

SHIRAM 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.shirampistons.com
E-mail: spr.fdc@shirampistons.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;	SHIRAM 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.shirampistons.com E-mail: spr.fdc@shirampistons.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. Purchase & sale of other engine Components for Assembly. The company's registered office is at New Delhi, and manufacturing units are at Ghazabad (UP) & Patkhedi (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	Practicing Chartered Accountant
Shri. Hari S. Bhatia		00010499	Industrialist	2, Amita Shergill Marg, New Delhi-110003
Smt. Meenakshi Dass		00524865	Company Director	27, Aurangzeb Road, New Delhi-110011
Shri. Ravinder Narain		00059197	Advocate	55, Sunder Nagar, New Delhi-110003
Shri. C.Y. Pal		00106536	Company Director	11B, Vaibhav Apartments, 80, Bhulabhai Desai Road, Mumbai - 400026
Dr. Alexander Segal		06746776	Service	Platenweg 120, 74211, Isingarten, Germany
Shri M. Sekimoto		00452082	Service	4-3-2-406, Inagi-City, Tokyo, Japan -2060803
Shri. Inderdeep Singh		00173538	Company Director	20-A, Aurangzeb Road, New Delhi-110011
Shri Toru Suzuki		07166793	Service	3634-24, Endo, Fuzsawa-Shi, Kanagawa, 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-4, Gurgaon-122002
Shri. Luv D. Shitram (Whole Time Director)		00051065	Service	26, Sardar Patel Marg, New Delhi-110021
Dr. Peter Neu (Alternate Director to Dr. Alexander Segal)		00324469	Service	Am, Zuckerberg 40, Ludwigsburg, Germany-71640
Shri. N. Okano, (Alternate Director to Shri M. Sekimoto)		02005759	Service	Cosumo Kamagaya II 605, 633, Awano Kamagaya-shi, Chiba Ken, Japan -2730132

f. Management's perception of risk factors;	Increased focus on quality by OEMs, low cost competition in OEMs 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;	July 30, 2016
b. Date of passing of resolution in the general meeting authorizing the invitation of such deposits;	July 29, 2014
c. Type of deposits, i.e., whether secured or unsecured;	Unsecured
d. Amount which the company can raise by way of deposit 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. 677.16 Mn. b) 25% of aggregate of paid up capital and free reserves against deposits from public - Rs. 1692.92 Mn. c) Total amount that company can raise - Rs. 2370.08 Mn. d) Aggregate of deposits as on 31.3.2016 is Rs. 485.72 Mn. e) Aggregate of deposits as on date of issue of circular or advertisement i.e. Rs. 438.16 Mn. f) Amount of deposit proposed to be raised on the date of issue of circular i.e. Rs. 500 Mn. g) Amount of deposit repayable within next 12 months i.e. from 30.7.2016 to 29.7.2017 - Rs.99.25 Mn.

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	8.00%	50000	21000	22743	8.30%
	Two Year	9.00%	50000	21000	25125	9.82%
	Three Year	9.50%	50000	21000	27894	10.94%

An additional interest of 0.50% p.a., over and above the normal rate of interest to the followings category:-

- 1) Senior citizen (of 60 years and above)
- 2) Employees on roll of the company.
- 3) Shareholders of the company.

[Handwritten signatures and notes are present at the bottom of the page, including a signature on the left and a note "14 years" with an arrow pointing to the 10-year maturity value in the table.]

* In case of joint deposit, additional interest rate will be paid if first holder falls in the special category of Sr. citizen/employee/ shareholder. 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 29.9.2016 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 TAA+/Stable obtained on 19.4.2016 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 29.4.2016 issued by Ministry of Corporate Affairs, the deposit insurance requirement is waived-off upto 31.3.2017 or the date on which deposit insurance product is available, whichever is earlier. The company is not offering deposit insurance as no such product is presently available.
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 31.3.2016)

a. Amount Outstanding;	Rs. 485.72 Million
b. Date of acceptance;	From 20.11.2006 to 31.3.2016
c. Total amount accepted;	Rs. 485.72 Million
d. Rate of interest;	8.50 % to 11.5% p.a.
e. Total number of depositors;	1073 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;	Company is not in default in repayment of deposits and interest thereon in accordance with the terms & conditions of such deposits. The company has no overdue deposits other than unclaimed deposits as on this date.
g. Any waiver by the depositors, of interest accrued on deposits;	Not applicable

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			2015-16	2014-15	2013-14			
		Mn./Rs.	Mn./Rs.	Mn./Rs.					
	Profit before depreciation & Tax	2258.96	1753.01	2011.52					
	Profit after tax	927.29	573.16	696.53					
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			2015-16	2014-15	2013-14			
		Mn./Rs.	Mn./Rs.	Mn./Rs.					
	- Dividend declared inclusive of dividend tax	107.72	94.14	91.61					
	- Rate of Dividend	40%	35%	35%					
- Interest coverage ratio (times)	6.10	3.47	3.67						
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;	EQUITY & LIABILITIES			As at			ASSETS		
		31.3.2016	31.3.2015	31.3.2014	As at				
		Mn./Rs.	Mn./Rs.	Mn./Rs.	31.3.2016	31.3.2015	31.3.2014		
					Mn./Rs.	Mn./Rs.	Mn./Rs.		
	SHAREHOLDER'S FUNDS								
	- Share Capital	223.75	223.75	223.75	NON-CURRENT ASSETS				
	- Reserves & Surplus	6,667.90	5,848.34	5,375.61	- Fixed assets				
					- Tangible assets	6,245.23	6,658.32	7,110.89	
					- Intangible assets	21.48	8.84	15.25	
	NON CURRENT LIABILITIES				- Capital work in progress	57.09	40.36	91.92	

