

52ND ANNUAL REPORT 2015-16



SHRIRAM PISTONS & RINGS LTD.



Overall Business Performance Award
from
Kirloskar Oil Engines Limited



Grand Award for QCDDM from
Honda Motorcycle & Scooter India



Award for Overall Quality Excellence from
Volvo-Eicher Commercial Vehicles



Quality Award
"GOLD"
from Bajaj Auto



Quality Excellence
Award
from SML ISUZU



Good Quality
Performance Award
from Wabco India



Overall Performance Award
from
Mahindra & Mahindra



SHRIRAM

Board of Directors

- Shri Pradeep Dinodia - Chairman
- Shri Hari S. Bhartia
- Smt. Meenakshi Dass
- Shri Ravinder Narain
- Shri C.Y. Pal
- Dr. Alexander Sagel
- Shri M. Sekimoto
- Shri Inderdeep Singh
- Shri Toru Suzuki
- Shri A.K. Taneja - Managing Director & CEO
- Shri R. Srinivasan - Joint Managing Director
- Shri Luv D. Shriram - Wholetime Director
- Dr. Peter Neu - Alternate Director to Dr. Alexander Sagel
- Shri N. Okano - Alternate Director to Shri M. Sekimoto

Principal Executives

- Shri A.K. Taneja - Managing Director & CEO
- Shri R. Srinivasan - Joint Managing Director & Company Secretary
- Shri V.K. Jayaswal - Executive Director
- Shri Devendra Mishra - Executive Director
- Shri Naveen Agarwal - Dy. Executive Director
- Shri Arun Shukla - Dy. Executive Director
- Shri Vinod Raheja - Dy. Executive Director & CFO
- Shri Rajan Nanda - Dy. Executive Director
- Shri Sandeep Kalra - Dy. Executive Director

Advisors

- Shri Rajiv Sethi - Sr. Advisor
- Shri Anil Gadi - Advisor
- Shri Rakesh Anand - Advisor
- Shri P.S. Ladiwala - Advisor

Technical Collaborators

- KS Kolbenschmidt GmbH, Germany
- Riken Corporation, Japan
- Honda Foundry Co. Ltd., Japan
- Fuji Oozx Inc., Japan

Bankers

- UCO Bank
- State Bank of Hyderabad
- Corporation Bank
- Axis Bank Ltd.
- HDFC Bank Ltd.
- IDBI Bank Ltd.
- Citibank N.A.
- The Hongkong and Shanghai Banking Corporation Ltd.

Statutory Auditors

- M/s Deloitte Haskins & Sells, Gurgaon, Haryana

Registered Office

- 3rd Floor, Himalaya House,
- 23, Kasturba Gandhi Marg,
- New Delhi - 110 001

Works

- Industrial Area, Meerut Road, Ghaziabad (U.P.)
- Industrial Area, Pathredi, District Alwar (Rajasthan)

DIRECTORS' REPORT

The Directors have pleasure in presenting their 52nd Annual Report along with the audited accounts of the Company for the year ended 31st March, 2016.

Net sales of the Company increased by 12% during the year from Rs. 12444 Million to Rs.13930 Million. Gross Profit for the year, after all interest charges but before depreciation and taxes, increased by 29% over the last year from Rs. 1753 Million to Rs. 2259 Million.

Profit after tax for the year is Rs. 927 Million against Rs. 573 Million last year.

The summarized standalone and consolidated results of the Company are as under:

(Rs. Million)

Particulars	Financial Year ended			
	Standalone		Consolidated	
	31/03/2016	31/03/2015	31/03/2016	31/03/2015
Total Income	14099.64	12615.86	14099.68	12615.90
Profit/(loss) before Interest, Depreciation & Tax (EBITDA)	2519.26	2073.43	2519.28	2073.45
Gross Profit	2258.97	1753.01	2258.98	1753.03
Depreciation	930.98	960.42	930.98	960.42
Profit Before Tax	1327.98	792.59	1328.00	792.61
Income Tax (including for earlier years)	400.69	219.43	400.69	219.43
Net Profit After Tax	927.29	573.16	927.31	573.18

The Directors, in their meeting of 07.05.2016, have recommended that equity shareholders be paid dividend of Rs. 4.00 per share for the year, inclusive of Rs. 2.00 per share already paid; the equity dividend alongwith dividend tax would absorb Rs. 107.72 Million against Rs. 94.14 Million last year and an amount of Rs. 819.57 Million be transferred to General Reserve Account.

While prices of Raw Materials reduced over last year, the company witnessed continuous demand from customers for price reduction and significant increase in competition from global players. Special efforts are being made by the Company to improve productivity and reduce cost, particularly for next generation Pistons, Pins, Rings and Engine Valves, and stay ahead of competition.

As part of this effort, the Company has decided to implement TPM at the Plant in Pathredi and renew the TPM initiative with a new thrust at its Plant in Ghaziabad.

The Government plans to implement BS-VI emission norms for Commercial Vehicles and Passenger Vehicles from 2020. Emission norms for 2/3-Wheelers and Industrial Engines are also under review. This would require significant investment in the development of new technologies. The Company is fully geared to meet this challenge with a well-equipped Tech Centre, which was set up in 2014 with strong support from our Technology Partners and is being constantly upgraded. The Company is also taking proactive steps to obtain most modern design and manufacturing know-how for next generation Pistons, Pins, Rings and Engine Valves and retain its leadership in the market by offering latest technology products at competitive prices.

The Company achieved exports of Rs. 2382 Million, which was 10% higher than last year. Exports remain an important cornerstone in company's strategy for sustainable growth and to pro-actively acquire deeper understanding of the technology, quality and service expectations of global OEMs operating in advanced automobile markets. Our efforts to win business with OEMs in export markets, along with our Collaborators, have intensified and we successfully started mass production of latest generation Pistons for a premium global vehicle manufacturer in the year.



There was no operation in subsidiary company, M/s SPR International Auto Exports Limited, during the year. Annual accounts of subsidiary company are available on company's website and shall also be kept for inspection by any member in the Head Office and Registered Office. Hard copy of Annual Accounts of subsidiary company would also be made available to members seeking such information.

In accordance with the Accounting Standard (AS - 21) on consolidated financial statements, the consolidated financial statements are attached, which form part of the Annual Report.

The Directors confirm that: -

1. in the preparation of the annual accounts, the applicable Accounting Standards issued by The Institute of Chartered Accountants of India and requirements of Companies Act have been followed and there are no material departures from the same.
2. appropriate accounting policies have been selected and applied consistently, and have 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 31st March, 2016 and of the profit of the Company for the same year.
3. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
4. the annual accounts have been prepared on a going concern basis.
5. internal financial controls are followed by the company and are adequate and operating effectively.
6. proper and adequate systems have been devised to ensure compliance with provisions of all applicable laws and such systems are adequate and operating effectively.

There are no disqualifications, reservations or adverse remarks or disclaimers in the Auditors' and Secretarial Auditor's Report.

No orders were passed by the Regulators or Courts or Tribunals which could impact going concern status and company's operations in future.

The Company appointed M/s Price Waterhouse Coopers as its Internal Auditors, in addition to in house team. The Internal Control System is commensurate with the size, scale and complexity of company's operations. The Internal Auditors report to the Chairman of Audit Committee.

The Internal Audit team monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on their reports, the corrective actions in respective areas are taken to strengthen the controls and significant audit observations and corrective actions thereon are presented to the Audit Committee.

Company's equity shares were listed on 'Delhi Stock Exchange'. SEBI, vide its order dated 19.11.2014 has withdrawn recognition of 'Delhi Stock Exchange'. Accordingly, Company's shares cease to be listed and have been moved to Dissemination Board of Bombay Stock Exchange (BSE) for facilitating dealing in Company's shares.

Company is committed to good corporate governance practice and corporate social responsibility. In line with the Company's principles/ commitment, the following policies/ programmes are in place and are available on Company's website viz. www.shrirampistons.com under the link "Investors":

1. Corporate Social Responsibility (CSR) Policy,
2. Vigil Mechanism/ Whistle Blower policy,
3. Company's policy on dealing with Related party transactions and
4. Familiarization programmes for Independent Directors.

Fixed deposits amounting to Rs. 299.88 Million were accepted during the year and deposits amounting to Rs. 5.1 Million pertaining to 62 depositors remained unclaimed/ unpaid at the close of the year. During the year, there was no default in repayment of deposits and interest thereon. Deposits accepted by the company are in compliance with requirements of Chapter V of the Companies Act, 2013.

Company has not given any loans, guarantees or made investments under section 186 of the Companies Act, 2013.



The Company has entered into contract/arrangements with the related parties in the ordinary course of business and on arm's length basis. Thus, provisions of Section 188(1) of the Companies Act, 2013 are not applicable.

Following reports which form an integral part of Directors' report are enclosed: -

1. Report on "CORPORATE GOVERNANCE" - as per Annexure – I.
2. Report on "MANAGEMENT DISCUSSION AND ANALYSIS" - as per annexure – II.
3. Report on "CONSERVATION OF ENERGY", "TECHNOLOGY ABSORPTION" and "FOREIGN EXCHANGE EARNING & OUTGO" – as per annexure - III.
4. Data of "EMPLOYEES" – as per annexure – IV.
5. Extract of "ANNUAL RETURN" – as per Annexure – V.
6. "DETAILS AND ANNUAL REPORT ON CSR" – as per Annexure – VI.
7. "SECRETARIAL AUDIT REPORT" – as per Annexure – VII.
8. "NOMINATION AND REMUNERATION POLICY" – as per Annexure-VIII.
9. "SALIENT FEATURES OF SUBSIDIARY COMPANY" – as per Annexure-IX.

Shri O.P. Khaitan, Independent Director and Chairman of Audit Committee of the Company, passed away on 06.12.2015. He made considerable contribution to the Company being a member of the Board since 1989 and on various committees, from time to time.

Shri Toru Suzuki was appointed as Independent Director w.e.f. 30.04.2015 in casual vacancy caused due to resignation of Shri Tokuo Washio.

Shri C.Y. Pal, Shri Ravinder Narain, Shri Inderdeep Singh and Shri Toru Suzuki are Independent Directors of the Company and have given the declarations to the Board that they meet the criteria of independence as provided under Section 149(6) of the Companies Act, 2013.

Shri Luv D. Shriram and Smt. Meenakshi Dass, Directors, retire by rotation and being eligible, offer themselves for re-appointment.

Dr. Alexander Sagel was appointed as "Director in Casual vacancy" and his term is expiring in the forthcoming Annual General Meeting. The resolution seeking appointment of Dr. Alexander Sagel has been incorporated in the 'Notice of Annual General Meeting' along with brief details about him. The company has received a notice under section 160 of the Companies Act, 2013 along with requisite deposit proposing his appointment.

Brief resume and other details of Shri Luv D. Shriram, Smt. Meenakshi Dass and Dr. Alexander Sagel are given in the 'Notice of the Annual General Meeting'.

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Committees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

The Directors affirm that remuneration paid to all Directors, Key Managerial Personnel and Senior Management Personnel is as per the remuneration policy framed by Nomination and Remuneration Committee of the Company.

The Directors place on record their appreciation of the support extended to the Company by the Collaborators, the Bankers, its business associates and their appreciation of the work of all ranks of Company's personnel during the year.

On behalf of the Board

New Delhi
May 07, 2016

(PRADEEP DINODIA)
CHAIRMAN



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ANNEXURE I TO DIRECTORS' REPORT REPORT ON CORPORATE GOVERNANCE

- 1.0) The Company has been following Good Corporate Governance practices. The corporate goals of the Company are to optimize shareholders' value while ensuring operational accountability and total transparency in all its operations.
- 2.0) As on 31.03.2016, the Company had 3 Executive and 9 Non-Executive Directors. Out of 9 Non-Executive Directors, 4 directors are Independent.
- 2.1) During the year, 6 Board of Directors' Meetings were held as under:-
- 16th May, 2015 – 30th October, 2015
 - 26th June, 2015 – 29th January, 2016
 - 31st July, 2015 – 29th March, 2016
- A separate meeting of Independent Directors was held on 29th March 2016 which was attended by all the Independent Directors except Shri C.Y. Pal.
- 2.2) Data of Directors' attendance, Directorship in other Companies and membership in Board Committees is as under:-

Directors	See Note	Attendance at		Directorship in other Indian Public Ltd. Cos. as on 31.3.2016 (Ref. Note No. 4)	Board Committee Membership in other Indian Public Ltd. Cos. as on 31.3.2016 as	
		Board Meetings during Y.E. March 2016	Last AGM		Member	Chairman
					(Ref. Note No. 5)	
Non-Executive Directors:						
Shri Pradeep Dinodia		6	Yes	5	1	4
Shri Hari S. Bhartia		1	No	4	NIL	NIL
Smt. Meenakshi Dass	1	4	No	3	NIL	NIL
Shri O.P. Khaitan	2	4	Yes	-	-	-
Shri Ravinder Narain		6	Yes	3	2	1
Shri C.Y. Pal		4	Yes	3	2	2
Dr. Alexander Sagel		NIL	No	NIL	NIL	NIL
Dr. Peter Neu (Alternate to Dr. Alexander Sagel)		1	No	NIL	NIL	NIL
Shri M. Sekimoto		4	Yes	NIL	NIL	NIL
Shri Noritada Okano (Alternate to Shri M. Sekimoto)		NIL	No	NIL	NIL	NIL
Shri Inderdeep Singh		6	Yes	1	NIL	1
Shri Toru Suzuki	3	3	No	NIL	NIL	NIL
Executive Directors:						
Shri A.K. Taneja (Managing Director)		6	Yes	2	1	NIL
Shri R. Srinivasan (Jt. Managing Director)		6	Yes	NIL	NIL	NIL
Shri Luv D. Shriram (Wholetime Director)	1	6	No	1	NIL	NIL

1. Shri Luv D. Shriram and Smt. Meenakshi Dass are related to each other and are promoters of the Company.
2. Shri O.P. Khaitan passed away on 06th December, 2015.
3. Shri Toru Suzuki was appointed as director in casual vacancy w.e.f. 30th April, 2015 caused consequent to resignation of Shri Tokuo Washio.
4. Directorships in other Companies of Directors exclude Companies formed under Section 8 of the Companies Act, 2013.
5. For calculating Board Committee membership/chairmanship, only Audit Committee and the Stakeholders' Relationship Committee membership/chairmanship of Indian Public Limited Companies has been considered.

2.3) Shareholding of Non-Executive Director

<p>Smt. Meenakshi Dass – 33,35,668 shares held jointly as 1st holder – 33,35,668 shares held jointly as 2nd holder – 12,40,176 shares</p>	}	<p>(In capacity of Trustee – shares belong to Deepak Shriram Family Benefit Trust)</p>
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3.0) The Company has an Audit Committee comprising of four Directors –Shri Inderdeep Singh (Chairman), Shri C.Y. Pal and Shri Ravinder Narain, all of whom are Independent Directors and Shri Pradeep Dinodia, who is a Non-Executive Director. Shri R. Srinivasan, the Company Secretary is also the Secretary to the Audit Committee. Statutory Auditors and Internal Auditors are invitees to the Audit Committee meetings.

The role and powers of Company’s Audit Committee are substantively as per the recommendations made by SEBI and as per provisions of the Companies Act, 2013.

All recommendations made by Audit Committee were accepted by the Board.

3.1) During the year, 5 Meetings of the Audit Committee were held as under :-

- 16th May, 2015
- 29th January, 2016
- 31st July, 2015
- 29th March, 2016
- 30th October, 2015

3.2) Attendance at Audit Committee Meetings was as under:-

Directors	See Note	Attendance
Shri Inderdeep Singh (Chairman)	2	5
Shri O.P. Khaitan (Chairman till 05 th December, 2015)	3	3
Shri C.Y. Pal		3
Shri Ravinder Narain	4	2
Shri Pradeep Dinodia		5

Notes:

1. Shri Pradeep Dinodia is a practicing Chartered Accountant and all other members of the Audit Committee also have good exposure to financial matters.
2. Shri Inderdeep Singh was appointed as Chairman of Audit Committee by the Board in its meeting held on 07th May, 2016.
3. Shri O.P. Khaitan, Chairman of the Committee, passed away on 06th December, 2015.
4. Shri Ravinder Narain was inducted as member of Audit Committee in the meeting of 29th January, 2016.

3.3) The last Annual General Meeting of the Company was held on 26th June, 2015 and was attended by Shri O.P. Khaitan, the then Chairman of the Audit Committee.

4.0) The Company has a Nomination and Remuneration Committee to recommend for Board’s consideration, the appointment of Directors, Key Managerial Personnel and Senior Management Personnel and remuneration of Executive Directors.

It comprises of 4 Directors – Shri Ravinder Narain (Chairman), Shri Inderdeep Singh and Shri C.Y. Pal, all of whom are Independent Directors and Shri Pradeep Dinodia, who is a Non-Executive Director.

During the year, 2 meetings of Nomination and Remuneration Committee were held on 16th May, 2015 which was attended by all members of the committee and on 29th January, 2016 which was attended by Shri Ravinder Narain and Shri Pradeep Dinodia.

Remuneration policy of the Company is given in Annexure-VIII of Directors’ Report.

4.1) Remuneration of Non-Executive Directors is approved by the Board of Directors.

Non-Executive Directors were paid sitting fee of Rs. 50,000 for every meeting of the Board or any Committee of the Board attended during the year.

Commission of up to 1% of the Net Profits of the Company is paid to the Non-Executive Directors as determined by the Board. This is as approved by the shareholders in Annual General Meeting of 26th June, 2015. The fees and commission paid/provided to Non-Executive Directors for the year ended 31st March, 2016 is as under:-



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Directors	Sitting Fees for Board and Committee meetings paid during the year	Commission
	Mn/Rs.	Mn/Rs.
Shri Pradeep Dinodia (Chairman)	0.65	8.63
Shri Hari S. Bhartia	0.05	0.10
Smt. Meenakshi Dass	0.20	0.70
Shri O.P. Khaitan	0.40	0.70
Shri Ravinder Narain	0.55	0.70
Shri C.Y. Pal	0.40	0.70
Dr. Alexander Sagel	–	0.10
Dr. Peter Neu (Alternate Director to Dr. Alexander Sagel)	0.05	–
Shri M. Sekimoto	0.20	0.70
Shri Noritada Okano (Alternate Director to Shri M. Sekimoto)	–	–
Shri Inderdeep Singh	0.60	0.70
Shri Toru Suzuki	0.20	0.70

4.2) Remuneration paid / provided to Managing Director and Whole-time Directors for the year ended 31st March, 2016 is as under: -

Directors	Salary	Commission	Company's Contribution to funds*	Perquisites and allowances	Total	Contract Period
	Mn/Rs.	Mn/Rs.	Mn/Rs.	Mn/Rs.	Mn/Rs.	
Shri A.K. Taneja (Managing Director)	6.00	22.65	1.91	4.44	35.00	1 st April, 2014 to 31 st March, 2019
Shri R. Srinivasan (Jt. Managing Director)	4.80	16.99	1.53	3.49	26.81	1 st February, 2016 to 31 st January, 2021 [#]
Shri Luv D. Shriram (Whole Time Director)	5.95	19.26	0.002	3.54	28.75	5 th May 2014 to 4 th May, 2019

Notes:

- The notice period is six months, on either side.
- In the event of termination of appointment, compensation will be paid in accordance with the provisions of the Companies Act, 2013.
- Performance criteria for determining commission is Gross profit (Profit before depreciation and tax).
- The Company does not have a scheme of stock options.
- *5. Aggregate of the Company's contribution to Provident Fund, Superannuation Fund & Gratuity Fund.
- #6. Shri R. Srinivasan was appointed as Joint Managing Director for a period of 5 years ending 31st January, 2016. His re-appointment is subject to shareholders' approval.

5.0) The Company has a "Stakeholders' Relationship Committee". This Committee comprises of Shri Inderdeep Singh (Chairman), who is an Independent Director and Shri Pradeep Dinodia, who is a Non-Executive Director. Shri R. Srinivasan, Joint Managing Director and Company Secretary, is also the Compliance Officer.

There were no requests pending for share transfers as on 31st March, 2016. No shareholder's complaint was received during the year. No shareholder's complaint was pending at the beginning/ close of the year.

