount involved, i) Statutory dues ii) Debentures and interest thereon iii) Loan from any bank or financial institution and interest thereon	There is no default in repayment of: - Statutory dues. - Debentures and interest thereon - Loans from any banks or financial institution and interest thereon.		

**2. PARTICULARS OF THE DEPOSIT SCHEME**

a. Date of passing of board resolution	09-07-2019
b. Date of passing of resolution in the general meeting authorizing the invitation of such deposits	29-07-2014
c. Type of deposits, i.e., whether secured or unsecured	Unsecured
d. Amount which the company can raise by way of deposits as per the Act and the rules made thereunder, and the aggregate of deposits actually held on the last day of the immediately preceding financial year and on the date of issue of the Circular or advertisement and amount of deposit proposed to be raised and amount of deposit repayable within the next twelve months;	Amount that company can raise:- a) 10% of aggregate of paid up capital and free reserves against deposits from its shareholders - Rs. 977.71 Million. b) 25% of aggregate of paid up capital and free reserves against deposits from public - Rs. 2444.27 Million. c) Total amount that company can raise - Rs. 3421.98 Million. d) Aggregate of deposits as on 31.3.2019 is Rs. 637.14 Million. e) Aggregate of deposits as on date of issue of circular or advertisement i.e. Rs. 638.58 Million f) Amount of deposit proposed to be raised on the date of issue of circular i.e. upto Rs. 900 Million. g) Amount of deposit repayable within next 12 months i.e. from 09-07-2019 to 08-07-2020 - Rs. 251.81 Million.

e. Terms of raising of deposits: Duration, Rate of interest, mode of payment and repayment	Scheme A : Non - Cumulative*			Scheme B : Cumulative**		
	<b>Period</b>	<b>Rate of interest (P.A.)</b>	<b>Minimum Amount of deposit (Rs.)</b>	<b>Minimum Amount of deposit (Rs.)</b>	<b>Maturity Value of deposit (Rs.)</b>	<b>Yield (P.A.)</b>
	One year	7.50%	50000	21000	22630	7.76%
	Two Year	8.50%	50000	21000	24876	9.22%
	Three Year	9.00%	50000	21000	27482	10.28%
	An additional interest also would be paid, over and above the rate of interest as payable under cumulative and non cumulative schemes to the followings:- (1) 0.50 % p.a. to senior citizen (of 60 years and above) (2) 0.50 % p.a. to employees of the company. (3) 0.50 % p.a. to shareholders of the Company. *Interest on deposit under non-cumulative scheme will be paid every quarter ending June, September, December and March and is subject to the deduction of tax at source, wherever applicable. **Interest on deposit under cumulative scheme is monthly compounded and subject to the deduction of tax at source, wherever applicable. For high value deposits, company may at its discretion accept deposit or payment of interest on monthly basis. All payment of deposits / Interest will be made by NEFT/RTGS only. All other terms & conditions are set out in the Company's prescribed application forms which are available from the Registered Office of the company.					

f. Proposed time schedule mentioning the date of opening of the Scheme and the time period for which the circular or advertisement is valid	The scheme is proposed to be opened on 22.8.2019 and will be valid till next annual general meeting of the company.
g. Reasons or objects of raising the deposits	Meet short and medium-term finance requirement of the company.
h. Credit rating obtained; Name of the Credit Rating Agencies, Rating obtained, meaning of the rating obtained, date on which rating was obtained.	Credit rating IND 1AA+/Stable reaffirmed on 05.07.2019 by India Ratings & Research Pvt. Ltd., which indicates strong capacity for timely payment of financial commitments.
i. Extent of deposit insurance; Name of the insurance Company, terms of the insurance coverage, duration of coverage, extent of coverage, procedure for claim in case of default etc.	As per notification no. 551 dated 12.2.2018 issued by Ministry of Corporate Affairs, has been done away the requirement of taking deposit insurance.
j. Short particulars of the charge created or to be created for securing such deposits, if any;	Not applicable
k. Any financial or other material interest of the directors, promoters or key managerial personnel in such deposits and the effect of such interest in so far as it is different from the interests of other persons.	There is no specific interest of directors / promoters or KMP in such deposits and interest rates are at par with other depositors.

