

SHRIRAM PISTONS & RINGS LTD.

Regd. Office: 23, 3rd 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 rd 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			
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 Ghazabad (UP) & Pathredi (Rajasthan) and Assembly Units are at Gurgaon (Haryana), Sahibabad (UP), Pune (Maharashtra), and Hosur (Tamil Nadu).			
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	name	din	occupation	address
	Shri. Pradeep Dinodia (Chairman)	00027995	Practising Chartered Accountant	A-9A, Maharani Bagh, New Delhi-110065
	Shri. Hari S. Bhartiya	00010499	Industrialist	2, Arnila Shergill Marg, New Delhi-110003
	Smt. Meenakshi Dass	00524865	Company Director	27, Aurangzeb Road, New Delhi-110011
	Shri. Ravinder Narain	00059177	Advocate	55, Sunder Nagar, New Delhi-110033
	Shri. C.Y. Pal	00106536	Company Director	118, Vaibhav Apartments, 80, Bhulabhai Desai Road, Mumbai-400026
	Dr. Alexander Segal	06748776	Service	Platenweg 120, 74211, leingarten, Germany
	Shri. Inderdeep Singh	00173538	Company Director	20-A, Aurangzeb Road, New Delhi-110011
	Shri Toru Suzuki	07166793	Service	6-49-1 Asagaya-kita, Suginami-ku, Tokyo, 166-0001 Japan
	Shri. A. K. Taneja (Managing Director)	00124814	Service	C-6/9, Safdarjung Development Area, New Delhi-110016
	Shri. R. Srinivasan (Jt. Managing Director)	00124760	Service	C-512, Sushant Lok, Phase-I, Gurgaon-122002
	Shri. Luv D. Shikram (Whole Time Director)	00051065	Service	26, Sardar Patel Marg, New Delhi-110021
	Dr. Peter Neu (Alternate Director to Dr. Alexander Segal)	00324469	Service	Am, Zuckeberg 40, Ludwigburg, Germany-71640
	Shri. Noritada Okano (Alternate Director to Shri M. Sekimoto)	02005759	Service	Cosumo Kamagaya II 605, 633, Awano Kamagaya-shi, Chiba Ken, Japan -2730132
	Shri M. Sekimoto	00452082	Service	4-3-2-436, Inagi City, Tokyo, Japan -2060803
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, duration of default and present status, in repayment of 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	07.07.2017
b. Date of passing of resolution in the general meeting authorizing the invitation of such deposits	29.7.2014
c. Type of deposits, i.e., whether secured or	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. 770.74 Mn. b) 25% of aggregate of paid up capital and free reserves against deposits from public - Rs. 1926.85 Mn. c) Total amount that company can raise - Rs. 2697.59 Mn. d) Aggregate of deposits as on 31.3.2017 is Rs. 550.62 Mn. e) Aggregate of deposits as on date of issue of circular or advertisement i.e Rs. 568.66 Mn. f) Amount of deposit proposed to be raised on the date of issue of circular i.e Rs. 800 Mn. g) Amount of deposit repayable within next 12 months i.e from 07-07-2017 to 06-07-2018 - Rs. 188.59 Mn.

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e. Terms of raising of deposits: Duration, Rate of interest, mode of payment and repayment	Scheme A : Non - Cumulative*			Scheme B : Cumulative**		
	Period	Rate of interest (P.A.)	Minimum Amount of deposit (Rs.)	Minimum Amount of deposit (Rs.)	Maturity Value of deposit (Rs.)	Yield (P.A.)
	One year	7.50%	50000	21000	22630	7.76%
Two Year	8.50%	50000	21000	24976	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 for 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 14.8.2017 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
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 obtained on 24.01.2017 from 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 dated 11.05.2017 issued by Ministry of Corporate Affairs, the deposit insurance requirement was waived off upto 31.3.2018
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.