6.0) Date, Venue and Time for the last three Annual General Meetings (AGM) is as under:–

FINANCIAL YEAR	VENUE	DATE	TIME	SPECIAL RESOLUTION PASSED
2012-13	Hotel The Lalit, New Delhi	05.07.2013	4:00 p.m.	No Special Resolution was passed during the year
2013-14	Hotel The Lalit, New Delhi	29.07.2014	4:30 p.m.	No Special Resolution was passed during the year
2014-15	Hotel The Lalit, New Delhi	26.06.2015	4:30 p.m.	No Special Resolution was passed during the year

6.1) No special resolution was passed last year through postal ballot.

6.2) No Special Resolution is proposed to be conducted through postal ballot.

6.3) As required, a poll (electronically, physical and postal ballot) was conducted for Annual General Meeting held on 26.06.2015. Shri Deepak Juneja, Practicing Company Secretary, was appointed as the scrutinizer for the poll. All the resolutions were passed with requisite majority. Procedure for postal ballot is given in the “Notice of the Annual General Meeting”.

7.0) DISCLOSURES

(i) There were no transactions of the Company of material nature with its Promoters, Directors or Key Management Personnel or their relatives, which could be construed to have potential conflict of interest with the Company.

Disclosures on related party transactions as per the Accounting Standard 18 have been made at Note No. 32 of "Notes forming part of the Financial Statements" of the Annual Accounts.

(ii) The Company complies with requirements of Corporate Governance specified in SEBI (Listing Obligations and Disclosure Requirements), 2015.

(iii) There were no penalties or restrictions imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter related to capital market during the last 3 years.

(iv) The Company has devised Whistle Blower Policy for directors, employees and stakeholders to report any kind of misuse of company's properties, mismanagement or wrongful conduct prevailing/executed in the company. As per the policy, every Whistle Blower is granted access to Chairman of the Audit Committee in appropriate cases.

(v) Mandatory Requirements – All requirements have been complied with.

(vi) Non-mandatory requirements:

a) The Board of Directors of company, in their meeting held on 30.10.2015 has approved office at residence for Chairman w.e.f. 01.06.2015.

b) The company has appointed separate persons to the post of Chairman (Shri Pradeep Dinodia) and Managing Director & CEO (Shri A.K. Taneja).

c) The internal Auditor of the Company, M/s Price Waterhouse Coopers, report directly to the Audit Committee.

(vii) Performance Evaluation: The Board has carried out annual evaluation of its own performance, and that of its committees and individual directors.

The evaluation was carried out after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy and composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance and discussion amongst directors.

The performance evaluation of the Chairman, the Non Independent Directors and the Board as a whole was carried out by the Independent Directors.

The Directors expressed their satisfaction with the evaluation process.



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8.0) Quarterly results are published in "Financial Express" and "Jansatta". The Quarterly results and official news are also displayed on Company's website viz. www.shrirampistons.com.

The Management Discussion and Analysis Report forms part of Directors' Report.

9.0) General Information for Shareholders:-

(i) **52nd Annual General Meeting**

The 52nd Annual General Meeting of the Company will be held on Saturday, 25th June, 2016 at 4:30 PM. at Shangri-La's – Eros Hotel, 19 Ashoka Road, Connaught Place, New Delhi-110001.

(ii) **Financial Year of the Company**

The Financial Year of the Company is April 1 to March 31.

(iii) **Date of book closure**

The Register of Members and the Share Transfer Books of the Company will remain closed from 18th June, 2016 to 25th June, 2016 (both days inclusive).

(iv) **Date of Dividend Payment**

Dividend will be paid on or after 25th June, 2016 (Date of AGM).

(v) **Listing of Shares on Stock Exchange**

Company's equity shares were listed on 'Delhi Stock Exchange'. SEBI, vide its order dated 19.11.2014 has withdrawn recognition of 'Delhi Stock Exchange'. Accordingly, Company's shares cease to be listed and have been moved to Dissemination Board of Bombay Stock Exchange (BSE) for facilitating dealing in Company's shares.

(vi) **Stock Code**

The Stock Code was 19149.

(vii) **Market Price Data**

The last transaction on Delhi Stock Exchange was undertaken at Rs. 31.55 on 3rd July, 1997.

(viii) **Performance in comparison to broad-based indices such as BSE Sensex, CRISIL index etc.**

This is not applicable as the Company's shares are not actively traded on the Stock Exchange.

(ix) **Registrar and Transfer agents**

M/s Alankit Assignments Ltd., having Corporate office at Alankit House, 205-208, Anarkali Complex, Jhandewalan Extension, New Delhi – 110 055, Telephone numbers – 42541234, 23541234 and Fax number 42541201 are Registrar & Share Transfer Agents (RTA) of the Company who handle share transfer work in Physical and Electronic mode.

(x) **Share Transfer System**

Securities lodged at the Registrar's address are normally processed within 15 days from the date of lodgment, if documents are complete in all respects. All requests for dematerialization are processed and the confirmation is given to the Depositories within 15 days.

(xi) **Distribution of Equity Shareholding as on 31.03.2016**

Equity Shares Held	Upto 500	501 – 1000	1001 – 2000	2001 – 3000	3001 – 4000	4001 – 5000	5001 – 10000	10001 and above	TOTAL
Shareholders-Nos.	176	5	11	9	2	1	6	14	224
Shareholding-%	0.04	0.02	0.07	0.09	0.03	0.02	0.21	99.52	100



(xii) **Dematerialization of shares and liquidity**

Electronic Holding by members comprises 10.61% (previous year – 10.59%) of the paid up share capital of the Company as on 31st March, 2016 held through National Securities Depository Limited and Central Depository Services (India) Ltd. Under the depository system, ISIN allotted to the Company's equity shares is INE526E01018.

(xiii) **Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion dates and likely impact on equity**

Company has not issued any warrants/ other instruments so far.

(xiv) **Hedging of foreign exchange**

To mitigate the risk of adverse or volatile exchange rate, the company takes all possible steps to mitigate it by hedging of foreign exchange.

(xv) **Plant Location**

The company's plants are located at Meerut Road, Ghaziabad (U.P.) and Industrial Area, Pathredi, District Alwar (Rajasthan).

(xvi) **Investors' correspondence may be addressed to:**

The Company Secretary,
Shriram Pistons & Rings Ltd.
3rd Floor, Himalaya House,
23, Kasturba Gandhi Marg,
New Delhi - 110 001
Ph. 23315941, Fax: 23311203

CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of Shriram Pistons & Rings Ltd.

We have examined the compliance of conditions of corporate governance by Shriram Pistons & Rings Ltd. for the year ended on March 31, 2016 as stipulated in SEBI (Listing Obligations and Disclosure Requirements), 2015.

The compliance of conditions of corporate governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of corporate governance as stipulated in the above mentioned Listing Obligations and Disclosure Requirements.

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.

Place : New Delhi
Date : May 07, 2016

(Deepak Juneja)
Practicing Company Secretary
CP No. 4371



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ANNEXURE II TO DIRECTORS' REPORT REPORT ON MANAGEMENT DISCUSSION AND ANALYSIS

1. **Industry Structure and Development**

The domestic automobile market is dependent on the over all growth of the economy. While in 2015-16, Indian economy and especially the manufacturing sector started showing signs of recovery, for automotive industry, 2015-16 has been a mixed year.

Production of Heavy Commercial Vehicles (HCV) posted good growth of 28% and Light Commercial Vehicles (LCV) registered growth of 13%.

Production of Passenger Vehicles increased by 6% mainly due to increase in sales of small cars & utility vehicles.

Production of 2-wheelers increased marginally by 2%, mainly scooters.

Production of Small Commercial Vehicles declined by 1% in 2015-16.

However, production of tractors declined by 9% in 2015-16 on top of 10% decline in 2014-15, on account of weak agricultural performance.

2. **Opportunities and Threats**

Opportunities

Increased government focus on fast tracking Infrastructure projects, moderating inflation leading to lower Interest Rates, prediction of normal monsoon and higher disposable income due to implementation of recommendations of 7th Pay Commission are expected to result in better growth in the automotive industry in 2016-17.

The Company has diverse product portfolio, spread across all market segments i.e. OEMs and After market, both in domestic and export markets and across all vehicle segments i.e. Commercial Vehicles, Cars, Two Wheelers, Tractors and Stationary Engines. Therefore, the Company is well positioned to take advantage of the growth in demand in various vehicle and customer segments.

The company is targeting to achieve higher growth rate than industry growth in 2016-17, based on new business acquired from key OEMs and increased focus on Aftermarket, both Domestic & Exports.

Threats

The Company is taking several concrete and time-bound steps to meet the changing expectations of customers, specially cost reduction and improved productivity across the organisation.

Ambiguity in regulations on Diesel Cars, delay in passage of key bills like GST Bill in the Parliament may lead to continuation of uncertain consumer sentiment, which may impact the growth of automobiles in domestic market.

Adverse and volatile exchange rates could also impact profits of the company in the coming year, although the company is taking all possible steps to mitigate such risk.

Plan of Government to promote adoption of hybrid and full electric vehicles cars in the country may impact the usage of Internal Combustion Engines, possibly in the next 10-20 years.

3. **Segment-wise/ Product-wise performance**

The Company deals principally in only one segment i.e. automotive components. Therefore, segment-wise performance is not applicable.

4. **Outlook**

Despite a slowdown in the global economy, medium to long-term prospects for growth of automobile sector in India are reasonably good. There is huge latent demand for personal mobility, especially among the growing young population. This bodes well for sustained and long-term growth in sale of Passenger Vehicles and 2-Wheelers.

The Government is giving increased focus on improving the highways infrastructure; this is expected to lead to higher demand for Commercial Vehicles. The Government is also considering a plan for scrapping of old commercial vehicles, to reduce pollution and accidents. This would give further fillip to demand for Commercial Vehicles.

After two years of deficit rainfall, it is predicted that monsoon will be normal in the current year. This should improve the demand for Tractors.

All in all, the short term and medium term outlook for automotive sector in India is moderately positive. However, aftermarket exports of Company's products are becoming increasingly difficult due to slowdown in oil price dependant export markets such as Egypt, Nigeria, Iran, Middle East, etc.

5. **Risk & Concerns**

There is lack of clarity in the policy regarding sale of diesel vehicles, particularly in metro cities, like Delhi. Also, there is continuous debate regarding increase in pollution and whether there should be disincentive for ownership of cars. This is creating uncertainty in the mind of consumers, affecting demand.

Simultaneously, State-run Public Transport Undertakings have not been able to make the required investment to meet the growing requirement for mobility within and across cities. And while the general forecast is for normal rainfall this year, there is already a crisis building up in the rural economy due to shortage of water, which can have socio-political and economic consequences, affecting the demand for automobiles.

Notwithstanding the above, the medium to long term outlook for the automotive sector remains good, with many global OEMs making further investments to serve the expected demand in the future and also for exports.

Customers, particularly OEMs continue to demand lower prices in spite of increasing costs; retaining the current operating margins in the face of growing competition is a major management challenge.

Competition from low cost producing countries like China is impacting sales of the company, particularly in the Aftermarket segment.

The company has developed and implemented risk mitigation plan by being present across all market segments – OEMs and Aftermarket, both in domestic and export markets across all vehicle segments to optimise plant utilisation and through its continuous drive for cost reduction.

The management is of the opinion that while risk factors could impact the profits and profitability of the company, these shall not threaten the existence of the company.

6. Internal Control Systems & their adequacy

The Company has an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting is operating effectively which provide reasonable assurance regarding all financial and operating functions and compliance with statutory provisions.

The Company has an internal audit section besides an external firm which is carrying out internal audits. The internal auditors' reports are regularly reviewed by Senior Management and Audit Committee of the Board for its implementation and effectiveness.

The Company endeavours to constantly upgrade internal controls and periodic evaluation of the same is being undertaken.

Company has in place adequate system to periodically assess various risks, its likelihood and impact and an action plan to pro-actively mitigate the impact of various risks.

7. Financial/Operational performance

Net sales of the Company during the year ended 31st March, 2016 were Rs.13929.60 Million (increase of 12% over last year).

Net profit (PAT) of the Company during the year ended 31st March, 2016 was Rs. 927.29 Million (increase of 62% over last year).

Earnings per share increased from Rs. 25.62 in 2014-15 to Rs. 41.44 in 2015-16.

8. Human Resources / Industrial Relations

The Management considers people as its key resource and provides development opportunities through various training and welfare programs for employees and their families.

Continuous steps are undertaken for maintaining excellent industrial relations which are helping to strengthen cordial relations with employees and motivate them to contribute to the growth of the Company.

Dignity, respect, fairness, transparency and opportunity for growth for all employees are the key values of the Company and these are being reinforced continuously, through many initiatives.

During the year, one complaint was received by the Internal Complaint Committee formed under The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 which was resolved satisfactorily.

9. Cautionary Statement

Statements in the Management Discussion and Analysis Report describing the Company's objectives, projections, estimates, expectations may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could vary materially from those expressed or implied. Important factors that could make a difference to the Company's operations include, among others, economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the Government regulations, tax laws and other statutes and incidental factors.



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**ANNEXURE III TO DIRECTORS' REPORT
REPORT ON CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN
EXCHANGE EARNING AND OUTGO
[PARTICULARS REQUIRED UNDER THE COMPANIES (ACCOUNTS) RULES, 2014]**

A. Conservation of Energy

1. Energy Conservation measures taken during the year:

Energy conservation is an environmentally sustainable and economically viable process and has been a priority focus area for the Company. Following measures were taken during the year:

At Ghaziabad:

- i) Reusing of water treated by Effluent Treatment plant.
- ii) Reducing distribution losses of C.I. Foundry & other areas in Electrical Power through re-routing of power cables.
- iii) Replacement of old & inefficient motors by new energy-efficient motors to reduce power consumption.
- iv) Shifting of existing Capacitor Banks to Load end to reduce distribution losses.
- v) Reduction in HSD consumption in D.G. Sets by installing Magnetic Fuel Conditioner to improve Fuel Efficiency.
- vi) Eliminating Waste Coolant disposal cost through processing in Coolant Treatment Plant.
- vii) Replacing old water circulation water Pumps by new Energy Efficient Pumps.
- viii) Replacement of conventional light with LED lights.
- ix) Installation of energy saving drives on motors.
- x) Energy audit by CII for generating new energy saving ideas.

At Pathredi:

- i) Arranging VFD control of compressor motor of Nitrogen Plant for operation in synchronisation with actual requirement of Nitrogen consumption in Plants as well as for elimination of frequent wasteful idling of compressor during lean periods.
- ii) Optimisation of energy consumption on compressors by taking various initiatives.
- iii) Arranging VFD control of bore-well pumps with on-line linear feedback from respective level controllers, to control rpm of each pump in relation to water level in the storage tank.
- iv) Modification of hydraulic power pack electrical circuits for allowing hydraulic power pack to run only during dressing cycle of regulating wheel.
- v) Converting axial flow exhaust fans from Star-Delta connection to permanent Star connection.
- vi) Use of only LED lights for all further expansion areas in the factory.

2. Steps taken by company to utilize alternate sources of energy:-

At Ghaziabad:

- i) Replacement of LPG with CNG, which is a cleaner fuel.
- ii) Installation of Solar power roof top system is being considered.

At Pathredi:

- i) Meticulous procurement of specified REC's (Renewable Energy Certificates) against obligated requirement of Open Access power purchase as well as own captive power usage (through D/G sets), as per requirement.
- ii) Proposed installation of suitable capacity solar PV power plant for 100% preferential use, before grid / D/G power, during daylight hours.

3. Impact of the above measures: –

These measures have resulted and will lead to further improvement in energy efficiency, and reduction in cost of production.

4. Capital Investment on energy conservation equipments: – Rs. 18.18 Million

B. Technology Absorption

1. Efforts, in brief, made towards technology absorption:-

- Continuous interaction with Collaborators for upgrading design & quality of products manufactured and to enhance technical expertise for in-house design and development.
- Visit of our engineers to Collaborators' plants and visit of Collaborators' engineers to our Plant for transfer of technology and latest production processes as per Collaborators' practice.
- Visit of key R&D personnel of collaborators to OEMs for technical presentations & support.

2. Benefits derived as a result of the above effort:-
 - Product design & quality improvement and cost reduction were achieved through improved design/process capability and better utilization of Plant.
 - Building trust & long term business relation with customers to emerge as 'preferred supplier'.
3. Imported technology:-
 - Technology is being continuously received from Technical collaborators viz. M/s KS Kolbenschmidt GmbH, Germany, M/s Honda Foundry, Japan, M/s Riken Corporation, Japan and M/s Fuji Oozx, Japan under subsisting Technical Collaboration Agreements for manufacture of Pistons, Piston Rings and Engine Valves.

Details of technology imported during last three years:

S. No.	Details of technology imported	Year of import	Whether technology has been fully absorbed	Reason for non-absorption of technology, if any
Pistons:				
1	New Piston Alloy	2014-15	Yes	
2	KS Lite3	2015-16	Yes	
3	Piston Pin Bore Bushing	2015-16	On going	Under implementation
Rings:				
1	Coating to avoid micro welding	2013-14	Yes	
Engine Valves:				
1	Engine valve temperature measurement through			
	i) Hardness Survey	2014-15	Yes	
	ii) Thermocouples	2014-15	On going	Under trial

4. Expenditure on R & D:-

- Capital/Intangible : Rs. 41.82 Million
- Recurring : Rs. 121.08 Million
- Total : Rs. 162.90 Million
- Total R&D expenditure as percentage of total turnover 1.16%

C. Foreign Exchange Earnings & Outgo

1. Exports:-

- Exports continue to remain focus area for the Company. The company made exports worth Rs. 2382 Million in the year as compared to Rs. 2156 Million in the previous year.
- We participated in domestic and international auto trade fairs. Response to company's products was very encouraging resulting in several fresh enquiries from customers.
- Several initiatives have been taken for long term growth of Company's export to global OEMs and in the Aftermarket, in close coordination with our collaborators.
- Development of new markets in Indian sub-continent for export of company's products commenced during the year. New models have been added to the product range for several markets.
- Company is planning further growth of over 20% in 2016-17.

2. **Foreign Exchange earned** - **Rs. 2382.44 Million**
- Foreign Exchange utilized** - **Rs. 1879.52 Million**

**SHRIRAM****ANNEXURE IV TO DIRECTORS' REPORT****DATA OF EMPLOYEES****[UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014]****1. PARTICULARS OF EMPLOYEES:**

Name	Designation/ Duties	Remuneration (Rs.)	Qualification	Experience (Years)	Commence- ment of Employment	Age (Years)	%age of Equity Shares held	Last Employment Held
Naveen Agarwal	Dy. Executive Director and Alternate Company Secretary	90,85,135	B. Com(H), LLB, ACMA, ACS	37	Jun. 96	55	0.00002	Dy. General Manager, Jay Engineering Works Ltd., Delhi
Anil Gadi*	Executive Director	61,89,200	B.E., PGDM	39	Mar. 06	63	-	Managing Director, Energiser Lanka Ltd., Srilanka
V.K. Jayaswal	Executive Director	1,28,83,540	B. Sc. (Engg.), PGDBM	38	Oct. 08	61	-	Director, JV Relationship, Tata Cummins Ltd., Jamshedpur
Sandeep Kalia#	Dy. Executive Director	55,80,843	B.E., Advance Dip. in Mgmt., Dip. In Finance Mgmt.	32	July 15	53	-	Director (Member of Board of Director), Musashi Auto Parts India Pvt. Ltd.
Devendra Mishra	Executive Director	1,17,89,277	B.E., PGPM	28	Jul. 11	51	-	VP-Manufacturing, National Engineering Industries, Jaipur
Rajan Nanda*	Dy. Executive Director	55,45,589	B E (M), MBA	25	June 15	46	-	Head Key Account Management, Schaeffler India, Pune
Vinod Raheja	Dy. Executive Director and CFO	89,87,114	B Com., CA	23	Feb. 15	47	-	Vice President-JCB India Limited, Faridabad
Luv D. Shriram*	Wholetime Director	2,87,52,400	B.Com	23	May 14	44	29.8 [§]	Managing Director, Shriram Veritech Solutions Pvt. Ltd., Delhi
Arun Shukla	Dy. Executive Director	88,76,070	B. Tech	29	Aug 09	51	-	Uniparts India Ltd., Delhi
R. Srinivasan*	Joint Managing Director & Company Secretary	2,68,12,174	B.Com(H), LLB, FCMA, FCS, AMP (Harvard)	43	Feb. 74	64	0.01	ET, Usha Sales Pvt. Ltd, Delhi
A.K. Taneja*	Managing Director & CEO	3,50,04,473	B.Tech	44	Apr. 78	65	0.0002	Dy. Mktg. Manager, Usha Sales Pvt. Ltd., Delhi

Notes:

1. Year of experience include experience prior to joining the Company.
2. All employees are on regular employment.
3. Remuneration includes payment of Salaries, allowances, expenses on perquisites and contribution to provident fund, gratuity fund, superannuation fund & other benefits on payment basis.
4. * Employees on Contract.
5. # Worked for part of the year.
6. § Shri Luv D. Shriram (First named shareholder) and Smt. Meenakshi Dass (Second named shareholder) jointly hold 14.9% shares of the Company on behalf of Deepak Shriram Family Benefit Trust. Smt. Meenakshi Dass (First named shareholder) and Shri Luv D. Shriram (Second named shareholder) jointly hold 14.9% shares of the Company on behalf of Deepak Shriram Family Benefit Trust.
7. There was no employee who was in receipt of remuneration which, in the aggregate, is in excess of that drawn by the Managing Director or Whole Time Director and holds by himself or along with his/ her spouse and dependent children, not less than 2% equity shares of the company.