**3. DETAILS OF ANY OUTSTANDING DEPOSITS (As on 31.3.2019)**

a. Amount Outstanding;	Rs. 637.14 Million
b. Date of acceptance;	29.05.2010 to 31.3.2019
c. Total amount accepted;	Rs. 637.19 Million
d. Rate of interest;	7.50 p.a % to 11% p.a.
e. Total number of depositors;	838 nos.
f. Default, if any, in repayment of deposits and payment of interest thereon, if any, including number of depositors, amount and duration of default involved;	NIL
g. Any waiver by the depositors, of interest accrued on deposits;	NIL

*(Handwritten signatures and initials)*

**4. FINANCIAL POSITION OF THE COMPANY**

a. Profits of the company, before and after making provision for tax, for the three financial years immediately preceding the date of issue of circular or advertisement;	Financial Year		
	2018-19	2017-18	2016-17
	Million./Rs.	Million./Rs.	Million./Rs.
-Profit before depreciation & Tax	3035.65	3011.71	2608.23
-Profit before Tax	2092.38	2108.37	1708.80
-Profit after tax	1384.50	1388.82	1180.98
-Other comprehensive income	17.63	15.81	-55.93
-Total comprehensive income	1402.13	1404.63	1125.05

b. Dividends declared by the company in respect of the said three financial years; interest coverage ratio for last three years (Cash profit after tax plus interest paid or interest paid)	Financial Year		
	2018-19	2017-18	2016-17
	Million./Rs.	Million./Rs.	Million./Rs.
- Dividend declared inclusive of dividend tax	269.74	269.56	188.51
- Rate of Dividend	100%	100%	70%
- Interest coverage ratio (times)	16.03	13.84	9.37

c. A summary of the financial position of the company as in the three audited balance sheets immediately preceding the date of issue of circular or advertisement;	PARTICULARS	ASSETS AS AT			PARTICULARS	EQUITY & LIABILITIES AS AT		
		2018-19	2017-18	2016-17		2018-19	2017-18	2016-17
		Million./Rs.	Million./Rs.	Million./Rs.		Million./Rs.	Million./Rs.	Million./Rs.
	<b>ASSETS</b>				<b>EQUITY &amp; LIABILITIES</b>			
	<b>Non - current assets</b>				<b>Equity</b>			
	a) Property, Plant and Equipment	5,843.14	5,511.95	5,735.03	a) Equity Share Capital	223.75	223.75	223.75
	b) Capital work-in-progress	164.76	112.27	93.47	b) Other Equity	10040.85	8908.94	7720.09
	c) Goodwill	14.85	-	-		<b>10264.60</b>	<b>9132.69</b>	<b>7943.84</b>
	d) Other Intangible assets	268.83	41.96	32.44	<b>Liabilities</b>			
	e) Intangible assets under development	1.77	-	-	<b>Non - Current Liabilities</b>			
	<b>Financial assets</b>				a) Financial Liabilities			
	(i) Investment	0.50	0.50	0.50	(i) Borrowings	424.42	657.95	1205.38
	(ii) Other Financial Assets	39.31	103.90	144.73	(ii) Non convertible preference share capital	288.58	-	-
	e) Other non-current asset	1,045.92	715.18	632.49	b) Provisions	346.83	315.04	308.46
					c) Deferred tax liabilities (Net)	319.40	323.89	340.33
		<b>7,379.08</b>	<b>6,485.76</b>	<b>6638.66</b>	a) Other non-current liabilities	28.25	2.33	1.88
	<b>Current assets</b>				<b>1407.48</b>	<b>1299.21</b>	<b>1856.05</b>	
	a) Inventories	3,471.37	2,810.37	2403.82	<b>Current Liabilities</b>			
	b) Financial assets				a) Financial Liabilities			
	(i) Investment	55.07	200.36	80.05	(i) Borrowings	39.36	414.93	348.46
	(ii) Trade receivables	3558.38	3210.99	2378.09	(ii) Trade Payable			
	(iii) Cash and cash equivalents	22.25	25.69	20.60	Total outstanding dues of micro and small enterprises	64.36	54.50	
	(iv) other bank balances other than (iii) above	808.66	1785.65	1530.30	Total outstanding dues of creditors and other than micro and small enterprises	2646.98	2575.07	2093.2
	(v) Other Financial Assets	112.52	123.86	163.35	(iii) Other financial liabilities	686.33	910.52	849.79
	c) Current tax assets net			4.37	b) Other Current Liabilities	435.80	411.11	368.05
	d) Other current assets	276.78	266.72	325.25	c) Provisions	91.63	89.04	85.10
		<b>8305.03</b>	<b>8423.64</b>	<b>6905.83</b>	d) Current tax liabilities (net)	47.57	22.33	-
	<b>TOTAL ASSETS</b>	<b>15684.11</b>	<b>14909.40</b>	<b>13544.49</b>	<b>Total Equity and Liabilities</b>	<b>4012.03</b>	<b>4477.50</b>	<b>3744.60</b>