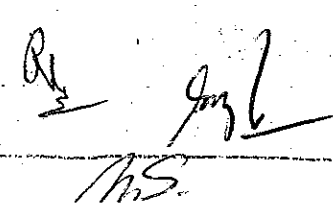
3. DETAILS OF ANY OUTSTANDING DEPOSITS (As on 31.3.2017)

a. Amount Outstanding;	Rs.550.62 Million
b. Date of acceptance;	01.04.2008 to 31.3.2017
c. Total amount accepted;	Rs.550.62 Million
d. Rate of interest;	8.00 % to 11.5% p.a.
e. Total number of depositors;	970 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

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		
	2016-17	2015-16	2014-15
	Mn./Rs.	Mn./Rs.	Mn./Rs.
-Profit before depreciation & Tax	2608.23	2238.74	1753.01
-Profit before Tax	1708.80	1311.21	792.58
-Profit after tax	1180.98	916.32	573.16
-Other comprehensive income	-55.93	-3.45	0.00
-Total comprehensive income	1125.05	912.87	573.16

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		
	2016-17	2015-16	2014-15
	Mn./Rs.	Mn./Rs.	Mn./Rs.
- Dividend declared inclusive of dividend tax	134.65	107.72	94.14
- Rate of Dividend	70%	40%	35%
-Interest coverage ratio (times)	3.37	6.04	3.47



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		
	31.03.2017 Rs./Lacs	31.3.2016 Rs./Lacs	31.3.2015 Rs./Lacs		31.03.2017 Rs./Lacs	31.3.2016 Rs./Lacs	31.3.2015 Rs./Lacs
ASSETS				EQUITY & LIABILITIES			
Non-current assets				Equity			
a) Property, Plant and Equipment	5735.03	5943.72	6353.36	a) Equity Share Capital	223.75	223.75	223.75
b) Capital work-in-progress	93.47	57.09	40.37	b) Other Equity	7720.09	4729.49	5974.54
c) Intangible assets	32.44	21.47	8.84		7643.84	4953.24	6198.29
d) Financial assets				Liabilities			
i) Investment	0.50	0.50	0.50	Non-Current Liabilities			
ii) Loans			0.03	a) Financial Liabilities			
iii) Other Financial Assets	144.70	311.54	401.86	i) Borrowings	1205.38	1764.02	2317.47
iv) Other non-current asset	635.94	567.97	567.45	ii) Provisions	355.14	374.59	317.19
				a) Deferred tax liabilities (net)	340.33	347.25	396.13
	4442.11	4902.32	7372.43	b) Other non-current liabilities	1.89	11.84	13.37
Current assets					1902.74	2497.74	3044.31
a) Inventories	2403.82	2083.47	2154.06	Current Liabilities			
b) Financial assets				a) Financial Liabilities			
i) Investment	80.05	174.21	2163.99	i) Borrowings	349.46	185.20	317.40
ii) Trade receivables	2378.09	2225.22	2163.99	ii) Trade Payable	2093.20	1878.74	1429.24
iii) Cash and cash	20.60	32.23	53.53	iii) Other financial	649.79	1074.55	1263.85
iv) Other bank balances	1530.30	971.44	234.71	b) Other Current Liabilities	321.34	271.27	311.01
v) Loans	-	0.03	0.13	i) Provisions	85.10	53.32	54.00
vi) Other Financial Assets	163.35	210.36	186.73	ii) Current tax liabilities (net)	0.00	2.74	-
c) Current tax assets net	4.37	-	13.78				
d) Other current assets	321.80	318.70	275.84				
	4982.34	4814.94	8884.77				
TOTAL ASSETS	13544.41	13919.22	13497.40	Total Equity and Liabilities	13544.41	13919.22	13497.40