2. VARIATIONS IN THE NET WORTH OF THE COMPANY:

Net worth as on 31.03.2016: Rs. 6891.65 Million

Net worth as on 31.03.2015: Rs. 6072.09 Million



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ANNEXURE V TO DIRECTORS' REPORT

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2016

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

- i) CIN: L29112DL1963PLC004084
- ii) Registration Date: 9th December, 1963
- iii) Name of the Company: Shriram Pistons and Rings Limited
- iv) Category/Sub-Category of the Company: Company having Share Capital
- v) Address of the Registered office and contact details:
R. Srinivasan
Joint Managing Director and Company Secretary
Shriram Pistons and Rings Ltd.
3rd Floor, Himalaya House,
23, Kasturba Gandhi Marg,
New Delhi – 110001
Ph: +91-11-23315941
Fax: +91-11-23311203
- vi) Whether listed company Yes / No: No. Company's equity shares were listed on 'Delhi Stock Exchange'. SEBI, vide its order dated 19.11.2014 has withdrawn recognition of 'Delhi Stock Exchange'. Accordingly, Company's shares cease to be listed and have been moved to 'Dissemination Board' of Bombay Stock Exchange (BSE) for facilitating dealing in Company's shares.
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any:
Mr. J.K. Singla
M/s Alankit Assignments Limited
205-208, Anarkali Complex, Jhandewalan Extension,
New Delhi-110055
Ph: +91-11- 42541234
Fax: +91-11- 42541201

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

SI. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Pistons, Piston Pins, Piston Rings and Engine Valves	2811	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES–

S. No.	Name and Address of The Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1	SPR International Auto Exports Limited 23, Kasturba Gandhi Marg, New Delhi – 110001 Ph: +91-11-23315941 Fax: +91-11-23311203	U51909DL2005 PLC136329	Subsidiary Company	100	2 (87) of the Companies Act, 2013



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IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total equity)

i) Category-wise Shareholding

Category of Shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	-	7912455	7912455	35.36	-	7912455	7912455	35.36	NIL
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	2778157	2778157	12.42	-	2778157	2778157	12.42	NIL
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total A (1):-	-	10690612	10690612	47.78	-	10690612	10690612	47.78	NIL
(2) Foreign									
a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
b) Other-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total A (2):-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-
Shareholding of Promoters	-	10690612	10690612	47.78	-	10690612	10690612	47.78	NIL
A = A(1)+A(2)									



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Category of Shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	2318758	-	2318758	10.36	2318758	-	2318758	10.36	NIL
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others	-	-	-	-	-	-	-	-	-
Sub-total B (1):-	2318758	-	2318758	10.36	2318758	-	2318758	10.36	NIL
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	48	-	48	0.0002	168	-	168	0.0008	0.0006
ii) Overseas	-	9167031	9167031	40.97	-	9167031	9167031	40.97	NIL
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	51731	51932	103663	0.46	56529	47014	103543	0.46	(0.0006)
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	94800	94800	0.42	-	94800	94800	0.42	NIL
c) Others	-	-	-	-	-	-	-	-	-
Sub-total B (2):-	51779	9313763	9365542	41.86	56697	9308845	9365542	41.86	NIL
Total Public Shareholding									
B = B(1)+B(2)	2370537	9313763	11684300	52.22	2375455	9308845	11684300	52.22	NIL
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	2370537	20004375	22374912	100	2375455	19999457	22374912	100	NIL



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(ii) Shareholding of promoters

Sl. No.	Name of Shareholders	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	
1	Smt. Meenakshi Dass & Shri Luv D. Shriram*	3335668	14.91	-	3335668	14.91	-	NIL
2	Shri Luv D. Shriram & Smt. Meenakshi Dass*	3335668	14.91	-	3335668	14.91	-	NIL
3	Smt. Meenakshi Dass	1240176	5.54	-	1240176	5.54	-	NIL
4	Shri Deepak C. Shriram	943	0.004	-	943	0.004	-	NIL
5	Sarva Commercial Pvt. Ltd.	1062561	4.75	-	1062561	4.75	-	NIL
6	Sera Com Pvt. Ltd	946040	4.23	-	946040	4.23	-	NIL
7	Manisha Commercial Pvt. Ltd	664936	2.97	-	664936	2.97	-	NIL
8	Shabnam Commercial Pvt. Ltd	102320	0.46	-	102320	0.46	-	NIL
9	Charat Ram Shriram Pvt. Ltd	2300	0.01	-	2300	0.01	-	NIL
	Total	10690612	47.78	-	10690612	47.78	-	NIL

*: Shares held as Trustees on behalf of Deepak Shriram Family Benefit Trust

(iii) Change in Promoters' Shareholding:

There was no change in promoters' shareholding during the year

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

S. No.	Name of Shareholders	Shareholding at the beginning of the year		Changes during the year		Shareholding at the end of the year	
		Nos. of shares	% of total shares of the company	Nos. of shares	% of total shares of the company	Nos. of shares	% of total shares of the company
1	Riken Corporation	4692057	20.97	NIL	-	4692057	20.97
2	KS Kolbenschmidt GmbH	4474974	20.00	NIL	-	4474974	20.00
3	National Insurance Company Ltd	1427232	6.38	NIL	-	1427232	6.38
4	Life Insurance Corporation of India	891526	3.98	NIL	-	891526	3.98
5	Shri Vijay Kumar Sindhwani and Smt. Urmila Dongre (as Trustees of Chinar Trust)*	48000	0.21	NIL	-	48000	0.21
6	Shri Sanjiv Dass and Shri Subodh Verma (as Trustees of Mansarover Trust)	23400	0.10	NIL	-	23400	0.10
7	Shri Subodh Verma and Shri Sanjiv Dass (as Trustees of Mansarover Trust)	23400	0.10	NIL	-	23400	0.10
8	Shri Mahendra Kumar Goyal	9600	0.04	NIL	-	9600	0.04
9	Shri Rajni Kantilal Sanghvi	9600	0.04	NIL	-	9600	0.04
10	Shri Deepak Wahal	9000	0.04	NIL	-	9000	0.04

*Note: During the year, there was change in trustees due to demise of previous trustees of the trust.



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(v) Shareholding of Directors and Key Managerial Personnel:

S. No.	Name of Shareholders	Shareholding at the beginning of the year		Changes during the year		Shareholding at the end of the year	
		Nos. of shares	% of total shares of the company	Nos. of shares	% of total shares of the company	Nos. of shares	% of total shares of the company
1	Smt. Meenakshi Dass and Shri Luv D. Shriram*	3335668	14.91	NIL	-	3335668	14.91
2	Shri Luv D. Shriram and Smt. Meenakshi Dass*	3335668	14.91	NIL	-	3335668	14.91
3	Smt. Meenakshi Dass	1240176	5.54	NIL	-	1240176	5.54
4	Shri Ashok Kumar Taneja	48	0.0002	NIL	-	48	0.0002
5	Smt. Usha Srinivasan & Shri R. Srinivasan	3236	0.014	NIL	-	3236	0.014
6	Shri Naveen Agarwal	4	0.00002	NIL	-	4	0.00002

*Shares held as Trustee of Deepak Shriram Family Benefit Trust.

V. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Rs./ Million)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	2700.54	-	399.66	3100.20
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	31.78	-	43.60	75.38
Total (i+ii+iii)	2732.32	-	443.26	3175.58
Change in Indebtedness during the financial year				
• Addition	-	-	80.96	80.96
• Reduction	778.56	-	1.84	780.40
Net Change	(778.56)	-	79.12	(699.44)
Indebtedness at the end of the financial year				
i) Principal Amount	1933.66	-	480.63	2414.29
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	20.10	-	41.75	61.85
Total (i+ii+iii)	1953.76	-	522.38	2476.14



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VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

i. Remuneration to Managing Director and Whole-time Directors

(Rs./ Million)

S . No.	Particulars	Shri A.K. Taneja	Shri R. Srinivasan	Shri Luv D. Shriram	Total
		Managing Director & CEO	Joint Managing Director & Company Secretary	Whole Time Director	
1	Gross Salary				
a)	Salary	6.00	4.80	5.95	16.75
b)	Value of Perquisites	4.44	3.49	3.54	11.47
c)	Profit in lieu of salary	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission – as %age of profit	22.65	16.99	19.26	58.90
5	Others - Company's contribution to funds	1.91	1.53	0.002	3.44
	Total	35.00	26.81	28.75	90.56
	Ceiling as per the Act	71.94	71.94	71.94	143.87

ii. Remuneration to other Directors:

(Rs./ Million)

1. Independent Directors			
Name of Independent Director	Sitting Fees	Profit Commission	Total
Shri O.P. Khaitan	0.40	0.70	1.10
Shri Ravinder Narain	0.55	0.70	1.25
Shri C.Y. Pal	0.40	0.70	1.10
Shri Inderdeep Singh	0.60	0.70	1.30
Shri Toru Suzuki	0.20	0.70	0.90
Total	2.15	3.50	5.65
2. Other Non-Executive Directors			
Name of Non-Executive Director	Sitting Fees	Profit Commission	Total
Shri Pradeep Dinodia	0.65	8.63	9.28
Shri Hari S. Bhartia	0.05	0.10	0.15
Smt. Meenakshi Dass	0.20	0.70	0.90
Dr. Alexander Sagel	-	0.10	0.10
Dr. Peter Neu (Alternate Director to Dr. Alexander Sagel)	0.05	-	0.05
Shri M. Sekimoto	0.20	0.70	0.90
Shri Noritada Okano (Alternate Director to Shri M. Sekimoto)	-	-	-
Total	1.15	10.23	11.38
Total Remuneration paid to Independent and Other Non-Executive Directors	3.30	13.73	17.03
Overall ceiling as per the Act		14.39	
Notes:			
1. Shri O.P. Khaitan, Independent Director of the Company, passed away on 06 th December, 2015.			
2. Shri Toru Suzuki was appointed as Director in casual vacancy caused consequent to resignation of Shri Tokuo Washio.			



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iii. Remuneration to Key Managerial Personnel other than MD/WTD:

(Rs./ Million)

S. No.	Particulars	Shri Naveen Agarwal	Shri Vinod Raheja	Total
		Alternate Company Secretary	Chief Financial Officer	
1	Gross Salary			
a)	Salary	2.16	2.16	4.32
b)	Value of Perquisites	1.72	1.63	3.35
c)	Profit in lieu of salary	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission – as %age of profit	4.51	4.51	9.02
5	Others - Company's contribution to funds	0.69	0.69	1.38
	Total	9.08	8.99	18.07

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty					
Punishment		No such penalty was imposed on the Company during 2015-16.			
Compounding					
B. DIRECTORS					
Penalty					
Punishment		No such penalty was imposed on the Directors during 2015-16.			
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment		No such penalty was imposed on other Officers during 2015-16.			
Compounding					



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ANNEXURE VI TO DIRECTORS' REPORT

REPORT ON CSR ACTIVITIES UNDERTAKEN BY THE COMPANY IN 2015-16

I. A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes.

CSR Policy is given in Annexure VI-A. It is also available on the weblink:
<http://www.shrirampistons.com/csr-policy.asp?links=inv1e>

II. Composition of the CSR Committee:

- Shri Pradeep Dinodia (Chairman)
- Shri Inderdeep Singh
- Smt. Meenakshi Dass
- Shri A.K. Taneja
- Shri Luv D. Shriram

III. Average net profit of the Company for last three financial years:

Average net profit: Rs. 912.9 Million

IV. Prescribed CSR Expenditure (two percent of the amount as in item III above):

The Company is required to spend Rs. 32.38 Million towards CSR covering Rs. 18.26 Million towards 2015-16 and Rs. 14.12 Million towards unspent amount of 2014-15.

V. Details of CSR spend for the financial year:

a. Total amount spent for the financial year:

Rs. 18.51 Million

b. Amount unspent, if any:

Rs. 13.87 Million

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

S. No.	CSR Projects or activities identified	Sector in which the project is covered	Projects or Programs		Amount Outlay (Budget) project or programme wise (Rs./ Million)	Amount spent on the projects or programmes		Cumulative Expenditure upto the reporting period (Rs./ Million)	Amount Spent: Direct or through implementing agency
			Local area/ Other	Location District (State)		Direct expenditure on projects or programmes (Rs./ Million)	Over-heads (Rs./Million)		
1	School Facilities Augmentation	Education	Local area	Ghaziabad, (U.P) and Pathredi (Rajasthan)	4.40	1.50	-	3.43	All amount was spent directly
2	Vocational Training		Local area	Ghaziabad, (U.P.) and Pathredi (Rajasthan)	5.68	0.57	-	0.65	
3	Hospital Services Augmentation	Healthcare	Local area	Ghaziabad, (U.P.)	5.00	5.00	-	5.00	
4	Charitable Dispensaries		Local area	Ghaziabad, (U.P.) and Pathredi (Rajasthan)	12.50	3.24	-	4.69	
5	Health Check-up/ Yoga Camps		Local area	Ghaziabad, (U.P.) and Pathredi (Rajasthan)	1.64	0.79	-	1.12	
6	Preventive Healthcare Program		Local area	Pathredi, (Rajasthan)	0.17	0.14	-	0.17	



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S. No.	CSR Projects or activities identified	Sector in which the project is covered	Projects or Programs		Amount Outlay (Budget) project or programme wise (Rs./ Million)	Amount spent on the projects or programmes		Cumulative Expenditure upto the reporting period (Rs./ Million)	Amount Spent: Direct or through implementing agency
			Local area/ Other	Location District (State)		Direct expenditure on projects or programmes (Rs./ Million)	Over-heads (Rs./Million)		
7	Provision for Drinking Water	Environment Preservation	Local area	Ghaziabad, U.P and Pathredi (Rajasthan)	3.09	2.59	-	2.59	All amount was spent directly
8	Plantation of trees		Local area	Ghaziabad, U.P and Pathredi (Rajasthan)	3.30	1.02	-	1.91	
9	Development of Nagar Palika Park		Local area	Pathredi, Rajasthan	1.48	0.61	-	1.36	
10	Rain Water Harvesting		Local area	Pathredi, Rajasthan	1.78	-	-	-	
11	Pollution Check Up Camps		Local area	Pathredi, Rajasthan	0.27	0.13	-	0.16	
12	Building of toilets	Sanitation	Local area	Ghaziabad, U.P and Pathredi (Rajasthan)	7.64	2.77	-	2.86	
13	Rural Development Projects	Rural Development	Local area	Pathredi, Rajasthan	1.14	0.15	-	1.14	
Total Amount					48.09	18.51	-	25.08	

VI. Reasons for not spending 2% of the average net profits of last three financial years or any part thereof:

Unspent amount will be incurred in 2016-17.

VII. Responsibility Statement by CSR Committee:

We hereby certify that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and Policy of the company.

Place : New Delhi
Date : May 07, 2016

(A.K. Taneja)
Managing Director & CEO

(Pradeep Dinodia)
Chairman CSR Committee



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ANNEXURE VI-A

CSR POLICY

1. CSR Policy

- i) SPR's policy is to conduct its business responsibly and improve the quality of life of people, especially in the society close to our area of operation, while creating long term value for all stake holders.
- ii) The above policy is applicable for all CSR projects/programmes undertaken by the company.

2. CSR Activities

- i) The company shall take up CSR projects and programmes that are listed under Schedule VII of the Companies Act, 2013.
- ii) The company will take up CSR projects and programmes in the following areas:-
 - a) Education
 - b) Health Care
 - c) Sanitation
 - d) Environment
 - e) Any other areas as approved by the CSR Committee/ Board
- iii) Projects aimed at persons from disadvantageous background or persons who are differently abled will have priority.
- iv) Based on the recommendation by the CSR Committee to the Board every year, the Board shall consider and approve the CSR plan for the year. Wherever required, the Board may also approve plan for specific projects for more than one year.

3. CSR Budget

- i) Every year, the company is required to spend atleast 2% of the net profits made by the company during immediately preceding 3 financial years.
- ii) Any surplus arising out of CSR activities shall not form part of business profits of the company and shall form part of CSR corpus.

4. Implementation

- i) A Central Department will be created for implementing CSR activities across the company. The CSR Department will be headed by Shri R.B. Sharma supported by adequate personnel.
- ii) The CSR activities will be implemented, in any of the following manner:-
 - a) Directly
 - b) Collaborating with various organisations, which are registered as a Trust or a Section 8 company or Society or NGO or any other entity specialising in CSR activity.
 - c) Collaborating with other companies or industry bodies like CII, FICCI, etc.
 - d) Contributing to various funds permitted under the Companies Act, 2013.
- iii) The CSR activities shall be carried out in a transparent and time bound manner.

5. Monitoring

- i) After the CSR plan is approved by the Board, the CSR cell will take steps for implementation of the CSR activities.
- ii) The progress on implementation of CSR activities will be reviewed by a Committee under the Chairmanship of Managing Director, on quarterly basis.
- iii) The CSR Committee shall review the progress on implementation of CSR activities on annual basis and submit progress report to the Board.

6. General

All or any provisions of this policy would be subject to revision/ amendment by the Board of Directors of the Company based on the recommendations of CSR Committee or else in accordance with the guidelines on the subject as may be issued, from time to time.



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ANNEXURE VII TO DIRECTORS' REPORT

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31st March, 2016

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,

M/s Shriram Pistons and Rings Limited
Third Floor, Himalaya House,
23, Kasturba Gandhi Marg,
New Delhi-110001

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practice by M/s Shriram Pistons and Rings Limited (herein after called the Company). Secretarial audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2016 complied with the statutory provisions listed hereunder and also that the company has proper Board-process and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minutes books, forms and returns filed and other records maintained by M/s Shriram Pistons and Rings Limited for the financial year ended on 31st March, 2016 according to the provision of :

- I. The Companies Act, 2013 (the Act) and the rules made thereunder;
- II. The Securities Contracts (Regulations) Act, 1956 ('SCRA') and the rules made thereunder;
Not applicable as the Company has not issued any securities during the financial year under review
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- IV. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
Not applicable as the Company has not raised any funds under External Commercial Borrowing and there is no Foreign Direct Investment and/or Overseas Direct Investment during the financial year under review
- V. Although the company's shares are not listed on any stock exchange as on date, the company has complied with Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI ACT') viz:-
 - i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011;
 - ii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - iii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2009;
Not applicable as the Company has not issued any securities during the financial year under review
 - iv. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
Not applicable as the Company has not issued any securities during the financial year under review
 - v. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
Not applicable as the Company has not issued any securities during the financial year under review



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- vi. The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with Client;
 - vii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; Not applicable as the Company has not delisted its securities from any stock exchange during the financial year under review, and
 - viii. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; Not applicable as the Company has not bought back any of its securities during the financial year under review.
- VI. The laws applicable specifically to the Company are as under:
1. Factories Act, 1948;
 2. Industrial Dispute Act, 1947;
 3. The Payment of Wages Act, 1936;
 4. The Minimum Wages Act, 1948;
 5. Employees' State Insurance Act, 1948;
 6. The Employees' Provident Fund and Misc. Provision Act, 1952;
 7. The Payment of Bonus Act, 1965;
 8. The Payment of Gratuity Act, 1972;
 9. The Hazardous Waste (Management, Handling & Transboundary Movement) Rules, 2008;
 10. The Water (Prevention and Control of Pollution) Act, 1974;
 11. The Air (Prevention and Control of Pollution) Act, 1981.