d. Audited Cash Flow Statement for the three years immediately preceding the date of issue of circular or advertisement;	Particular	Year ended		
		March 31, 2019	March 31, 2018	March 31, 2017
		Million./Rs.	Million./Rs.	Million./Rs.
<b>A) Cash flow from Operating Activities</b>				
Profit for the year		1384.50	1388.82	1180.98
Adjustments for:				
Tax expenses recognised in statement of profit & loss		707.88	719.55	527.82
Depreciation/amortisation		943.26	903.34	899.43
Finance costs		139.19	164.19	204.12
Bad debts/advances written off		1.06	2.54	0.74
Provision for doubtful debts (net)		8.76	2.19	-0.02
Interest income		-132.41	-120.86	-125.05
Net gain on sale/valuation of current investment		-7.75	-23.95	-19.93
Unrealised exchange rate variation (net)		-5.29	-23.70	-5.32
Profit/Loss on sale/Retirement of property, Plant and equipment		14.84	7.71	-3.14
Fair value change in cash flow hedges (net of tax)		14.54	-1.85	-12.02
Remeasurement of post employment defined benefit plans (net of tax)		3.09	17.66	-43.92
<b>Operating profit before working capital changes</b>		<b>3071.67</b>	<b>3036.01</b>	<b>2603.69</b>
Adjustments for:				
Inventories		-660.99	-406.55	-320.35
Trade receivables		-366.23	-808.25	-159.57
Loans and other financial assets (current and non current)		166.28	45.46	274.48
Other assets (current and non-current)		-179.02	-24.26	-75.44
Trade payables		98.18	530.15	214.44
Other financial liabilities (current and non-current)		359.80	79.07	-176.50
Other liabilities and Provisions (current and non current)		35.85	14.53	-21.51
<b>Cash Generated from operations</b>		<b>2545.54</b>	<b>2466.16</b>	<b>2339.24</b>
Income tax paid		-688.60	-717.66	-511.17
<b>Net cash from operating activities (A)</b>		<b>1856.94</b>	<b>1748.50</b>	<b>1828.07</b>
<b>B) Cash Flow from Investing Activities</b>				
Interest received		119.94	119.25	87.85
Sale of tangible assets		24.22	10.02	15.28
Payment for cash consideration under amalgamation		-111.82	-	-
Purchase of tangible assets		-1479.31	-677.49	-734.63
Purchase of intangible assets		-294.56	-44.53	-32.14
Purchase of current investment		-5532.22	-7610.36	-6826.66
Proceed from sale of current investment		5685.26	7520.00	6941.75
Increase/(Decrease) in margin money with banks		-29.69	-3.08	0.09
Increase / (Decrease) in Deposits more than 12 months		39.60	39.54	0.05
<b>Net cash (used) in Investing activities (B)</b>		<b>-1578.58</b>	<b>-652.65</b>	<b>-548.41</b>

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*Yachopra*

Particular	Year ended		
	March 31, 2019	March 31, 2018	March 31, 2017
	Million./Rs.	Million./Rs.	Million./Rs.
<b>C) Cash Flow from Financing Activities</b>			
Interest paid	-164.15	-150.52	-200.62
Dividend paid (Including Dividend Distribution Tax)	-269.74	-215.44	-134.65
Repayment of long term borrowings	-444.00	-614.58	-847.63
Net proceeds / (repayment) of short term loans from banks	-	-	223.96
Proceeds from deposits	277.35	229.89	215.56
Payment of deposits	-298.53	-133.03	-147.47
<b>Net cash from/(used) in financing activities (C)</b>	<b>-899.07</b>	<b>-883.68</b>	<b>-890.85</b>
<b>Net Increase/(Decrease) in cash and cash equivalents (A+B+C)</b>	<b>-620.71</b>	<b>212.18</b>	<b>388.81</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>1431.44</b>	<b>1219.26</b>	<b>830.45</b>
<b>Add: Cash and cash equivalents acquired on amalgamation</b>	<b>4.03</b>		
<b>Cash and cash equivalents at the end of the year</b>	<b>814.76</b>	<b>1431.44</b>	<b>1219.26</b>
<b>Components of cash and cash equivalents</b>			
Cash in hand	1.96	0.34	0.73
<b>Balances with banks</b>			
- current accounts	17.77	22.84	19.87
- Other Bank Balance	811.19	1,788.16	1,530.30
- Working Capital loan from banks (Secured / Unsecured)	-16.24	-379.90	-331.64
<b>TOTAL</b>	<b>814.68</b>	<b>1,431.44</b>	<b>1,219.26</b>