C. Audited Cash Flow Statement for the three years immediately preceding the date of issue of circular or advertisement;

Particulars	Year ended		
	March 31, 2017 (Rs./Lacs)	March 31, 2016 (Rs./Lacs)	March 31, 2015 (Rs./Lacs)
I) Cash flow from Operating Activities			
Profit for the year	1186.98	914.32	872.14
Adjustments for:			
Tax expenses recognised in profit & loss	527.82	394.89	219.43
Depreciation/amortisation	899.43	927.53	960.42
Finance costs	204.12	260.30	320.42
Bad debts/advances written off	0.74	0.52	3.48
Provision for doubtful debts (net)	-0.02	-8.10	13.74
Interest income	-125.05	-63.30	-52.45
Net gain on sale of non-trade current investment	-19.23	-9.89	-
Unrealised exchange rate variation (net)	-5.32	-9.43	0.91
Loss on sale/retirement of fixed asset	-3.14	-8.78	0.00
Gain/loss change in cash flow hedges (net of tax)	-12.02	-14.84	-
Remeasurement of post employment defined benefit plans (net of tax)	-43.92	13.41	-
Operating profit before working capital changes	2463.49	2394.41	3048.91
Changes in Working Capital:			
Adjustments for (increase) / decrease in operating assets			
Inventories	-320.35	72.40	-379.04
Trade receivables	-159.57	-50.55	-374.14
Loans and advances (short and long term)	237.34	50.57	164.24
Other assets (current and non-current)	-38.33	11.31	-28.23
Adjustments for (increase) / decrease in operating liabilities			
Trade payables	214.44	458.52	74.43
Other financial liabilities (current and non-current)	-110.74	-19.49	119.14
Other liabilities and provisions (current and non-current)	-21.51	54.52	33.54
Cash Generated from operations	3468.88	2774.88	1458.87
Income tax paid	-511.17	-423.94	-249.42
Net cash from operating activities (I)	1897.83	2352.14	1481.48
II) Cash flow from Investing Activities			
Interest received	87.85	22.44	42.15
Sale of tangible assets	15.28	28.07	12.44
Purchase of tangible assets	-734.63	-528.25	-454.28
Purchase of intangible assets	-32.14	-27.74	-7.19
Purchase of current investment	-4824.64	-4625.23	-
Proceed from sale of current investment	4941.75	4459.91	-
Increase/(Decrease) in margin money with banks	0.09	-0.09	-5.50
Increase / (Decrease) in Deposits more than 12 months	0.05	-	-32.93
Net cash (used) in investing activities (II)	-548.41	-478.87	-447.11
III) Cash flow from Financing Activities			
Interest paid	-200.42	-273.37	-314.28
Dividend paid	-134.65	-107.73	-92.63
Repayment of long term borrowings	-847.43	-788.64	-681.23
Net proceeds / (repayment) of short term loans from banks	158.20	-41.08	3.32
Proceeds from deposits	215.54	295.15	94.34
Payment of deposits	-147.47	-214.17	-124.44
Net cash from/(used) in financing activities (III)	-964.41	-1129.84	-1114.90
Net Increase/(Decrease) in cash and cash equivalents (net of tax)	384.81	781.41	-140.51
Cash and cash equivalents at the beginning of the year	830.45	79.94	237.40
Cash and cash equivalents at the end of the year	1219.24	836.46	79.84
Components of cash and cash equivalents			
Cash in hand	0.73	1.07	1.59
Balance with banks			
- current accounts	19.87	31.16	51.94
- deposits with original maturity of less than three months	1,530.30	971.64	234.71
- Working Capital loan from banks (Secured / Unsecured)	-331.44	-173.44	-211.20
TOTAL	1,219.24	836.46	79.84

Note: The cash flow statement has been prepared under the indirect method as set out in Indian Standard (Ind AS)-7

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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 in use.

- 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

- a. The company has not defaulted in the repayment of deposits accepted either before or after the commencement of the Act or payment of interest
- b. 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;
- c. The company has complied with the provisions of the Act and the rules made thereunder.
- d. The compliance with the Act and the rules does not imply that repayment of deposits is guaranteed by the Central Government.
- e. 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.
- f. In case of any adverse change in credit rating, depositors will be given a chance to withdraw deposits without any penalty.
- g. The deposits shall be used only for the purposes indicated in the Circular or circular in the form of advertisement.
- h. 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.

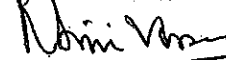
6. DISCLAIMER

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 7, 2017 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 : 07.07.2017