We have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by the Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provision of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exist for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decisions are carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that

The Company has taken adequate steps to comply with the requirements of SEBI's order dated 19th Nov. 2014. The company has made an application for listing of its shares with National Stock Exchange and the approval is awaited.

(Deepak Juneja)
Practicing Company Secretary

Place : New Delhi

FCS No. 6895

Date : May 06, 2016

CP No. 4371



To,
The Members,

M/s Shriram Pistons and Rings Limited
Third Floor, Himalaya House,
23, Kasturba Gandhi Marg,
New Delhi-110001

Our Secretarial Audit report of even date is to be read along with this letter.

Management's Responsibility

1. It is the Responsibility of the management of the Company to maintain secretarial records, device proper system to ensure compliance with the provision of all applicable laws and regulations and to ensure that the system are adequate and operate effectively.

Auditor's Responsibility

2. My responsibility is to express an opinion on these secretarial records, system, standards and procedures based on our audit.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of event etc.
5. The Compliance of the provision of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our Examination was limited to the verification of procedures on test basis.

Disclaimer

6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

(Deepak Juneja)
Practicing Company Secretary

Place : New Delhi
Date : May 06, 2016

FCS No. 6895
CP No. 4371



SHRIRAM

ANNEXURE-VIII TO DIRECTORS' REPORT

NOMINATION & REMUNERATION POLICY

1. Definition

- i) **Key Managerial Personnel (KMP) means –**
 - a) Managing Director, or Chief Executive Officer or Manager
 - b) Company Secretary,
 - c) Whole Time Director (WTD),
 - d) Chief Financial Officer (CFO), and
 - e) Such other officer as may be prescribed
- ii) **Senior Management Personnel (SMP)** of the company are the members of its core management team, excluding Board members, and comprising of members of management one level below the Board, being the functional heads.

2.1 Appointment & Removal of Directors

- i) The members of the Board shall be of high integrity and have the expertise and experience to ensure that Board takes appropriate decisions in the best interest of the company. The composition of the Board shall be made considering diverse functions in the fields of Marketing, Manufacturing, Finance, Legal, Governance and General Management.
- ii) The Nomination & Remuneration (N&R) Committee shall consider following attributes/criteria while recommending appointment of any person as Director to the Board -
 - a) Integrity, qualification, expertise, experience and insights in the industry of the member to contribute to company's vision/ growth
 - b) Personal, Professional or business standing
 - c) Maintain diversity of the Board to supplement skills in relation to other Board members.
- iii) In case of appointment of Independent Directors, the N&R Committee shall satisfy itself with regard to the independent nature of the Directors vis-à-vis the Company so as to enable the Board to discharge its function and duties effectively.
Appointment of Independent Directors as prescribed under the Companies Act would be complied with.
- iv) In case of re-appointment of Directors, the Board shall take into consideration the performance evaluation of the Director and his/her engagement in Board level and contribution to the operations of the company.
- v) In case a Director need to be removed, in terms of the provisions of the Companies Act, 2013 and the rules made thereunder or any other applicable provisions or for any other reasons in the best interest of the company, the N&R Committee may recommend removal of such Director to the Board with reasons recorded in writing.

2.2 Appointment & Removal of Key Managerial Personnel (Other than Managing Director and Whole Time Director) and Senior Management Personnel

- i) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as KMP (other than Managing Director and WTD) or SMP and recommend his/her appointment to the Audit Committee/Board, as the case may be.
- ii) In case a KMP/SMP need to be removed, in terms of the provisions of the Companies Act, 2013 and the rules made thereunder or for any other reasons in the best interest of the company, the N&R Committee may recommend removal of such KMP/SMP to the Board with reasons recorded in writing.
- iii) KMP or SMP shall retire as per the prevailing policy of the Company. The Chairman of the Board may, if considered necessary, consult the members of N&R Committee and could retain them in the same position/ remuneration or otherwise, even after attaining the retirement age, in the best interest of the company.

3. Remuneration

The level and composition of remuneration shall be reasonable and sufficient to attract, retain and motivate Directors, KMPs, SMPs and employees at all levels. It shall be determined taking into account the factors such as company's performance and the remuneration structure as generally applicable in the industry (including similar industries/region).

3.1 Remuneration to Non-Executive Directors

The Non-Executive Directors shall be entitled to receive remuneration by way of sitting fees, reimbursement of expenses for participation in the Board/Committee meetings and commission as detailed here under:-

- i) Non-Executive Directors shall be entitled to receive sitting fees for each meeting of the Board or Committee of the Board attended by him, of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act/Rules.
- ii) In addition to the above, Non Executive Directors shall be entitled to commission on annual basis, within the limits as applicable under the Companies Act and the same shall be approved by the members of the Company.

The limit as currently applicable under the Companies Act is 1% of the net profits of the company and this shall be distributed between Non-Executive Directors as determined by the Board from time to time.

- iii) In addition to the remuneration as given under Item (i) and (ii) above, the Non-Executive Directors shall also be eligible for reimbursement of expenses in discharging such other additional functions/responsibilities which may be assigned to them. Reimbursement of above expenses shall not be treated as remuneration.

3.2 Remuneration to Managing Director/Wholetime Directors

- i) The remuneration/commission to be paid to Managing Director/ Wholetime Directors shall be governed as per provisions of the Companies Act, 2013 and rules made thereunder and the same shall be approved by the members of the company.
- ii) The N&R Committee shall while recommending appointment also recommend the remuneration structure applicable to Managing Director/Wholetime Directors, keeping in view the qualifications, experience and the remuneration structure as applicable in the industry.

The remuneration structure would maintain a balance between fixed pay and profit linked commission reflecting long term and short term objectives appropriate to the company's working and its goals.

- iii) Revision in salary within the Remuneration Structure/Pay Scale shall be approved by the N&R Committee.

3.3 Remuneration to Key Managerial Personnel (other than Managing Director & CEO and WTD) and Senior Management Personnel

The remuneration to Key Managerial Personnel (other than Managing Director & CEO and WTD) and Senior Management Personnel shall consist of fixed pay and profit linked incentive scheme considering their qualification and experience.

The Chairman of the company, in consultation with the members of N&R Committee, as considered necessary, shall finalise the structure of remuneration applicable to Key Management Personnel (other than Managing Director & CEO and WTD) and Senior Management Personnel.

3.4 Remuneration to other Employees

Remuneration to other employees shall be based on their qualification, competency and the roles and responsibilities in the company.

The remuneration structure for other levels of employees in the company shall be finalised by the Chairman or senior executives as may be delegated by the Chairman, as per Company policy/regulations.

ANNEXURE IX TO DIRECTORS' REPORT

Statement containing salient features of the financial statement of Subsidiaries/Associate Companies/Joint Ventures

Part "A": Subsidiaries

1.	Sl. No.:	1
2.	Name of the subsidiary:	M/s SPR International Auto Exports Limited
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period:	Not applicable as reporting period of holding and subsidiary company are same i.e. from 1 st April 2015 to 31 st March, 2016.
4.	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	: Not Applicable
5.	Share capital :	Authorised share capital : Rs. 50 lacs Paid-up share capital : Rs. 5 lacs
6.	Reserves & surplus	: Rs. (31,467)
7.	Total assets	: Rs. 4,78,072
8.	Total Liabilities	: Rs. 4,78,072
9.	Investments	: NIL
10.	Turnover	: Rs. 38,634
11.	Profit before taxation	: Rs. 22,314
12.	Provision for taxation	: Rs. 6,896
13.	Profit after taxation	: Rs. 15,418
14.	Proposed Dividend	: NIL
15.	% of shareholding	: 100%

-
- | | | |
|----|---|-----|
| 1. | Names of subsidiaries which are yet to commence operations: | NIL |
| 2. | Names of subsidiaries which have been liquidated or sold during the year: | NIL |

Part "B": Associates and Joint Ventures

This is not applicable, as there are no Associate Companies or Joint Venture Companies of the Company.

DECLARATION ON COMPLIANCE OF CODE OF CONDUCT

The Board of Directors have laid down a Code of Conduct to be observed and implemented by all Directors and Senior Management personnel of the Company in their official day-to-day activities, as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

All Board members and Senior Management personnel of the Company have affirmed to the Company that they have complied and implemented the Company's Code of Conduct in discharging their official day-to-day activities for the F.Y.E. March 31, 2016.

New Delhi
May 05, 2016

(A.K. TANEJA)
MANAGING DIRECTOR & CEO



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SHRIRAM PISTONS & RINGS LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **SHRIRAM PISTONS & RINGS LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act, as applicable.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order under section 143 (11) of the Act.

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards prescribed under section 133 of the Act, as applicable.
 - e) On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements-Refer Note 39 and 46(i) to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses -Refer Note 48 to the financial statements;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company-Refer Note 49 to the financial statements.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

Place : Gurgaon
Date : May 07, 2016

SHRIRAM PISTONS & RINGS LIMITED

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 015125N)

Vijay Agarwal
(Partner)
(Membership No. 094468)



ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of **SHRIRAM PISTONS & RINGS LIMITED** (“the Company”) as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place : Gurgaon
Date : May 07, 2016

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm’s Registration No. 015125N)

Vijay Agarwal
(Partner)
(Membership No. 094468)

**ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT****(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and the records examined by us in respect of immovable properties (leasehold land disclosed as fixed asset in the financial statements) whose title deeds have been pledged as security for loans, are held in the name of the Company based on the confirmation received by us from "IDBI bank" (custodian) on behalf of all the term loan and working capital loan lenders .
- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals other than for goods in transit for which subsequent receipts have been verified in most of the cases.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) The Company has not granted any loans, made investments or provided guarantees under Sections 185 and 186 of the Companies Act, 2013, hence, reporting under clause (iv) of CARO 2016 is not applicable.
- (v) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014, as amended, with regard to the deposits accepted. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal.
- (vi) We have broadly reviewed the cost records maintained by the company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to it to the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2016 for a period of more than six months from the date they became payable.
 - (c) There are no dues of Customs Duty which have not been deposited as on March 31, 2016 on account of disputes. Details of dues of Income-tax ,Sales tax , Service tax , Value Added Tax and Excise Duty which have not been deposited as on March 31, 2016 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount Involved* (Rs. in million)	Amount Unpaid (Rs. In million)
Income Tax Act, 1961	Income tax	Appellate authority upto Commissioners' level	2003-04, 2004-05 & 2013-14	4.72	-
Central Excise Act, 1944	Excise Duty	Customs, Excise & Service Tax Appellate Tribunal (CESTAT)	2010-11	0.35	0.33
Finance Act, 1994	Service Tax	Customs, Excise & Service Tax Appellate Tribunal(CESTAT)	2000-01 to 2004-05	48.90	48.90
Finance Act, 1994	Service Tax	Commissioner (Appeals)	2013-14	1.47	1.41
Central Sales Tax Act, 1956	Sales Tax	Appellate Tribunal	2005-06 to 2007-08	15.69	13.95
		Appellate authority upto Commissioners' level	2006-07, 2007-08, 2009-10, 2010-11 & 2012-13	0.58	0.34
Sales Tax Laws	Sales Tax / Value Added Tax	Appellate authority upto Commissioners' level	2004-05 to 2012-13	47.10	39.86
		Appellate Tribunal	1995-96, 2003-04, 2005-06, 2007-08 to 2011-12	0.34	0.25

*amount as per demand orders including interest and penalty wherever quantified in the order.



The following matters, which have been excluded from the table above, have been decided in favour of the Company but the department has preferred appeals at higher levels. The details are given below:

Name of Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount Involved* (Rs. in million)
Income Tax Act, 1961	Income tax	Income Tax Appellate Tribunal	2010-11, 2011-12 & 2012-13	11.01

*amount as per demand orders including interest and penalty wherever quantified in the order.

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions and banks. The Company has not taken any loan from government or has not issued any debentures.
- (ix) In our opinion and according to the information and explanations given to us, money raised by way of initial public offer/ further public offer (including debt instruments) were applied for the purposes for which those are raised. The Company has not raised amount by way of term loans during the year.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence, reporting under clause (xii) of CARO 2016 is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties during the year and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence, reporting under clause (xiv) of CARO 2016 is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under Section 45-I of the Reserve Bank of India Act, 1934 and hence, reporting under clause (xvi) of CARO 2016 is not applicable to the Company.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 015125N)

Vijay Agarwal
(Partner)
(Membership No. 094468)

Place : Gurgaon
Date : May 07,2016

**SHRIRAM****Balance Sheet as at March 31, 2016**

(Rupees in Million)

	Note No.	As at March 31, 2016	As at March 31, 2015
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	223.75	223.75
Reserves and surplus	4	6,667.90	5,848.34
		<u>6,891.65</u>	<u>6,072.09</u>
Non-current liabilities			
Long term borrowings	5	1,482.80	1,964.64
Deferred tax liabilities (net)	6	344.35	384.30
Other long term liabilities	7	11.86	13.37
Long term provisions	8	374.59	317.18
		<u>2,213.60</u>	<u>2,679.49</u>
Current liabilities			
Short term borrowings	9	185.21	217.62
Trade payables			
– Total Outstanding dues of micro and small enterprises	10	38.29	39.12
– Total Outstanding dues of creditors other than micro and small enterprises	10	1,843.98	1,381.12
Other current liabilities	11	1,158.05	1,394.03
Short term provisions	8	108.83	107.90
		<u>3,334.36</u>	<u>3,139.79</u>
	TOTAL	<u>12,439.61</u>	<u>11,891.37</u>
ASSETS			
Non-current assets			
Fixed assets			
– Tangible assets	12	6,245.23	6,658.32
– Intangible assets	13	21.48	8.84
– Capital work-in-progress		57.09	40.36
Non current investments	14	0.50	0.50
Long term loans and advances	15	177.07	185.31
Other non current assets	16	96.03	83.95
		<u>6,597.40</u>	<u>6,977.28</u>
Current assets			
Current investment	14	175.00	–
Inventories	17	2,083.47	2,156.07
Trade receivables	18	2,225.23	2,163.98
Cash and cash equivalents	19	1,003.88	290.24
Short-term loans and advances	15	221.93	184.44
Other current assets	16	132.70	119.36
		<u>5,842.21</u>	<u>4,914.09</u>
	TOTAL	<u>12,439.61</u>	<u>11,891.37</u>

See accompanying notes forming part of the financial statements

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants**Vijay Agarwal**
PartnerPlace : New Delhi
Date : May 07, 2016**Vinod Raheja**
Dy. Executive Director & CFO

For and on behalf of the Board of Directors

Pradeep Dinodia
Chairman**A.K. Taneja**
Managing Director & CEO**R. Srinivasan**
Jt. Managing Director & Company Secretary**Luv D. Shriram**
Whole - Time Director

**SHRIRAM****Statement of Profit and Loss for the year ended March 31, 2016**

(Rupees in Million)

	Note No.	For the Year ended March 31, 2016	For the Year ended March 31, 2015
Revenue			
Gross Revenue from operations	20	15,455.65	13,603.97
Less : Excise duty		(1,526.05)	(1,160.20)
Net Revenue from operations		13,929.60	12,443.77
Other income	21	170.04	172.09
Total revenue		14,099.64	12,615.86
Expenses			
Cost of material consumed	22	4,257.72	4,228.61
(Increase) / Decrease in inventories of finished goods and work-in-progress	23	97.90	(215.17)
Employee benefit expenses	24	2,712.73	2,359.21
Finance costs	25	260.30	320.42
Depreciation and amortisation expense	26	930.98	960.42
Other expenses	27	4,512.03	4,169.78
Total expenses		12,771.66	11,823.27
Profit before tax		1,327.98	792.59
Tax expense:			
i) Current tax			
- Current tax expenses		440.65	254.43
ii) Deferred tax			
- Current year		(39.96)	(38.34)
- Relating to prior year		-	3.34
		400.69	219.43
Profit for the year		927.29	573.16
Earnings per share (of Rs. 10/- each)			
Basic	29	41.44	25.62
Diluted		41.44	25.62

See accompanying notes forming part of the financial statements

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants**Vijay Agarwal**
Partner

For and on behalf of the Board of Directors

Pradeep Dinodia
Chairman**A.K. Taneja**
Managing Director & CEO**R. Srinivasan**
Jt. Managing Director & Company SecretaryPlace : New Delhi
Date : May 07, 2016**Vinod Raheja**
Dy. Executive Director & CFO**Luv D. Shriram**
Whole - Time Director



SHRIRAM

Cash flow statement for the year ended March 31, 2016

(Rupees in Million)

	Year ended March 31, 2016	Year ended March 31, 2015
A. Cash flow from Operating Activities		
Profit before tax	1,327.98	792.59
Adjustments for :		
Depreciation/amortisation	930.98	960.42
Finance costs	260.30	320.42
Bad debts/advances written off	0.52	3.48
Provision for doubtful debts (net)	(8.10)	13.74
Interest income	(63.09)	(52.65)
Net gain on sale of non trade current investment	(9.89)	-
Unrealised exchange rate variation (net)	(9.43)	0.91
Loss on sale / retirement of fixed assets (* Rs. 502/-)	(8.78)	(0.00)*
Operating profit before working capital changes	2,420.49	2,038.91
Changes in Working Capital:		
Adjustments for (increase) / decrease in operating assets		
Inventories	72.60	(379.04)
Trade receivables	(50.56)	(374.14)
Loans and advances (short and long term)	(44.22)	54.21
Other assets (current and non current)	15.50	(28.23)
Adjustments for increase / (decrease) in operating liabilities		
Trade payables	462.03	76.43
Other liabilities (current and non current)	(3.57)	122.48
Provisions (short and long term)	4.48	33.54
Cash Generated from operations	2,876.75	1,544.16
Income tax paid	(425.23)	(249.42)
Net cash from operating activities	(A) 2,451.52	1,294.74
B. Cash Flow from Investing Activities		
Interest received	22.26	42.15
Sale of tangible assets	28.07	12.64
Purchase of tangible assets	(528.26)	(456.28)
Purchase of intangible assets	(27.75)	(7.19)
Purchase of Current Investement	(4,625.02)	-
Proceeds from sale of Current Investement	4,459.91	-
Increase/(Decrease) in margin money with banks	(25.42)	(5.50)
Increase / (Decrease) in Deposits with maturity more than 3 months but less than 12 months	(647.82)	(32.93)
Net cash (used) in investing activities	(B) (1,344.03)	(447.11)

**SHRIRAM**

Cash flow statement for the year ended March 31, 2016

(Rupees in Million)

	Year ended March 31, 2016	Year ended March 31, 2015
C. Cash Flow from Financing Activities		
Interest paid	(273.37)	(316.28)
Dividend paid	(107.73)	(92.63)
Repayment of long term borrowings	(725.80)	(681.23)
Net proceeds / (repayment) of short term loans from banks	(41.08)	3.32
Proceeds from deposits	295.15	96.36
Payment of deposits	(214.17)	(124.44)
Net cash from/(used) in financing activities	(1,067.00)	(1,114.90)
Net Increase/(Decrease) in cash and cash equivalents	(A+B+C)	(267.27)
Cash and cash equivalents at the beginning of the year	183.53	450.80
Cash and cash equivalents at the end of the year	224.02	183.53
Components of cash and cash equivalents		
Cash in hand	1.07	1.59
Cheques, drafts in hand (* Rs. 1000/-)	-	-*
Balances with banks		
– current accounts	31.15	51.94
– deposits with original maturity of less than three months	191.80	130.00
	224.02	183.53

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.