[Handwritten signature]

99 years

[Handwritten signature]

[Handwritten signature]

[Handwritten signature]

-Long term borrowings	1,482.80	1,964.64	2,798.13	-Non-current investments	0.50	0.50	0.50
-Deferred tax liabilities(net)	344.35	384.30	422.65	-Long term loans & advances	177.07	185.31	170.72
-Other long term liabilities	11.86	13.37	10.71				
-Long term provisions	374.59	317.18	239.20	-Other non-current assets	96.03	83.95	92.53
CURRENT LIABILITIES				CURRENT ASSETS			
-Short term borrowings	185.21	217.62	222.02	-Current investment	175.00	-	-
-Trade payables				-Inventories	2,083.47	2,156.07	1,777.03
-Total outstanding	38.29	39.12	30.12				
dues of micro and small enterprises.				-Trade receivables	2,225.23	2,163.98	1,805.27
-Total outstanding dues				-Cash & Cash equivalent	1,003.88	290.24	518.95
of creditors other than micro & small enterprises.	1,843.98	1,381.12	1,313.68	-Short-term loans & advances	221.93	184.44	266.13
-Other current liabilities	1,158.05	1,394.03	1,201.61				
-Short term provisions	108.83	107.9	98.48	-Other current assets	132.7	119.36	86.77
TOTAL	12,439.61	11,891.37	11,935.96		12,439.61	11,891.37	11,935.96

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

Particular	Year ended	Year ended	Year ended
	March 31, 2014	March 31, 2015	March 31, 2014
	(Mn/Rs.)	(Mn/Rs.)	(Mn/Rs.)
i) Cash flow from Operating Activities			
Profit before tax	1327.98	792.59	1005.89
Adjustments for :			
Depreciation/amortisation	930.98	960.42	1005.63
Finance costs	260.30	320.42	376.65
Bad debts/advances written off	0.52	3.48	2.66
Provision for doubtful debts (net)	-8.10	13.74	3.01
Interest income	-63.09	-52.65	-59.56
Net gain on sale of non-trade current investment	-9.89		
Unrealised exchange rate variation (net)	-9.43	0.91	-3.27
Loss on sale/retirement of fixed asset(*Rs.502/-)	-8.78		0.41
Operating profit before working capital changes	2420.49	2038.91	2331.42
Changes in Working Capital:			
Adjustments for (increase) / decrease in operating assets			
Inventories	72.60	-379.04	-71.25
Trade receivables	-50.56	-374.14	-251.64
Loans and advances (short and long term)	-44.22	54.21	-8.63
Other assets (current and non-current)	15.50	-28.23	-10.46
Adjustments for (increase) / decrease in operating liabilities			
Trade payables	462.03	76.43	128.44
Other liabilities (current and non-current)	-3.57	122.48	-19.24
Provisions (short and long term)	4.48	33.54	11.67
Cash Generated from operations	2876.75	1544.16	2110.31
Income tax paid	-425.23	-249.42	-313.72
Net cash from operating activities (i)	2451.52	1294.74	1796.59
ii) Cash flow from Investing Activities			
Interest received	22.26	42.15	38.10
Sale of tangible assets	28.07	12.64	8.70
Purchase of tangible assets	-528.26	-456.28	-697.87
Purchase of intangible assets	-27.75	-7.19	-9.19
Purchase of current investment	-4625.02	-	-
Proceed from sale of current investment	4459.91	-	-
Increase/(Decrease) in margin money with banks	-25.42	-5.50	16.47
Increase / (Decrease) in Deposits with maturity more than 3 months but less than 12 months	-647.82	-32.93	-3.97
Net cash (used) in Investing activities (ii)	-1344.03	-447.11	-647.76
	Year ended	Year ended	Year ended
	March 31, 2014	March 31, 2015	March 31, 2014
	(Mn/Rs.)	(Mn/Rs.)	(Mn/Rs.)
iii) Cash flow from Financing Activities			
Interest paid	-273.37	-316.28	-371.12
Dividend paid	-107.73	-92.63	-130.89
Repayment of long term borrowings	-725.80	-681.23	-330.83
Net proceeds / (repayment) of short term loans from banks	-41.08	3.32	-224.96
Proceeds from deposits	295.15	96.36	176.29
Payment of deposits	-214.17	-124.44	-126.03
Net cash from/(used) in financing activities (iii)	-1067.60	-1114.90	-1007.54
Net Increase/(Decrease) in cash and cash equivalents (i+ii+iii)	40.49	-267.27	141.29
Cash and cash equivalents at the beginning of the year	183.53	450.80	309.51
Cash and cash equivalents at the end of the year	224.02	183.53	450.80

Handwritten signature

Handwritten signature and date: 17

Handwritten signature

Components of cash and cash equivalents			
Cash in hand	1.07	1.59	0.92
Cheques, drafts in hand (* Rs. 1000/-)			0.00*
Balances with banks			
- current accounts	31.15	51.94	39.98
- deposits with original maturity of less than three months	191.80	130.00	409.90
TOTAL	224.02	183.53	450.80

Note: The cash flow statement has been prepared under the Indirect method as set out in accounting standard -3 specified under section 133 of the Act, as applicable.

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

Company is not in default in repayment of deposits and interest thereon. There is no change in accounting policy of the company during the last three years.

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 there on;
- 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.

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 30, 2016 and a copy signed by the majority of the Directors has been filed with the Registrar of Companies.

Place: New Delhi
Date : 30.7.2016

[Handwritten signatures and initials]