Note: 1. The cash flow statement has been prepared under the indirect method as set out in Indian Standard (Ind AS)-7  
2. The amalgamation of Shriram Automotive Products limited with the company is effective from 1st April 2018. The details of Assets and liabilities taken over by company pursuant to amalgamation and purchase consideration involved are disclosed at Note 48 to the financial statements for year ending March 2019.

e. Any change in accounting policies during the last three years and their effect on the profits and the reserves of the company.

The company has adopted all the Indian Accounting standards (Ind AS standards) and the adoption was carried out in accordance with Ind AS 101 First Time Adoption of Indian Accounting Standards. The transition was carried out from Indian Generally Accepted Accounting Principles as prescribed under section 133 of the Companies Act, read with rule 7 of the Companies (accounts) Rules 2014 (IGAAP). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires change in the accounting policy hitherto is use. The transition to IND AS was done in accordance with IND AS 101 having following effect:

- 1) The leasehold land, earlier classified as Fixed Assets as per IGAAP, has been reclassified to other Non- Current Assets as per Ind AS.
- 2) The Company has taken cross currency interest rate swaps on foreign currency borrowings. Under Ind AS, the company has recognised the derivative instruments separately at fair value as financial assets and the foreign currency borrowings have been translated at the closing rates.
- 3) Under previous GAAP, there was no concept of other comprehensive income. Under Ind AS, specified items of income, expenses, gains or losses have been presented in other comprehensive income.

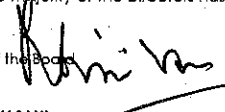
**5. A DECLARATION BY THE DIRECTORS THAT**

- The company has not defaulted in the repayment of deposits accepted either before or after the commencement of the Act or payment of interest there on.
- The board of directors have satisfied themselves fully with respect to the affairs and prospects of the company and that they are of the opinion that having regard to the estimated future financial position of the company, the company will be able to meet its liabilities as and when they become due and that the company will not become insolvent within a period of one year from the date of issue of the circular or advertisement;
- The company has complied with the provisions of the Act and the rules made thereunder.
- The compliance with the Act and the rules does not imply that repayment of deposits is guaranteed by the Central Government.
- The deposits accepted by the company before the commencement of the Act have been repaid or will be repaid along with interest on due dates and until they are repaid, they shall be treated as unsecured and ranking pari passu with other unsecured liabilities.
- In case of any adverse change in credit rating, depositors will be given a chance to withdraw deposits without any penalty.
- The deposits shall be used only for the purposes indicated in the Circular or circular in the form of advertisement.
- The deposits accepted by the company (other than the secured deposits, if any, aggregate amount of which to be indicated) are unsecured and rank pari passu with other unsecured liabilities of the company.

**6. DISCLAIMER**

It is to be distinctly understood that filing of circular or circular in form of advertisement with the registrar should not in any way be deemed or construed that the same has been cleared or approved by the Registrar or Central Government. The Registrar or Central Government does not take any responsibility either for the financial soundness of any deposit scheme for which the deposit is being accepted or invited or for the correctness of the statement made or opinion expressed in the circular or circular in the form of advertisement. The depositor should exercise due diligence before investing in the deposits schemes.

This advertisement is issued on the authority and in the name of the Board of Directors of the Company, the text of which was approved by the Board of Directors at their meeting held on July 09, 2019 and a copy signed by the majority of the Directors has been filed with the Registrar of Companies.

By Order of the Board  
  
(R. SRINIVASAN)  
COMPANY SECRETARY

Place: New Delhi  
Date : 09.07.2019