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

Vijay Agarwal
Partner

For and on behalf of the Board of Directors

Pradeep Dinodia
Chairman

A.K. Taneja
Managing Director & CEO

R. Srinivasan
Jt. Managing Director & Company Secretary

Place : New Delhi
Date : May 07, 2016

Vinod Raheja
Dy. Executive Director & CFO

Luv D. Shriram
Whole - Time Director



Notes forming part of the financial statements for the year ended March 31, 2016

1. Corporate information

Shriram Pistons & Rings Limited (the company) is a public Company domiciled in India and incorporated on December 9, 1963 under the provisions of the Companies Act, 1956. The primary products manufactured by the Company are pistons, piston pins, piston rings and engine valves. The Company caters to both domestic and international markets.

2. Significant accounting policies

2.1 Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013. The financial statements have been prepared on accrual basis under the historical cost convention except for categories of fixed assets acquired before April 01, 2014, that are carried at revalued amounts. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

2.2 Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

2.3 Revenue recognition

Revenue from sale of goods is recognised when significant risks and rewards in respect of ownership of the goods are transferred to the customer and is stated inclusive of excise duty and net of trade discounts, sales return and sales tax / VAT, wherever applicable.

Other revenues are recognised on accrual basis, except where there are uncertainties in realisation / determination of income and in such case income is recognised on realisation / certainty.

2.4 Fixed assets

Fixed assets are stated at their original cost (net of cenvat availed) including taxes and other incidental expenses related to acquisition, installation and borrowing cost on loan taken for the acquisition of qualifying assets upto the date the assets are ready for their intended use. Wherever assets were revalued, cost was adjusted by the amount added on revaluation based on Government approved valuer's report.

Capital work-in-progress represents expenditure incurred in respect of capital projects under development and are carried at cost. Cost includes related acquisition expenses, development/ construction costs, borrowing costs and other direct expenditure.

2.5 Depreciation and amortisation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

The Company is following written down value method in case of Furniture, fixtures and office equipments and straight line method in respect of other assets.

Depreciation on tangible fixed assets has been provided as per the useful life prescribed in Schedule II to the Act except in respect of the following categories of assets, in whose case the life of the assets has been assessed based on technical advice, taking into account the nature, the estimated usage, operating conditions of the asset, past history of replacement, anticipated technological changes and maintenance practices etc.

Plant and machinery

- General	- twenty years
- Electric Installation / Equipment	- fifteen years
- Dies	- three years
RCC Road	- twenty years
Bore well	- fifteen years
Vehicle	- five years
Furniture & Fixture / Office Equipment	- five years



Notes forming part of the financial statements for the year ended March 31, 2016

All intangible assets are amortised on straight-line method over their estimated useful life of three years
Lease money paid for leasehold land is amortised on straight line basis over the lease period
Assets costing upto Rs. 5,000 are fully depreciated in the year of acquisition.

2.6 Investments

Long term investments are stated at cost. Any diminution in the value of Long term Investments, other than temporary, is provided for in the books of account. Current investments are stated at lower of the cost or fair value.

2.7 Inventories

Inventories are valued on the following basis :

- i) Raw materials and components - at lower of cost determined on weighted average basis or net realisable value.
- ii) Stock in process – at lower of cost or net realisable value.
- iii) Finished goods stock - at lower of cost including excise duty or net realisable value.

Cost of finished goods and stock-in-process includes cost of materials, labour and appropriate proportion of overheads.

2.8. Foreign currency transactions and translations

- i) Transactions in foreign currency are recorded on initial recognition at the exchange rate prevailing on or closely approximating to the date of transaction.
- ii) Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss. Non-monetary items are carried at historical cost. The exchange differences arising on settlement / restatement of long-term foreign currency monetary items are capitalised as part of the depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets. If such monetary items do not relate to acquisition of depreciable fixed assets, the exchange difference is amortised over the maturity period / upto the date of settlement of such monetary items, whichever is earlier and the unamortised exchange difference is carried in the Balance Sheet as "Foreign currency monetary item translation difference account".
- iii) The Company uses foreign exchange forward contracts to hedge its exposure to movements in foreign exchange rates. The premium or discount arising at the inception of such forward exchange contracts is amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the statement of profit and loss in the reporting period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognized as income or as expense in the period in which same is cancelled or rolled over.
- iv) Forward exchange contracts entered to hedge the foreign currency risk of highly probable forecast transactions and firm commitments are marked to market at the balance sheet date. Exchange loss on marked to market basis is recognised in the statement of profit and loss ; however, any gain is ignored.
- v) The Company enters into derivative contracts in the nature of foreign currency swaps with an intention to hedge its existing assets and liabilities. Derivative contracts which are closely linked to the existing assets and liabilities are accounted as per the policy stated in (i) and (ii) above.

2.9 Employee benefits

Employee benefits include provident fund, superannuation fund, employee state insurance scheme, gratuity fund, compensated absences, long service awards.

Contribution towards Provident Fund and Superannuation fund is paid as per the statutory provisions/Company scheme. These benefits are charged to the Statement of Profit and Loss of the year when they become due. For the PF trust administrated by the trustees, the Company is liable to meet the shortfall, if any, in payment of interest at the rates declared by Central Government and such liability is recognised in the year of shortfall.

Employee benefits in the form of gratuity is considered as defined benefit plan. The liability is determined using projected unit credit method, with actuarial valuation being carried out at each balance sheet date. Actuarial gains and losses are recognised in the statement of profit and loss in the period in which they arise.

Leave availment / encashment benefit is provided as per Company scheme. Employees are entitled to accumulate leaves subject to certain limits as per Company scheme. The liability for unutilised leave at the year end is determined through actuarial valuation using projected unit credit method.

Employee benefits in the form of long service awards is provided as per Company scheme. The liability is determined through actuarial valuation using projected unit credit method.



Notes forming part of the financial statements for the year ended March 31, 2016

2.10 Research and development

Revenue expenditure on research and development, inclusive of dies for model development, is charged as expense in the year in which incurred. Capital expenditure is included in fixed assets.

2.11 Leases

Lease rentals in respect of assets taken on operating lease are charged to the Statement of Profit and Loss on a straight-line basis over the term of lease.

Assets acquired on finance lease which transfer risk and rewards of ownership to the Company are capitalised as assets by the Company at the lower of fair value of the leased property or the present value of the related lease payments and a liability is created for an equal amount. Amortisation of capitalised leased assets is computed in accordance with the policy followed by the Company for owned assets. Lease rental payable is apportioned between principal and finance charge using the internal rate of return method. The finance charge is allocated over the lease term so as to produce a constant periodic rate of interest on the remaining balance of liability.

2.12 Taxes on income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognized as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses, deferred tax assets are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

Current and deferred tax relating to items directly recognised in reserves are recognised in reserves and not in the Statement of Profit and Loss.

2.13 Borrowing costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are considered as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit and Loss as and when incurred.

2.14 Earnings per share

Basic earnings per share is calculated by dividing net profit or loss for the year attributable to equity shareholders by weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue, share split and any new equity issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

2.15 Impairment of assets

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.

2.16 Contingent liabilities and provisions

The Company recognizes a provision when there is a present obligation as a result of past events and it is probable that an outflow of resources would be required to settle the obligation and a reliable estimate can be made.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources.

When there is a possible obligation or a present obligation in respect of which the likelihood on outflow of resources is remote, no provision or disclosure is made.



Notes forming part of the financial statements for the year ended March 31, 2016

	As at March 31, 2016 Rs. million	As at March 31, 2015 Rs. million
3. Share capital		
<u>Authorised Shares</u>		
50,000,000 (previous year 50,000,000) equity shares of Rs. 10 each	500.00	500.00
3,000,000 (previous year 3,000,000) preference shares of Rs. 100 each	300.00	300.00
	800.00	800.00
<u>Issued, subscribed and fully paid up shares</u>		
22,374,912 (previous year 22,374,912) equity shares of Rs. 10 each	223.75	223.75
	223.75	223.75

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

	March 31, 2016		March 31, 2015	
	No. in million	Rs. million	No. in million	Rs. million
At the beginning of the year	22.37	223.75	22.37	223.75
Balance at the end of the year	22.37	223.75	22.37	223.75

b. Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity share is entitled to dividend and one vote per share.

c. Details of shareholders holding more than 5% shares in the Company

	March 31, 2016		March 31, 2015	
	No. in million	% shareholding	No. in million	% shareholding
<u>Equity shares of Rs. 10 each fully paid</u>				
Riken Corporation	4.69	20.97	4.69	20.97
KS Kolbenschmidt GmbH	4.47	20.00	4.47	20.00
Luv D. Shriram and Meenakshi Dass*	3.33	14.90	3.33	14.90
Meenakshi Dass and Luv D. Shriram *	3.33	14.90	3.33	14.90
National Insurance Company Limited	1.43	6.38	1.43	6.38
Meenakshi Dass	1.24	5.54	1.24	5.54

* Shares held on behalf of Deepak Shriram Family Benefit Trust.

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Notes forming part of the financial statements for the year ended March 31, 2016

4. Reserves and surplus

	<u>As at March 31, 2016</u> Rs. million	<u>As at March 31, 2015</u> Rs. million
Preference share redemption reserve	100.00	100.00
Revaluation reserve		
Balance at the beginning of the year	98.52	99.06
Less: amount transferred to general reserve on account of sale/write off of revalued assets	0.04	0.54
Balance at the end of the year	98.48	98.52
General reserve		
Balance at the beginning of the year	5,349.81	4,876.56
Add: amount transferred from surplus in the Statement of Profit and Loss	819.57	472.72
Add: amount transferred from revaluation reserve on account of sale/write off of revalued assets	0.04	0.54
Balance at the end of the year	6,169.42	5,349.82
Surplus in Statement of Profit and Loss		
Balance as per last financial statements	300.00	300.00
Profit for the year	927.29	573.16
Less: Appropriations		
Depreciation charged on transition to Schedule II of the Companies Act, 2013 (Net of deferred tax of Rs. 3.34 million)	-	6.30
Dividend on equity shares for the year		
- Interim	44.75	33.56
- Final (proposed)	44.75	44.75
Dividend distribution tax	18.22	15.83
Transfer to general reserves	819.57	472.72
Total appropriations	927.29	573.16
Balance at the end of the year	300.00	300.00
	6,667.90	5,848.34

During the year ended March 31, 2016, the dividend (including interim) of Rs. 4.00 per share (previous year: Rs. 3.50 per share) recognised as distribution to equity shareholders amounting to Rs. 107.72 million including dividend distribution tax (previous year Rs. 94.14 million). The final dividend for the year ended March 31, 2016, of Rs. 53.86 million including dividend distribution tax proposed by the Board of Directors is subject to the approval by the shareholders in the ensuing Annual General Meeting.



Notes forming part of the financial statements for the year ended March 31, 2016

5. Long-Term Borrowings

	As at March 31, 2016		As at March 31, 2015	
	Long term Rs. million	Current maturities Rs. million	Long term Rs. million	Current maturities Rs. million
Secured				
Term loans from banks	1,128.40	631.81	1,760.22	725.80
Unsecured				
Other loan and advances				
Deposits	353.33	104.94	191.82	183.34
Deposits from related parties (refer note 32)	1.07	9.53	12.60	8.80
	1,482.80	746.28	1,964.64	917.94
Less : Amounts disclosed as other current liabilities (refer note 11)	-	(746.28)	-	(917.94)
	1,482.80	-	1,964.64	-

(i) Term loans from banks of Rs. 1350.95 million (previous year: Rs. 1828.69 million) are secured by way of first pari passu charge and mortgage on all present and future immovable assets and hypothecation of all movable assets of the Company, present and future subject to prior charge created and/or to be created in favour of the Company's working capital bankers on the Company's stocks and book debts.

Amount outstanding		Repayment period from origination (years)	Installments outstanding As at March 31, 2016	
As at March 31, 2016 (Rs. million)	As at March 31, 2015 (Rs. million)		No.	Periodicity
18.54	92.72	5.5	1	Quarterly
184.70	307.84	6	6	Quarterly
160.00	240.00	6	8	Quarterly
203.26	338.76	5	6	Quarterly
784.45	849.37	7	15	Quarterly
1,350.95	1,828.69			

(ii) Term loans from banks of Rs. 409.26 million (previous year: Rs. 657.33 million) are secured by way of first pari passu charge and mortgage on all present and future immovable assets and hypothecation of all movable fixed assets of the Company, present and future.

Amount outstanding		Repayment period from origination (years)	Installments outstanding As at March 31, 2016	
As at March 31, 2016 (Rs. million)	As at March 31, 2015 (Rs. million)		No.	Periodicity
16.39	81.95	6	1	Quarterly
233.62	367.13	6	9	Quarterly
159.25	208.25	7	11	Quarterly
409.26	657.33			



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Notes forming part of the financial statements for the year ended March 31, 2016

(iii) The long term deposits have been raised under section 58A of the Companies Act, 1956 and Section 73 to 76 of the Companies Act, 2013 for maturity period of 2 and 3 years.

	Amount outstanding		Repayment period from origination (years)
	As at March 31, 2016 (Rs. million)	As at March 31, 2015 (Rs. million)	
	16.59	36.33	2
	452.28	360.23	3
	468.87	396.56	

(iv) The Interest rate on term loans at point (i) and (ii) above ranges from 7.05% p.a. to 9.75% p.a. and on "deposits" at point (iii) from 8.50% p.a. to 11.00% p.a.

6. Deferred tax liability (net)

	As at March 31, 2016 Rs. million	As at March 31, 2015 Rs. million
Deferred tax liability		
Impact of difference between tax depreciation and depreciation/ amortisation charged in books	510.68	532.36
Deferred tax assets		
Expenses deductible on payment basis	157.00	135.94
Provision for doubtful debts/advances	9.33	12.12
	<u>166.33</u>	<u>148.06</u>
Net deferred tax liability	344.35	384.30

7. Other long term liabilities

	As at March 31, 2016 Rs. million	As at March 31, 2015 Rs. million
Security deposits	11.86	13.37
	<u>11.86</u>	<u>13.37</u>

The security deposits have been received by the Company from customers/vendors in the normal course of business.

8. Provisions

	As at March 31, 2016		As at March 31, 2015	
	Long term Rs. million	Short term Rs. million	Long term Rs. million	Short term Rs. million
Provision for employee benefits	374.59	53.32	317.18	54.04
Income Tax	-	1.65	-	-
Proposed dividend	-	44.75	-	44.75
Tax on dividend	-	9.11	-	9.11
	<u>374.59</u>	<u>108.83</u>	<u>317.18</u>	<u>107.90</u>



Notes forming part of the financial statements for the year ended March 31, 2016

9. Short term borrowings

	<u>As at March 31, 2016</u> Rs. million	<u>As at March 31, 2015</u> Rs. million
<u>Secured</u>		
Working capital loans repayable on demand from banks	173.45	214.52
<u>Unsecured</u>		
Deposits	4.76	3.10
Deposits from related parties (refer note 32)	7.00	-
	<u>185.21</u>	<u>217.62</u>

Working capital loans are secured by way of first pari passu charge on stocks and book debts of the Company and second pari passu charge on all fixed assets of the Company, present and future.

10. Trade payables

	<u>As at March 31, 2016</u> Rs. million	<u>As at March 31, 2015</u> Rs. million
- Outstanding dues to Micro and Small enterprises (refer note no. 45)	38.29	39.12
- Outstanding dues to parties other than Micro and Small enterprises	1,843.98	1,381.12
	<u>1,882.27</u>	<u>1,420.24</u>

Trade payable includes Rs. 35.74 (previous year: Rs. 24.40 million) due to related parties (refer note 32)

11. Other current liabilities

	<u>As at March 31, 2016</u> Rs. million	<u>As at March 31, 2015</u> Rs. million
Current maturities of long term debt (refer note 5)	746.28	917.94
Interest accrued but not due on borrowings	61.85	74.92
Investor education and protection fund*		
- Unclaimed dividends	0.45	0.45
- Unclaimed matured deposits and interest accrued thereon	6.48	2.31
Advances from customers	16.17	54.00
Other payables		
- Statutory dues	189.24	196.21
- Capital creditors	71.71	87.41
- Security deposit	51.26	44.53
- Others	14.61	16.26
	<u>1,158.05</u>	<u>1,394.03</u>

* Not due for deposit



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Notes forming part of the financial statements for the year ended March 31, 2016

12. Tangible assets

Rs. million

Particulars	Gross Block					Accumulated Depreciation / Amortisation				Written down value	
	Original cost as at April 1, 2015	Additions for the year	Deductions for the year	Original cost as at March 31, 2016	As at April 1, 2015	For the year	Transition adjustment against Surplus balance in Consolidated Statement of Profit and Loss	Deductions for the year	As at	As at	As at
									March 31, 2016	March 31, 2016	March 31, 2015
Land - leasehold	337.05	-	-	337.05	32.09	3.45	-	-	35.54	301.51	304.96
Buildings	1,518.21	13.79	-	1,532.00	297.90	59.43	-	-	357.33	1,174.67	1,220.31
Plant and equipment	10,942.14	406.93	42.15	11,306.92	6,008.51	756.16	-	32.33	6,732.34	4,574.58	4,933.63
Furniture & fixtures	114.15	13.75	13.96	113.94	97.09	13.72	-	13.09	97.72	16.22	17.06
Vehicles	167.33	28.82	33.61	162.54	78.43	27.47	-	27.16	78.74	83.80	88.90
Office equipment	294.22	32.46	12.68	314.00	244.01	34.01	-	10.61	267.41	46.59	50.21
Dies	194.19	26.46	4.27	216.38	150.94	21.63	-	4.05	168.52	47.86	43.25
Total	13,567.29	522.21	106.67	13,982.83	6,908.97	915.87	-	87.24	7,737.60	6,245.23	6,658.32

Particulars	Gross Block					Accumulated Depreciation / Amortisation				Written down value	
	Original cost as at April 1, 2014	Additions for the year	Deductions for the year	Original cost as at March 31, 2015	As at April 1, 2014	For the year	Transition adjustment against Surplus balance in Consolidated Statement of Profit and Loss	Deductions for the year	As at	As at	As at
									March 31, 2015	March 31, 2015	March 31, 2014
Land - leasehold	337.05	-	-	337.05	28.64	3.45	-	-	32.09	304.96	308.41
Buildings	1,507.25	10.96	-	1,518.21	246.84	49.89	1.17	-	297.90	1,220.31	1,260.41
Plant and equipment	10,587.57	387.11	32.54	10,942.14	5,235.99	792.69	8.47	28.64	6,008.51	4,933.63	5,351.59
Furniture & fixtures	107.59	10.58	4.02	114.15	86.73	13.54	-	3.18	97.09	17.06	20.86
Vehicles	143.66	46.77	23.10	167.33	72.69	24.37	-	18.63	78.43	88.90	70.97
Office equipment	274.63	33.17	13.58	294.22	217.96	37.89	-	11.84	244.01	50.21	56.67
Dies	177.85	26.84	10.50	194.19	135.86	24.99	-	9.91	150.94	43.25	41.99
Total	13,135.60	515.43	83.74	13,567.29	6,024.71	946.82	9.64	72.20	6908.97	6658.32	7110.90

13. Intangible assets

Rs. million

Particulars	Gross Block					Accumulated Depreciation / Amortisation				Written down value	
	Original cost as at April 1, 2015	Additions for the year	Deductions for the year	Original cost as at March 31, 2016	As at April 1, 2015	For the year	Transition adjustment against Surplus balance in Consolidated Statement of Profit and Loss	Deductions for the year	As at	As at	As at
									March 31, 2016	March 31, 2016	March 31, 2015
Computer software	71.05	12.19	-	83.24	62.21	9.93	-	-	72.14	11.10	8.84
Product design and development	20.17	15.56	-	35.73	20.17	5.18	-	-	25.35	10.38	-
Total	91.22	27.75	-	118.97	82.38	15.11	-	-	97.49	21.48	8.84

Particulars	Gross Block					Accumulated Depreciation / Amortisation				Written down value	
	Original cost as at April 1, 2014	Additions for the year	Deductions for the year	Original cost as at March 31, 2015	As at April 1, 2014	For the year	Transition adjustment against Surplus balance in Consolidated Statement of Profit and Loss	Deductions for the year	As at	As at	As at
									March 31, 2015	March 31, 2015	March 31, 2014
Computer software	63.86	7.19	-	71.05	52.67	9.54	-	-	62.21	8.84	11.19
Product design and development	20.17	-	-	20.17	16.11	4.06	-	-	20.17	-	4.06
Total	84.03	7.19	-	91.22	68.78	13.60	-	-	82.38	8.84	15.25



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Notes forming part of the financial statements for the year ended March 31, 2016

14. Non Current Investments

	As at March 31, 2016 Rs. million	As at March 31, 2015 Rs. million
Trade investments (valued at cost unless stated otherwise)		
Unquoted equity instruments		
Investment in subsidiary		
Investments in equity instruments		
50,000 Equity shares (previous year 50,000) of Rs. 10 each fully paid up in SPR International Auto Exports Limited	0.50	0.50
	0.50	0.50
Current Investment (Unquoted)		
Non Trade		
Investment in Mutual fund		
Liquid fund		
Units of Face value of Rs 1000 each		
– 21027 units (Previous year: Nil) of SBI Premier Liquid Fund Growth Plan.	50.00	-
– 14898 units (previous year : Nil) of Axis Liquid Fund- Growth Direct.	25.00	-
– 30827 units (previous year : Nil) of IDBI Liquid Fund Growth Plan - Direct.	50.00	-
– 33154 units (previous year : Nil) of HSBC Cash Fund Growth Direct.	50.00	-
Repurchase price current Rs 175.21 Million (Previous year: Nil)	175.00	-

15. Loan and advances

	As at March 31, 2016		As at March 31, 2015	
	Current Rs. million	Non-Current Rs. million	Current Rs. million	Non-Current Rs. million
Capital advances (Unsecured, considered good)	-	57.06	-	67.61
Security deposits (Unsecured, considered good)	0.66	120.01	0.64	117.67
	0.66	177.07	0.64	185.28
Advances recoverable in cash or in kind or for value to be received Unsecured, considered good	95.25	-	57.88	-
Doubtful	13.73	-	24.73	-
	108.98	-	82.61	-
Less: Doubtful	(13.73)	-	(24.73)	-
	95.25	-	57.88	-
Other loans and advances				
Advance tax (net)	-	-	13.76	-
Prepaid expenses	42.31	-	31.15	-
Housing loans to employees (secured)	0.04	-	0.13	0.03
Cenvat recoverable	70.76	-	64.81	-
Balance with excise authorities	12.91	-	16.07	-
	126.02	-	125.92	0.03
	221.93	177.07	184.44	185.31

Housing loans are secured by the documents of the properties financed.

Advance recoverable in cash or in kind includes Rs. Nil (previous year: Rs. 0.03 million) due from related parties (refer note 32)



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Notes forming part of the financial statements for the year ended March 31, 2016

16. Other assets

(Unsecured, considered good unless stated otherwise)

	As at March 31, 2016		As at March 31, 2015	
	Current Rs. million	Non-Current Rs. million	Current Rs. million	Non-Current Rs. million
Export incentive receivable	12.56	65.81	18.67	66.98
Interest accrued on fixed deposits	35.90	-	14.06	-
Margin money (refer Note 19)	-	6.63	-	6.54
Other assets	84.24	23.59	86.63	10.43
	132.70	96.03	119.36	83.95

17. Inventories

(valued at lower of cost or net realisable value)

	As at March 31, 2016	As at March 31, 2015
	Rs. million	Rs. million
Raw material and components (includes in transit Rs. 10.66 million (previous year: Rs. 2.83 million))	496.86	478.05
Work-in-progress (includes in transit Rs. 1.20 million (previous year: Rs. 0.59 million))	493.50	521.40
Finished goods (includes in transit Rs. 202.83 million (previous year: Rs.184.51 million))	878.89	938.70
Stores and spares	186.25	176.84
Loose tools	27.97	41.08
	2,083.47	2,156.07

18. Trade receivables

(Unsecured, considered good unless stated otherwise)

	As at March 31, 2016	As at March 31, 2015
	Rs. million	Rs. million
Outstanding for a period exceeding six months		
- Considered good	24.75	14.75
- Doubtful	7.95	8.87
Other receivables		
- Considered good	2,200.48	2,149.23
- Doubtful	5.26	1.45
	2,238.44	2,174.30
Provision for doubtful trade receivables	(13.21)	(10.32)
	2,225.23	2,163.98



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Notes forming part of the financial statements for the year ended March 31, 2016

19. Cash and cash equivalents

	As at March 31, 2016		As at March 31, 2015	
	Current Rs. million	Non-Current Rs. million	Current Rs. million	Non-Current Rs. million
Cash and cash equivalents				
Cash in hand	1.07	-	1.59	-
Balances with banks				
- current accounts	31.15	-	51.94	-
- deposits with original maturity of less than three months	191.80	-	130.00	-
	224.02	-	183.53	-
Other bank balances				
Dividend account	0.45	-	0.45	-
Deposits with maturity more than 3 months but less than 12 months	730.82	-	83.00	-
Deposits with bank held as margin money	48.59	6.63	23.26	6.54
	779.86	6.63	106.71	6.54
Less : Amounts disclosed as other non-current assets (refer Note 16)	-	(6.63)	-	(6.54)
	1,003.88	-	290.24	-

20. Revenue from operations

	Year ended March 31, 2016	Year ended March 31, 2015
	Rs. million	Rs. million
Sale of products (refer note 33)	15,216.01	13,364.16
Other operating revenues		
- sale of scrap	124.08	133.79
- export benefits	106.63	97.43
- others	8.93	8.59
	15,455.65	13,603.97
Less:		
Excise duty	(1,526.05)	(1,160.20)
	13,929.60	12,443.77

21. Other income

	Year ended March 31, 2016	Year ended March 31, 2015
	Rs. million	Rs. million
Interest income		
- Bank deposits	44.10	38.05
- Others	18.99	14.60
Net gain on sale of non trade current investment	9.89	-
Profit on sale/retirement of fixed assets(net) (* Rs. 502/-)	8.78	0.00*
Exchange rate variation (net)	18.64	60.80
Provision for doubtful debts and advances (net)	8.10	-
Other non-operating income	61.54	58.64
	170.04	172.09



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Notes forming part of the financial statements for the year ended March 31, 2016

22. Cost of material consumed

	Year ended March 31, 2016 Rs. million	Year ended March 31, 2015 Rs. million
Cost of raw material and components consumed (refer note 34)	3,976.29	3,978.76
Cost of packing material consumed	281.43	249.85
	4,257.72	4,228.61

23. (Increase) / Decrease in inventories

	Year ended March 31, 2016 Rs. million	Year ended March 31, 2015 Rs. million
Inventories at the end of the year		
Work-in-progress	493.50	521.40
Finished goods	878.89	938.70
	1,372.39	1,460.10
Inventories at the beginning of the year		
Work-in-progress	521.40	470.60
Finished goods	938.70	718.21
	1,460.10	1,188.81
Excise duty variation on finished goods	10.19	56.12
	97.90	(215.17)

24. Employee benefit expense

	Year ended March 31, 2016 Rs. million	Year ended March 31, 2015 Rs. million
Salaries and wages	2,306.80	1,982.59
Contribution to provident and other funds	185.34	168.31
Staff welfare expenses	220.59	208.31
	2,712.73	2,359.21

25. Finance costs

	Year ended March 31, 2016 Rs. million	Year ended March 31, 2015 Rs. million
Interest expense	258.48	316.66
Other borrowing costs	1.82	3.76
	260.30	320.42



Notes forming part of the financial statements for the year ended March 31, 2016

26. Depreciation and amortisation expense

	<u>Year ended March 31, 2016</u>	<u>Year ended March 31, 2015</u>
	Rs. million	Rs. million
For the year		
– tangible (refer note 12)	915.87	956.46
– intangible (refer note 13)	15.11	13.60
	<u>930.98</u>	<u>970.06</u>
Less : Transition adjustment against Surplus balance in Statement of Profit and Loss (refer note 12)	-	9.64
	<u>930.98</u>	<u>960.42</u>

27. Other expenses

	<u>Year ended March 31, 2016</u>	<u>Year ended March 31, 2015</u>
	Rs. million	Rs. million
Stores and spares consumed	1,319.26	1,235.77
Power and fuel	1,023.32	961.70
Job work charges	391.01	363.56
Freight expenses	180.06	156.17
Royalty	291.84	252.88
Rent	56.71	43.44
Rates and taxes	14.63	18.32
Insurance	18.75	20.39
Repair and maintenance		
- Plant and machinery	101.86	94.93
- Buildings	102.27	88.74
- Others	27.46	26.25
Auditor's remuneration (refer note 28)	2.86	2.77
Directors' fees	3.31	3.70
Provision for doubtful debts and advances (net)	-	13.74
Bad debts and advances written off	0.52	3.48
Corporate Social Responsibilities Expenses	18.50	6.58
Miscellaneous expenses	959.67	877.36
	<u>4,512.03</u>	<u>4,169.78</u>



Notes forming part of the financial statements for the year ended March 31, 2016

28. Payment to auditor

(excluding service tax)

	<u>Year ended March 31, 2016</u>	<u>Year ended March 31, 2015</u>
	Rs. million	Rs. million
As auditor:		
– Audit fee	1.86	1.56
– Tax audit fee	0.20	0.20
– Limited review	0.60	0.83
In other capacity:		
– Certification fees	0.20	0.08
– Reimbursement of expenses	-	0.10
	<u>2.86</u>	<u>2.77</u>

29. Earnings per share (EPS)

	<u>Year ended March 31, 2016</u>	<u>Year ended March 31, 2015</u>
	Rs. million	Rs. million
Net profit attributable to equity shareholders (Rs. million)	927.29	573.16
Weighted average number of equity shares (Nos. million)	22.37	22.37
Earning per share		
– Basic (Rs.)	41.44	25.62
– Diluted (Rs.)	41.44	25.62

30. Research and development expenditure

The details of research and development expenditure incurred by the Company and included in the respective account heads are as under:-

	<u>Year ended March 31, 2016</u>	<u>Year ended March 31, 2015</u>
	Rs. million	Rs. million
Capital expenditure	41.82	23.10
Revenue expenditure	121.08	149.02
	<u>162.90</u>	<u>172.12</u>



Notes forming part of the financial statements for the year ended March 31, 2016

The details of revenue expenditure incurred on research and development is as under:

	<u>Year ended March 31, 2016</u>	<u>Year ended March 31, 2015</u>
	Rs. million	Rs. million
Stores and spares consumed	43.85	79.03
Salaries and wages	56.27	50.81
Contribution to provident and other funds	6.94	5.08
Staff welfare expenses	1.13	1.04
Power and fuel	3.70	3.69
Repair and maintenance		
– Plant and Machinery	0.39	1.29
– Buildings	-	0.04
– Others	0.03	-
Cost of material consumed (* Rs. 2506/-)	-	0.00*
Loss on sale/retirement of fixed assets (net)	0.20	-
Miscellaneous expenses	8.57	8.04
	<u>121.08</u>	<u>149.02</u>

31. Employee benefits

The company has classified the various employee benefits as under :-

i) Defined contribution plans

The company has recognised the following amount in the statement of profit and loss:-

	<u>Year ended March 31, 2016</u>	<u>Year ended March 31, 2015</u>
	Rs. million	Rs. million
Employers' contribution to Provident fund	127.97	107.33
Employers' contribution to Superannuation fund	20.82	18.71
Employers' contribution to State insurance fund	30.65	32.58
	<u>179.44</u>	<u>158.62</u>

ii) Defined benefit plans - Gratuity

In accordance with Accounting Standard 15 (revised 2005), actuarial valuation was done for the aforesaid benefit plans and details of the same are given below :

Particulars	<u>Year ended March 31, 2016</u>	<u>Year ended March 31, 2015</u>
	Rs. million	Rs. million
Components of employer's expense		
Current service cost	51.87	49.11
Interest cost	43.75	39.68
Expected return on plan assets	(51.53)	(47.63)
Actuarial losses/(gains)	(15.60)	(7.08)
Total expense recognised in the Statement of Profit and Loss	28.49	34.08



SHRIRAM

Notes forming part of the financial statements for the year ended March 31, 2016

Actual contribution and benefit payments for the year

Actual benefit payments	(34.17)	(25.50)
Actual contributions	-	25.00

Net asset / (liability) recognised in the Balance Sheet

Present value of defined benefit obligation	616.76	570.90
Fair value of plan assets	640.43	588.90
Funded status [Surplus / (Deficit)]	23.67	18.00
Net asset / (liability) recognised in the Balance Sheet	23.67	18.00

Change in defined benefit obligations (DBO) during the year

Present value of DBO at beginning of the year	570.90	515.06
Current service cost	51.87	49.11
Interest cost	43.75	39.68
Actuarial (gains) / losses	(15.60)	(7.45)
Benefits paid	(34.17)	(25.50)
Present value of DBO at the end of the year	616.75	570.90

Change in fair value of assets during the year

Plan assets at beginning of the year	588.90	516.75
Expected return on plan assets	51.53	47.63
Actual company contributions	-	25.00
Actuarial gain / (loss)	-	(0.37)
Benefits paid	-	(0.11)
Plan assets at the end of the year	640.43	588.90
Actual return on plan assets	51.53	47.26

Actuarial assumptions

Discount rate	7.90%	7.90%
Expected return on plan assets	8.75%	9.00%
Salary escalation	11.00%	11.00%
Attrition	5 /25 % p.a.	5 /25 % p.a.
Mortality table used	IAL 2006-08 Ultimate	IAL 2006-08 Ultimate

Disclosure of present value of plan obligation, fair value of plan assets and experience adjustment for the current year and previous four years are as follows:

	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012
	Rs. million	Rs. million	Rs. million	Rs. million	Rs. million
Gratuity					
Present value of DBO	616.75	570.90	515.06	520.71	472.90
Fair value of plan assets	640.43	588.90	516.75	445.08	324.69
Funded status [Surplus / (Deficit)]	23.68	18.00	1.69	(75.63)	(148.21)
Experience adjustment in plan obligation [Gain/(Loss)]	(15.60)	(7.45)	(69.30)	(17.09)	(25.90)
Experience adjustment in plan assets [Gain/(Loss)]	0.00	(0.37)	0.56	0.31	2.44

The plan assets are managed by independent Board of Trustees through Life Insurance Corporation of India (LIC), SBI Life Insurance, Bajaj Allianz Life Insurance Company and HDFC Standard Life Insurance Co. Under this policy, the eligible employees are entitled to receive gratuity payments upon their resignation or death in lumpsum after deduction of necessary taxes. The fund managers do not disclose the composition of their portfolio investment, accordingly break-down of plan assets by investment type has not been disclosed.

Estimate of the future salary increase is based on factors such as inflation, seniority, promotions, demand and supply in employment market.

Notes forming part of the financial statements for the year ended March 31, 2016

iii) Actuarial assumptions for long-term compensated absences

Discount rate	7.90%	7.90%
Expected return on plan assets	-	-
Salary escalation	11.00%	11.00%
Attrition	5 /25% p.a.	5 /25% p.a.
Mortality table used	IAL 2006-08 Ultimate	IAL 2006-08 Ultimate

iv) The Company has a long service reward scheme for selective group of employees. The total expense recognised in the current year is Rs. 6.66 million (previous year: 6.90 million) based on actuarial valuation. The liability recognised in the books as at March 31, 2016 is Rs. 26.79 million (previous year Rs. 27.18 million)

32. Related party disclosure

As per Accounting Standard – 18, notified in the companies (accounting standards) rules, 2006 , the Group's related parties and transactions with them are disclosed below :

A. List of related parties

Subsidiary company	SPR International Auto Exports Limited
Key management personnel	Shri A.K Taneja, Managing Director & CEO Shri R. Srinivasan, Jt. Managing Director & Company Secretary Shri Luv D. Shriram, Whole Time Director
Relatives of key management personnel	
Shri A.K Taneja	Smt. Anita Taneja
Shri R. Srinivasan	Smt. Usha Srinivasan
Shri Luv D. Shriram	Late Shri. Deepak C. Shriram Smt. Santosh D. Shriram Smt. Meenakshi Dass Shri Arjun D. Shriram Shri Kush D. Shriram Smt Nandishi Shriram Smt. Arati Shriram
Enterprises over which there is significant influence of Shri Luv D. Shriram and their relatives as above	Shriram Automotive Products Ltd. Shriram Alpine Sales Pvt. Ltd. Shriram Veritech Solutions Pvt. Ltd. Sera Com Pvt. Ltd. Manisha Commercial Pvt. Ltd Sarva Commercial Pvt. Ltd. Charat Ram Shriram Pvt. Ltd. Deepak C. Shriram & Sons HUF Shabnam Commercial Pvt. Ltd.
Enterprises over which there is significant influence of Shri A.K Taneja and their relatives as above	Shriram Automotive Products Ltd. Shriram Alpine Sales Pvt. Ltd.



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Notes forming part of the financial statements for the year ended March 31, 2016

B. Related party transactions

Rs. million

Particulars	Key management personnel (KMP)		Relatives of KMP		Enterprises over which KMP has significant influence or control		Total	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
(A) Transactions during the year								
Remuneration								
Shri A.K.Taneja	35.00	29.77	-	-	-	-	35.00	29.77
Shri R. Srinivasan	26.81	22.97	-	-	-	-	26.81	22.97
Smt. Meenakshi Dass	-	1.48*	-	-	-	-	-	1.48
Shri. Luv D Shriram	28.75	22.85	-	-	-	-	28.75	22.85
Rent								
Smt. Meenakshi Dass	-	0.02	-	-	-	-	-	0.02
Smt. Anita Taneja	-	-	0.24	0.24	-	-	0.24	0.24
Smt. Usha Srinivasan	-	-	0.24	0.24	-	-	0.24	0.24
Manisha Commercial Pvt. Ltd.	-	-	-	-	1.04	1.02	1.04	1.02
Deepak C. Shriram & Sons HUF	-	-	-	-	0.24	0.22	0.24	0.22
Interest on deposits								
Shri R. Srinivasan	0.54	0.81	-	-	-	-	0.54	0.81
Smt. Meenakshi Dass	-	1.18	0.64	-	-	-	0.64	1.18
Smt. Usha Srinivasan	-	-	-	0.16	-	-	-	0.16
Smt. Santosh D Shriram	-	-	-	0.003	-	-	-	0.003
Shri Arjun D Shriram	-	-	-	0.04	-	-	-	0.04
Ms. Nandishi Shriram	-	-	0.28	-	-	-	0.28	-
Smt Arati Shriram	-	-	0.25	0.22	-	-	0.25	0.22
Charat Ram Shriram Pvt. Ltd.	-	-	-	-	0.46	0.46	0.46	0.46
Directors sitting fees								
Smt. Meenakshi Dass	-	0.30	0.20	-	-	-	0.20	0.30
Dividend paid								
Shri A.K.Taneja	0.0002	0.0002	-	-	-	-	0.0002	0.0002
Smt. Meenakshi Dass	-	16.02	18.30	-	-	-	18.30	16.02
Shri Luv D Shriram	13.34	11.67	-	-	-	-	13.34	11.67
Smt. Usha Srinivasan	-	-	0.01	0.01	-	-	0.01	0.01
Late Shri Deepak C Shriram	-	-	0.004	0.003	-	-	0.004	0.003
Sarva Commercial Pvt. Ltd.	-	-	-	-	4.25	3.72	4.25	3.72
Charat Ram Shriram Pvt. Ltd.	-	-	-	-	0.009	0.008	0.009	0.008
Manisha Commercial Pvt. Ltd.	-	-	-	-	2.66	2.33	2.66	2.33
Sera Com Pvt. Ltd.	-	-	-	-	3.78	3.31	3.78	3.31
Shabnam Commercial Pvt. Ltd.	-	-	-	-	0.41	0.36	0.41	0.36
Deposits taken during the year								
Shri R. Srinivasan	-	0.57	-	-	-	-	-	0.57
Smt. Meenakshi Dass	-	2.50	13.00	-	-	-	13.00	2.50
Smt. Nandishi Shriram	-	-	7.00	-	-	-	7.00	-
Smt. Arati Shriram	-	-	0.50	-	-	-	0.50	-
Licence fee earned								
Shriram Automotive Products Ltd.	-	-	-	-	0.01	0.01	0.01	0.01



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Notes forming part of the financial statements for the year ended March 31, 2016

Rs. million

Particulars	Key management personnel (KMP)		Relatives of KMP		Enterprises over which KMP has significant influence or control		Total	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Purchase of material / stores								
Shriram Veritech Solutions Pvt. Ltd.	-	-	-	-	6.94	5.28	6.94	5.28
Purchase of components								
Shriram Automotive Products Ltd.	-	-	-	-	302.86	275.22	302.86	275.22
Shriram Alpine Sales Pvt. Ltd.	-	-	-	-	16.32	18.43	16.32	18.43
Interest Expense								
Shriram Veritech Solutions Pvt. Ltd.	-	-	-	-	-	0.005	-	0.005
Share of expenses recovered								
Shriram Automotive Products Ltd.	-	-	-	-	3.15	3.16	3.15	3.16
Shriram Alpine Sales Pvt. Ltd.	-	-	-	-	0.46	0.91	0.46	0.91
(B) Balances due from/to the related parties								
Deposits								
Shri R. Srinivasan	3.90	3.90	-	-	-	-	3.90	3.90
Smt. Meenakshi Dass	-	11.30	-	-	-	-	-	11.30
Smt Arati Shriram	-	-	2.50	2.00	-	-	2.50	2.00
Smt Nandishi Shriram	-	-	7.00	-	-	-	7.00	-
Charat Ram Shriram Pvt. Ltd.	-	-	-	-	4.20	4.20	4.20	4.20
Interest accrued but not due								
Shri R Srinivasan	0.54	0.80	-	-	-	-	0.54	0.80
Smt Nandishi Shriram	-	-	0.28	-	-	-	0.28	-
Amount payable								
Shri A.K.Taneja	22.65	17.53	-	-	-	-	22.65	17.53
Shri R. Srinivasan	16.99	13.15	-	-	-	-	16.99	13.15
Smt. Meenakshi Dass	-	0.45*	-	-	-	-	-	0.45
Shri. Luv D Shriram	19.26	14.90	-	-	-	-	19.26	14.90
Manisha Commercial Pvt. Ltd.	-	-	-	-	0.09	0.08	0.09	0.08
Shriram Veritech Solutions Pvt. Ltd.	-	-	-	-	0.01	0.005	0.01	0.005
Shriram Alpine Sales Pvt. Ltd.	-	-	-	-	2.78	-	2.78	-
Shriram Automotive Products Ltd.	-	-	-	-	32.95	24.40	32.95	24.40
Amount recoverable								
Shriram Alpine Sales Pvt. Ltd.	-	-	-	-	-	0.03	-	0.03

Note : * Includes Rs. 0.45 million payable as commission in the capacity of Non-executive director.

Notes forming part of the financial statements for the year ended March 31, 2016

33. Sale of products

	<u>Year ended March 31, 2016</u>	<u>Year ended March 31, 2015</u>
	Rs. million	Rs. million
Pistons, Piston Pins, Piston Rings etc	12,267.43	10,710.86
Engine Valves	2,948.58	2,653.30
	<u>15,216.01</u>	<u>13,364.16</u>

Pistons/Piston Pins/Piston Rings/Cylinder liners/Conrod are sold as individual components as well as composite units. Hence, combined value has been shown.

34. Consumption of raw material and components

	<u>Year ended March 31, 2016</u>	<u>Year ended March 31, 2015</u>
	Rs. million	Rs. million
Aluminium /aluminium alloy	981.07	1,055.14
Silicon	190.70	185.27
RCP inserts	200.50	161.79
Pig iron	73.23	84.45
Steel bars/tubes	443.51	383.98
Steel wire	225.77	254.33
Valve steel	615.80	692.71
Others	1,245.71	1,161.09
	<u>3,976.29</u>	<u>3,978.76</u>

35. Value of imports (CIF basis)

	<u>Year ended March 31, 2016</u>	<u>Year ended March 31, 2015</u>
	Rs. million	Rs. million
Raw materials	724.67	813.76
Components	216.56	181.08
Stores & spares	227.36	215.54
Capital goods	111.63	44.17
	<u>1,280.22</u>	<u>1,254.55</u>



Notes forming part of the financial statements for the year ended March 31, 2016

36. Consumption of raw materials, components, packing material and stores spares

		Year ended March 31, 2016		Year ended March 31, 2015	
		Rs. million	%	Rs. million	%
Raw materials	- Imported	764.27	19.22	857.08	21.54
	- Indigenous	2,351.45	59.13	2,357.82	59.26
Components	- Imported	180.73	4.55	174.97	4.40
	- Indigenous	679.84	17.10	588.89	14.80
	- Total :	3,976.29	100.00	3,978.76	100.00
Packing material	- Imported	0.37	0.13	0.21	0.08
	- Indigenous	281.06	99.87	249.64	99.92
	- Total :	281.43	100.00	249.85	100.00
Stores & spares	- Imported	259.08	19.64	214.52	17.36
	- Indigenous	1,060.18	80.36	1,021.25	82.64
	- Total :	1,319.26	100.00	1,235.77	100.00

37. Foreign currency exposure

Details of outstanding foreign exchange exposure as at March 31, 2016 are as under:-

Currency	(Figures in million)									
	USD		JPY		EURO		GBP		SGD	
	Foreign Currency	Indian Rupees	Foreign Currency	Indian Rupees	Foreign Currency	Indian Rupees	Foreign Currency	Indian Rupees	Foreign Currency	Indian Rupees
Hedged Exposure										
- Receivables	1.00 (2.27)	67.48 (144.11)	- -	- -	2.36 2.41	175.78 (162.64)	- -	- -	- -	- -
- Payables	- (0.89)	- (55.63)	- (294.06)	- (153.38)	- -	- -	- -	- -	- -	- -
- Loans	30.90 (44.70)	1,583.83 (2,294.03)	- -	- -	- -	- -	- -	- -	0.49 (2.45)	16.39 (81.95)
Unhedged Exposure										
- Receivables	1.18 (1.89)	78.09 (118.33)	4.14 (3.64)	2.44 (1.90)	3.62 (1.52)	273.20 (102.32)	0.09 (0.18)	8.87 (16.54)	- -	- -
- Payables	0.72 (2.40)	47.43 (149.94)	366.27 (145.15)	215.67 (75.61)	0.16 (0.05)	11.89 (3.64)	0.003 (0.02)	0.25 (1.86)	- -	- -

Figures in the bracket indicate previous year figures



Notes forming part of the financial statements for the year ended March 31, 2016

38. a) Information pursuant to clause 3 (vii) (b) of the Companies (Auditor's Report) order, 2016 in respect of disputed dues, not deposited as at March 31, 2016, pending with various authorities:

Name of the Statute	Nature of the Dues	Forum where dispute is pending	Period to which the amount relates (various years covering the period)	Amount* (Rs. Million)	Amount unpaid (Rs. in Million)
Income Tax Act, 1961	Income tax	Appellate authority up to Commissioners' level	2003-04, 2004-05 & 2013-14	4.72	-
Central Excise Act, 1944	Excise Duty	Customs, Excise & Service Tax Appellate Tribunal (CESTAT)	2010-11	0.35	0.33
Finance Act, 1994	Service Tax	Customs, Excise & Service Tax Appellate Tribunal (CESTAT)	2000-01 to 2004-05	48.90	48.90
		Commissioner (Appeals)	2013-14	1.47	1.41
Central Sales Tax Act, 1956	Sales Tax	Appellate Tribunal	2005-06 to 2007-08	15.69	13.95
		Appellate authority up to Commissioners' level	2006-07, 2007-08, 2009-10, 2010-11, 2012-13	0.58	0.34
Sales Tax Laws	Sales Tax / Value Added Tax	Appellate authority up to Commissioners' level	2004-05 to 2012-13	47.10	39.86
		Appellate Tribunal	1995-96, 2003-04, 2005-06, 2007-08 to 2011-12	0.34	0.25

* amount as per demand orders including interest and penalty wherever quantified in the order.

b) The following matters, which have been excluded from the table above, have been decided in favour of the Company but the department has preferred appeals at higher levels. The details are given below:

Name of the Statute	Nature of the Dues	Forum where dispute is pending	Period to which the amount relates (various years covering the period)	Amount* (Rs. Million)
Income Tax Act, 1961	Income tax	Income Tax Appellate Tribunal	2010-11, 2011-12 & 2012-13	11.01

* amount as per demand orders including interest and penalty wherever quantified in the order.



Notes forming part of the financial statements for the year ended March 31, 2016

39. The Company has made provision for disputed/ pending litigation based on its assessment of the amount it estimates to incur to meet such obligations, details of which are given below:

Particulars	As at March 31, 2015 Rs. Million	Addition during the year (Rs. Million)	As at March 31, 2016 Rs. Million
Entry Tax	7.69	(2.80)	4.89
	(5.53)	(2.16)	(7.69)

40. Operating lease

The Company has entered into lease agreements both on cancellable and non - cancellable in nature.

	<u>Year ended March 31, 2016</u> Rs. million	<u>Year ended March 31, 2015</u> Rs. million
The total of future minimum lease payments for remaining period of non-cancellable leases are as under:		
Not later than one year	4.30	5.19
Later than one year but not later than five years	3.98	9.08
Later than five years	-	-
	<u>8.28</u>	<u>14.27</u>

41. Expenditure in foreign currency

	<u>Year ended March 31, 2016</u> Rs. million	<u>Year ended March 31, 2015</u> Rs. million
Royalty	276.92	240.83
Interest	170.44	223.31
Legal and professional	0.72	0.99
Others	114.55	106.55
	<u>562.63</u>	<u>571.68</u>

Notes forming part of the financial statements for the year ended March 31, 2016

42. Equity dividend remittances in foreign currency (excluding dividend distribution tax)

	<u>Year ended March 31, 2016</u>	<u>Year ended March 31, 2015</u>
	Rs. million	Rs. million
Year of which dividend paid	2014-15 (Final)	2013-14 (Final)
Number of non-resident shareholders	2	2
Number of equity shares held (million/no.)	9.17	9.17
Dividend (million/Rs.)	18.33	18.33
Year of which dividend paid	2015-16 (Interim)	2014-15 (Interim)
Number of non-resident shareholders	2	2
Number of equity shares held (million/no.)	9.17	9.17
Interim dividend (million/Rs.)	18.33	13.75

43. Earnings in foreign currency

	<u>Year ended March 31, 2016</u>	<u>Year ended March 31, 2015</u>
	Rs. million	Rs. million
Exports (FOB)	2,382.25	2,156.01
Development cost recovered	0.19	0.26
	<u>2,382.44</u>	<u>2,156.27</u>

44. Segment reporting

As the Company's business activity falls within a single business segment viz "automotive components" and a single geographical segment, disclosure requirements of accounting standard - 17 specified under section 133 of Companies Act, 2013, as applicable, are not applicable



Notes forming part of the financial statements for the year ended March 31, 2016

45. Micro, Small and Medium enterprises as defined under the MSMED Act

The status of vendors under Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 is based on certificate submitted by vendors about their coverage under the provisions of MSMED Act, 2006.

	<u>Year ended March 31, 2016</u>	<u>Year ended March 31, 2015</u>
	Rs. million	Rs. million
Amount remaining unpaid to suppliers under MSMED as at the end of year		
- Principal amount	38.29	39.12
- Interest due thereon	-	-
Amount of payments made to suppliers beyond the appointed day during the year		
- Principal amount	31.30	7.65
- Interest actually paid under section 16 of MSMED	0.01	0.02
Amount of interest due and payable for delay in payment (which has been paid but beyond the appointed day during the year) but without adding interest under MSMED	0.15	0.07
Interest accrued and remaining unpaid at the end of the year		
- Interest accrued during the year	0.15	0.07
- Interest remaining unpaid as at the end of the year	0.24	0.13
Interest remaining disallowable as deductible expenditure under the Income-tax Act, 1961	0.15	0.07

46. Contingent liabilities

	<u>Year ended March 31, 2016</u>	<u>Year ended March 31, 2015</u>
	Rs. million	Rs. million
i) Disputed		
- Excise duty	0.35	94.25
- Sales tax	63.71	62.49
- Service tax	50.37	42.21
- Income tax	1.43	1.43
- Employees' State Insurance	28.83	-
All the above matters are subject to legal proceedings in the ordinary course of business. In the opinion of the management, the legal proceedings, when ultimately concluded, will not have a material effect on operations or the financial position of the Company.		
ii) Bank guarantees	25.00	25.00
iii) Bills discounted from banks	9.89	10.31
iv) Claims not acknowledged as debts	54.99	37.77

Notes forming part of the financial statements for the year ended March 31, 2016

47. Commitments

	<u>Year ended March 31, 2016</u> Rs. million	<u>Year ended March 31, 2015</u> Rs. million
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	396.50	219.93

Outstanding export obligation to be fulfilled over a period of maximum upto 5 years under the EPCG scheme against import of some machines is Rs. 3465.22 Millions (previous year Rs. 4656.43 Millions). Customs duty saved against outstanding export obligations is Rs.66.35 million (previous year Rs. 181.90 million)

The Company has other commitments, for purchase / sales orders which are issued after considering requirements as per operating cycle for purchase / sale of goods, employee benefits including union agreements in normal course of business. The Company does not have any other long term commitments or material non-cancellable contractual commitments, which may have a material impact on the financial statements.

48. The Company does not have any long term contracts including derivative contracts for which there are any material foreseeable losses

49. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund (IEPF) by the Company during the year.

50. Previous year figures have been re-grouped / reclassified, wherever necessary to confirm to current year's classification. Figures in brackets denote previous year figures.

For and on behalf of the Board of Directors

Pradeep Dinodia
Chairman

A.K. Taneja
Managing Director & CEO

R. Srinivasan
Jt. Managing Director & Company Secretary

Place : New Delhi
Date : May 07, 2016

Vinod Raheja
Dy. Executive Director & CFO

Luv D. Shiram
Whole - Time Director



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SHRIRAM PISTONS & RINGS LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of SHRIRAM PISTONS & RINGS LIMITED (hereinafter referred to as "the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at March 31, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, as applicable. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matters

We did not audit the financial statements of subsidiary viz., SPR International Auto Exports Limited, whose financial statements reflect total assets of Rs. 0.48 million as at March 31, 2016, total revenues of Rs. 0.04 million and net cash flows amounting to Rs. 0.01 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary, is based solely on the report of other auditors.



Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d) In our opinion, the aforesaid consolidated financial statements comply with Accounting Standards prescribed under Section 133 of the Act, as applicable.
 - e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group companies is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our Report in "Annexure A", which is based on the auditors' report of the Holding company and the auditors' report of the Subsidiary company. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of Holding Company's and subsidiary Company's internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group- Refer Note 38 and 42(i) to the consolidated financial statements;
 - ii. The Group did not have any long term contracts including derivative contracts for which there were any material foreseeable losses- Refer Note 44 to the consolidated financial statements;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary company -Refer Note 45 to the consolidated financial statements.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm's Registration No. 015125N)

Place : Gurgaon
Date : May 07, 2016

Vijay Agarwal
(Partner)
(Membership No. 094468)

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2016, we have audited the internal financial controls over financial reporting of SHRIRAM PISTONS & RINGS LIMITED (hereinafter referred to as “the Holding Company”) and its subsidiary company, which is a Company incorporated in India, as of that date.

Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company, its subsidiary company, which is a company incorporated in India, are responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary company, incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion to the best of our information and according to the explanations given to us, the Holding Company and its subsidiary company, which is a company incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to subsidiary company, which is a company incorporated in India, is based on the corresponding report of the auditors of such company incorporated in India.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm’s Registration No. 015125N)

Vijay Agarwal
(Partner)
(Membership No. 094468)

Place : Gurgaon
Date : May 07, 2016



SHRIRAM

Consolidated Balance Sheet as at March 31, 2016

(Rupees in Million)

	Note No.	As at March 31, 2016	As at March 31, 2015
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	223.75	223.75
Reserves and surplus	4	6,667.89	5,848.30
		<u>6,891.64</u>	<u>6,072.05</u>
Non-current liabilities			
Long term borrowings	5	1,482.80	1,964.64
Deferred tax liabilities (net)	6	344.35	384.30
Other long term liabilities	7	11.86	13.37
Long term provisions	8	374.59	317.18
		<u>2,213.60</u>	<u>2,679.49</u>
Current liabilities			
Short term borrowings	9	185.21	217.62
Trade payables			
- Total Outstanding dues of micro and small enterprises	10	38.29	39.12
- Total Outstanding dues of creditors other than micro and small enterprises	10	1,843.98	1,381.12
Other current liabilities	11	1,158.05	1,394.04
Short term provisions	8	108.83	107.90
		<u>3,334.36</u>	<u>3,139.80</u>
		TOTAL	TOTAL
		<u><u>12,439.60</u></u>	<u><u>11,891.34</u></u>
ASSETS			
Non-current assets			
Fixed assets			
- Tangible assets	12	6,245.23	6,658.32
- Intangible assets	13	21.48	8.84
- Capital work-in-progress		57.09	40.36
Long term loans and advances	15	177.07	185.31
Other non current assets	16	96.03	83.95
		<u>6,596.90</u>	<u>6,976.78</u>
Current assets			
Current investment	14	175.00	-
Inventories	17	2,083.47	2,156.07
Trade receivables	18	2,225.23	2,163.98
Cash and cash equivalents	19	1,004.37	290.71
Short-term loans and advances	15	221.93	184.44
Other current assets	16	132.70	119.36
		<u>5,842.70</u>	<u>4,914.56</u>
		TOTAL	TOTAL
		<u><u>12,439.60</u></u>	<u><u>11,891.34</u></u>

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

Vijay Agarwal
Partner

Place : New Delhi
Date : May 07, 2016

Vinod Raheja
Dy. Executive Director & CFO

For and on behalf of the Board of Directors

Pradeep Dinodia
Chairman

A.K. Taneja
Managing Director & CEO

R. Srinivasan
Jt. Managing Director & Company Secretary

Luv D. Shriram
Whole - Time Director



SHRIRAM

Consolidated Statement of Profit and Loss for the year ended March 31, 2016

(Rupees in Million)

	Note No.	As at March 31, 2016	As at March 31, 2015
Revenue			
Gross Revenue from operations	20	15,455.65	13,603.97
Less : Excise duty		<u>(1,526.05)</u>	<u>(1,160.20)</u>
Net Revenue from operations		13,929.60	12,443.77
Other income	21	<u>170.08</u>	<u>172.13</u>
Total revenue		<u>14,099.68</u>	<u>12,615.90</u>
Expenses			
Cost of material consumed	22	4,257.72	4,228.61
(Increase) / Decrease in inventories of finished goods and work-in-progress	23	97.90	(215.17)
Employee benefit expenses	24	2,712.73	2,359.21
Finance costs	25	260.30	320.42
Depreciation and amortisation expense	26	930.98	960.42
Other expenses	27	<u>4,512.05</u>	<u>4,169.80</u>
Total expenses		<u>12,771.68</u>	<u>11,823.29</u>
Profit before tax		1,328.00	792.61
Tax expense:			
i) Current tax			
- Current tax expenses		440.65	254.43
ii) Deferred tax			
- Current year		(39.96)	(38.34)
- Relating to prior year		-	3.34
		<u>400.69</u>	<u>219.43</u>
Profit for the year		<u>927.31</u>	<u>573.18</u>
Earnings per share (of Rs. 10/- each)			
Basic	29	41.44	25.62
Diluted		41.44	25.62

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

Vijay Agarwal
Partner

Place : New Delhi
Date : May 07, 2016

Vinod Raheja
Dy. Executive Director & CFO

For and on behalf of the Board of Directors

Pradeep Dinodia
Chairman

A.K. Taneja
Managing Director & CEO

R. Srinivasan
Jt. Managing Director & Company Secretary

Luv D. Shriram
Whole - Time Director



SHRIRAM

Consolidated Cash flow statement for the year March 31, 2016

(Rupees in Million)

	As at March 31, 2016	As at March 31, 2015
A. Cash flow from Operating Activities		
Profit before tax	1,328.00	792.61
Adjustments for :		
Depreciation/amortisation	930.98	960.42
Finance costs	260.30	320.42
Bad debts/advances written off	0.52	3.48
Provision for doubtful debts (net)	(8.10)	13.74
Interest income	(63.13)	(52.69)
Net gain on sale of non trade current investment	(9.89)	-
Unrealised exchange rate variation (net)	(9.43)	0.91
Loss on sale / retirement of fixed assets (* Rs. 502/-)	(8.78)	(0.00)*
Operating profit before working capital changes	2,420.47	2,038.89
Changes in Working Capital:		
Adjustments for (increase) / decrease in operating assets		
Inventories	72.60	(379.04)
Trade receivables	(50.56)	(374.14)
Loans and advances (short and long term)	(44.22)	54.21
Other assets (current and non current)	15.51	(28.23)
Adjustments for increase / (decrease) in operating liabilities		
Trade payables	462.03	76.43
Other liabilities (current and non current)	(3.58)	122.49
Provisions (short and long term)	4.48	33.54
Cash Generated from operations	2,876.73	1,544.15
Income tax paid	(425.23)	(249.42)
Net cash from operating activities	(A) 2,451.50	1,294.73
B. Cash Flow from Investing Activities		
Interest received	22.30	42.19
Sale of tangible assets	28.07	12.64
Purchase of tangible assets	(528.26)	(456.28)
Purchase of intangible assets	(27.75)	(7.19)
Purchase of Current Investment	(4,625.02)	-
Proceeds from sale of Current Investment	4,459.91	-
Increase/(Decrease) in margin money with banks	(25.42)	(5.50)
Increase / (Decrease) in Deposits with maturity more than 3 months but less than 12 months	(647.84)	(32.94)
Net cash (used) in investing activities	(B) (1,344.01)	(447.08)
C. Cash Flow from Financing Activities		
Interest paid	(273.37)	(316.28)
Dividend paid	(107.73)	(92.63)
Repayment of long term borrowings	(725.80)	(681.23)
Net proceeds / (repayment) of short term loans from banks	(41.08)	3.32
Proceeds from deposits	295.15	96.36
Payment of deposits	(214.17)	(124.45)
Net cash from/(used) in financing activities	(C) (1,067.00)	(1,114.91)
Net Increase/(Decrease) in cash and cash equivalents	(A+B+C) 40.49	(267.26)
Cash and cash equivalents at the beginning of the year	183.57	450.83
Cash and cash equivalents at the end of the year	224.06	183.57
Components of cash and cash equivalents		
Cash in hand	1.07	1.59
Cheques, drafts in hand (* Rs. 1000/-)	-	-
Balances with banks		
- current accounts	31.19	51.98
- deposits with original maturity of less than three months	191.80	130.00
	224.06	183.57

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.

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

Vijay Agarwal
Partner

For and on behalf of the Board of Directors

Pradeep Dinodia
Chairman

A.K. Taneja
Managing Director & CEO

R. Srinivasan
Jt. Managing Director & Company Secretary

Place : New Delhi
Date : May 07, 2016

Vinod Raheja
Dy. Executive Director & CFO

Luv D. Shriram
Whole - Time Director

Notes forming part of the consolidated financial statements for the year ended March 31, 2016

1. Principal of consolidation

The consolidated financial statements include the financial statements of Shriram Pistons & Rings Ltd. ("the Company"), the parent Company and its subsidiary, SPR International Auto Exports Ltd., incorporated in India, in which the Parent Company holds 100% of its share capital (collectively referred to as "the Group").

The financial statements of the Company and its subsidiary companies have been combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra group balances and intra-group transactions resulting in unrealized profit or losses.

The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.

2. Significant accounting policies

2.1 Basis of accounting and preparation of consolidated financial statements

The consolidated financial statements of the Company and its subsidiary (together the 'Group') have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with Accounting Standards specified under Section 133 of the Companies Act, 2013 ("the Act"). The consolidated financial statements have been prepared on accrual basis under the historical cost convention except for categories of fixed assets acquired before April 01, 2014, that are carried at revalued amounts. The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the previous year other than depreciation policy for revalued assets.

2.2 Use of estimates

The preparation of the consolidated financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities and disclosures relating to contingent liabilities as at the date of the consolidated financial statements and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the consolidated financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

2.3 Revenue recognition

Revenue from sale of goods is recognised when significant risks and rewards in respect of ownership of the goods are transferred to the customer and is stated inclusive of excise duty and net of trade discounts, sales return and sales tax / VAT, wherever applicable.

Other revenues are recognised on accrual basis, except where there are uncertainties in realisation / determination of income and in such case income is recognised on realisation / certainty.

2.4 Fixed assets

Fixed assets are stated at their original cost (net of cenvat availed) including taxes and other incidental expenses related to acquisition, installation and borrowing cost on loan taken for the acquisition of qualifying assets upto the date the assets are ready for their intended use. Wherever assets were revalued, cost was adjusted by the amount added on revaluation based on Government approved valuer's report.

Capital work-in-progress represents expenditure incurred in respect of capital projects under development and are carried at cost. Cost includes related acquisition expenses, development/ construction costs, borrowing costs and other direct expenditure.

2.5 Depreciation and amortisation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

The Group is following written down value method in case of Furniture, fixtures and office equipments and straight line method in respect of other assets.

Depreciation on tangible fixed assets has been provided as per the useful life prescribed in Schedule II to the Act except in respect of the following categories of assets, in whose case the life of the assets has been assessed based on technical advice, taking into account the nature, the estimated usage, operating conditions of the asset, past history of replacement, anticipated technological changes and maintenance practices etc.

Plant and machinery

- General	- twenty years
- Electric Installation / Equipment	- fifteen years
- Dies	- three years
RCC Road	- twenty years
Bore well	- fifteen years
Vehicle	- five years
Furniture & Fixture / Office Equipment	- five years

Notes forming part of the consolidated financial statements for the year ended March 31, 2016

All intangible assets are amortised on straight-line method over their estimated useful life of three years

Lease money paid for leasehold land is amortised on straight line basis over the lease period

Assets costing upto Rs. 5,000 are fully depreciated in the year of acquisition.

2.6 Investments

Long term investments are stated at cost. Any diminution in the value of Long term Investments, other than temporary, is provided for in the books of account. Current investments are stated at lower of the cost or fair value.

2.7 Inventories

Inventories are valued on the following basis :

- i) Raw materials and components - at lower of cost determined on weighted average basis or net realisable value.
- ii) Stock in process – at lower of cost or net realisable value.
- iii) Finished goods stock - at lower of cost including excise duty or net realisable value.

Cost of finished goods and stock-in-process includes cost of materials, labour and appropriate proportion of overheads.

2.8 Foreign currency transactions and translations

- i) Transactions in foreign currency are recorded on initial recognition at the exchange rate prevailing on or closely approximating to the date of transaction.
- ii) Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Group are recognised as income or expense in the consolidated Statement of Profit and Loss. Non-monetary items are carried at historical cost. The exchange differences arising on settlement / restatement of long-term foreign currency monetary items are capitalised as part of the depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets. If such monetary items do not relate to acquisition of depreciable fixed assets, the exchange difference is amortised over the maturity period / upto the date of settlement of such monetary items, whichever is earlier and the unamortised exchange difference is carried in the Balance Sheet as "Foreign currency monetary item translation difference account".
- iii) The Group uses foreign exchange forward contracts to hedge its exposure to movements in foreign exchange rates. The premium or discount arising at the inception of such forward exchange contracts is amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the consolidated statement of profit and loss in the reporting period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognized as income or as expense in the period in which same is cancelled or rolled over.
- iv) Forward exchange contracts entered to hedge the foreign currency risk of highly probable forecast transactions and firm commitments are marked to market at the balance sheet date. Exchange loss on marked to market basis is recognised in the consolidated statement of profit and loss ; however, any gain is ignored.
- v) The Group enters into derivative contracts in the nature of foreign currency swaps with an intention to hedge its existing assets and liabilities. Derivative contracts which are closely linked to the existing assets and liabilities are accounted as per the policy stated in (i) and (ii) above.

2.9 Employee benefits

Employee benefits include provident fund, superannuation fund, employee state insurance scheme, gratuity fund, compensated absences, long service awards.

Contribution towards Provident Fund and Superannuation fund is paid as per the statutory provisions/Group scheme. These benefits are charged to the consolidated Statement of Profit and Loss of the year when they become due. For the PF trust administrated by the trustees, the Group is liable to meet the shortfall, if any, in payment of interest at the rates declared by Central Government and such liability is recognised in the year of shortfall.

Employee benefits in the form of gratuity is considered as defined benefit plan. The liability is determined using projected unit credit method, with actuarial valuation being carried out at each balance sheet date. Actuarial gains and losses are recognised in the consolidated statement of profit and loss in the period in which they arise.

Leave availment / encashment benefit is provided as per Group scheme. Employees are entitled to accumulate leaves subject to certain limits as per Group scheme. The liability for unutilised leave at the year end is determined through actuarial valuation using projected unit credit method.

Employee benefits in the form of long service awards is provided as per Group scheme. The liability is determined through actuarial valuation using projected unit credit method.

2.10 Research and development

Revenue expenditure on research and development, inclusive of dies for model development, is charged as expense in the year in which incurred. Capital expenditure is included in fixed assets.

Notes forming part of the consolidated financial statements for the year ended March 31, 2016

2.11 Leases

Lease rentals in respect of assets taken on operating lease are charged to the Consolidated Statement of Profit and Loss on a straight-line basis over the term of lease.

Assets acquired on finance lease which transfer risk and rewards of ownership to the Group are capitalised as assets by the Group at the lower of fair value of the leased property or the present value of the related lease payments and a liability is created for an equal amount. Amortisation of capitalised leased assets is computed in accordance with the policy followed by the Group for owned assets. Lease rental payable is apportioned between principal and finance charge using the internal rate of return method. The finance charge is allocated over the lease term so as to produce a constant periodic rate of interest on the remaining balance of liability.

2.12 Taxes on income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Group will pay normal income tax. Accordingly, MAT is recognized as an asset in the Consolidated Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Group.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses, deferred tax assets are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Group has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

Current and deferred tax relating to items directly recognised in reserves are recognised in reserves and not in the Consolidated Statement of Profit and Loss.

2.13 Borrowing costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are considered as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Consolidated Statement of Profit and Loss as and when incurred.

2.14 Earnings per share

Basic earnings per share is calculated by dividing net profit or loss for the year attributable to equity shareholders by weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue, share split and any new equity issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

2.15 Impairment of assets

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Consolidated Statement of Profit and Loss, except in case of revalued assets.

2.16 Contingent liabilities and provisions

The Group recognizes a provision when there is a present obligation as a result of past events and it is probable that an outflow of resources would be required to settle the obligation and a reliable estimate can be made.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources.

When there is a possible obligation or a present obligation in respect of which the likelihood on outflow of resources is remote, no provision or disclosure is made.



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Notes forming part of the consolidated financial statements for the year ended March 31, 2016

	As at March 31, 2016 Rs. million	As at March 31, 2015 Rs. million
3. Share capital		
<u>Authorised Shares</u>		
50,000,000 (previous year 50,000,000) equity shares of Rs. 10 each	500.00	500.00
3,000,000 (previous year 3,000,000) preference shares of Rs. 100 each	300.00	300.00
	800.00	800.00
<u>Issued, subscribed and fully paid up shares</u>		
22,374,912 (previous year 22,374,912) equity shares of Rs. 10 each	223.75	223.75
	223.75	223.75

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

	March 31, 2016		March 31, 2015	
	No. in million	Rs. million	No. in million	Rs. million
At the beginning of the year	22.37	223.75	22.37	223.75
Balance at the end of the year	22.37	223.75	22.37	223.75

b. Terms/rights attached to equity shares

The Parent Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity share is entitled to dividend and one vote per share.

c. Details of shareholders holding more than 5% shares in the Parent Company

	March 31, 2016		March 31, 2015	
	No. in million	% shareholding	No. in million	% shareholding
<u>Equity shares of Rs. 10 each fully paid</u>				
Riken Corporation	4.69	20.97	4.69	20.97
KS Kolbenschmidt GmbH	4.47	20.00	4.47	20.00
Luv D. Shriram and Meenakshi Dass*	3.33	14.90	3.33	14.90
Meenakshi Dass and Luv D. Shriram*	3.33	14.90	3.33	14.90
National Insurance Company Limited	1.43	6.38	1.43	6.38
Meenakshi Dass	1.24	5.54	1.24	5.54

* Shares held on behalf of Deepak Shriram Family Benefit Trust.

**Notes forming part of the consolidated financial statements for the year ended March 31, 2016****4. Reserves and surplus**

	<u>As at March 31, 2016</u> Rs. million	<u>As at March 31, 2015</u> Rs. million
Preference share redemption reserve	100.00	100.00
Revaluation reserve		
Balance at the beginning of the year	98.52	99.06
Less: amount transferred to general reserve on account of sale/write off of revalued assets	0.04	0.54
Balance at the end of the year	98.48	98.52
General reserve		
Balance at the beginning of the year	5,349.74	4,876.48
Add: amount transferred from surplus in the Consolidated Statement of Profit and Loss	819.57	472.72
Add: amount transferred from revaluation reserve on account of sale/write off of revalued assets	0.04	0.54
Balance at the end of the year	6,169.35	5,349.74
Surplus in Consolidated Statement of Profit and Loss		
Balance as per last Consolidated financial statements	300.04	300.02
Profit for the year	927.31	573.18
Less: Appropriations		
Depreciation charged on transition to Schedule II of the Companies Act, 2013 (Net of deferred tax of Rs. 3.34 million)	-	6.30
Dividend on equity shares for the year		
- Interim	44.75	33.56
- Final (proposed)	44.75	44.75
Dividend distribution tax	18.22	15.83
Transfer to general reserves	819.57	472.72
Total appropriations	927.29	573.16
Balance at the end of the year	300.06	300.04
	6,667.89	5,848.30

During the year ended March 31, 2016, the dividend (including interim) of Rs. 4.00 per share (previous year: Rs. 3.50 per share) recognised as distribution to equity shareholders amounting to Rs. 107.72 million including dividend distribution tax (previous year Rs. 94.14million). The final dividend for the year ended March 31, 2016, of Rs. 53.86 million including dividend distribution tax proposed by the Board of Directors is subject to the approval by the shareholders in the ensuing Annual General Meeting.

Notes forming part of the consolidated financial statements for the year ended March 31, 2016

5. Long-Term Borrowings

	As at March 31, 2016		As at March 31, 2015	
	Long term Rs. million	Current maturities Rs. million	Long term Rs. million	Current maturities Rs. million
Secured				
Term loans from banks	1,128.40	631.81	1,760.22	725.80
Unsecured				
Other loan and advances				
Deposits	353.33	104.94	191.82	183.34
Deposits from related parties (refer note 32)	1.07	9.53	12.60	8.80
	1,482.80	746.28	1,964.64	917.94
Less : Amounts disclosed as other current liabilities (refer note 11)	-	(746.28)	-	(917.94)
	1,482.80	-	1,964.64	-

(i) Term loans from banks of Rs. 1350.95 million (previous year: Rs. 1828.69 million) are secured by way of first pari passu charge and mortgage on all present and future immovable assets and hypothecation of all movable assets of the Parent Company, present and future subject to prior charge created and/or to be created in favour of the Parent Company's working capital bankers on the Parent Company's stocks and book debts.

	Amount outstanding		Repayment period from origination (years)	Installments outstanding As at March 31, 2016	
	As at March 31, 2016 (Rs. million)	As at March 31, 2015 (Rs. million)		No.	Periodicity
	18.54	92.72	5.5	1	Quarterly
	184.70	307.84	6	6	Quarterly
	160.00	240.00	6	8	Quarterly
	203.26	338.76	5	6	Quarterly
	784.45	849.37	7	15	Quarterly
	1,350.95	1,828.69			

(ii) Term loans from banks of Rs. 409.26 million (previous year: Rs. 657.33 million) are secured by way of first pari passu charge and mortgage on all present and future immovable assets and hypothecation of all movable fixed assets of the Parent Company, present and future.

	Amount outstanding		Repayment period from origination (years)	Installments outstanding As at March 31, 2016	
	As at March 31, 2016 (Rs. million)	As at March 31, 2015 (Rs. million)		No.	Periodicity
	16.39	81.95	6	1	Quarterly
	233.62	367.13	6	9	Quarterly
	159.25	208.25	7	11	Quarterly
	409.26	657.33			

Notes forming part of the Consolidated financial statements for the year ended March 31, 2016

(iii) The long term deposits have been raised under section 58A of the Companies Act, 1956 and Section 73 to 76 of the Companies Act, 2013 for maturity period of 2 and 3 years.

Amount outstanding		Repayment period from origination (years)
As at March 31, 2016 (Rs. million)	As at March 31, 2015 (Rs. million)	
16.59	36.33	2
452.28	360.23	3
468.87	396.56	

(iv) The Interest rate on term loans at point (i) and (ii) above ranges from 7.05% p.a. to 9.75% p.a. and on "deposits" at point (iii) from 8.50% p.a. to 11.00% p.a.

6. Deferred tax liability (net)

	As at March 31, 2016 Rs. million	As at March 31, 2015 Rs. million
Deferred tax liability		
Impact of difference between tax depreciation and depreciation/ amortisation charged in books	510.68	532.36
Deferred tax assets		
Expenses deductible on payment basis	157.00	135.94
Provision for doubtful debts/advances	9.33	12.12
	<u>166.33</u>	<u>148.06</u>
Net deferred tax liability	344.35	384.30

7. Other long term liabilities

	As at March 31, 2016 Rs. million	As at March 31, 2015 Rs. million
Security deposits	11.86	13.37
	<u>11.86</u>	<u>13.37</u>

The security deposits have been received by the Parent Company from customers/vendors in the normal course of business.

8. Provisions

	As at March 31, 2016		As at March 31, 2015	
	Long term Rs. million	Short term Rs. million	Long term Rs. million	Short term Rs. million
Provision for employee benefits	374.59	53.32	317.18	54.04
Income Tax	-	1.65	-	-
Proposed dividend	-	44.75	-	44.75
Tax on dividend	-	9.11	-	9.11
	<u>374.59</u>	<u>108.83</u>	<u>317.18</u>	<u>107.90</u>



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Notes forming part of the consolidated financial statements for the year ended March 31, 2016

9. Short term borrowings

	<u>As at March 31, 2016</u> Rs. million	<u>As at March 31, 2015</u> Rs. million
Secured		
Working capital loans repayable on demand from banks	173.45	214.52
Unsecured		
Deposits	4.76	3.10
Deposits from related parties (refer note 32)	7.00	-
	<u>185.21</u>	<u>217.62</u>

Working capital loans are secured by way of first pari passu charge on stocks and book debts of the Parent Company and second pari passu charge on all fixed assets of the Company, present and future.

10. Trade payables

	<u>As at March 31, 2016</u> Rs. million	<u>As at March 31, 2015</u> Rs. million
- Outstanding dues to Micro and Small enterprises (refer note no. 41)	38.29	39.12
- Outstanding dues to parties other than Micro and Small enterprises	1,843.98	1,381.12
	<u>1,882.27</u>	<u>1,420.24</u>

Trade payable includes Rs. 35.74 (previous year: Rs. 24.40 million) due to related parties (refer note 32)

11. Other current liabilities

	<u>As at March 31, 2016</u> Rs. million	<u>As at March 31, 2015</u> Rs. million
Current maturities of long term debt (refer note 5)	746.28	917.94
Interest accrued but not due on borrowings	61.85	74.92
Investor education and protection fund*		
- Unclaimed dividends	0.45	0.45
- Unclaimed matured deposits and interest accrued thereon	6.48	2.31
Advances from customers	16.17	54.00
Other payables		
- Statutory dues	189.24	196.21
- Capital creditors	71.71	87.41
- Security deposit	51.26	44.53
- Others	14.61	16.27
	<u>1,158.05</u>	<u>1,394.04</u>

* Not due for deposit



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Notes forming part of the consolidated financial statements for the year ended March 31, 2016

12. Tangible assets

Rs. million

Particulars	Gross Block					Accumulated Depreciation / Amortisation				Written down value	
	Original cost as at April 1, 2015	Additions for the year	Deductions for the year	Original cost as at March 31, 2016	As at April 1, 2015	For the year	Transition adjustment against Surplus balance in Consolidated Statement of Profit and Loss	Deductions for the year	As at	As at	As at
									March 31, 2016	March 31, 2016	March 31, 2015
Land - leasehold	337.05	-	-	337.05	32.09	3.45	-	-	35.54	301.51	304.96
Buildings	1,518.21	13.79	-	1,532.00	297.90	59.43	-	-	357.33	1,174.67	1,220.31
Plant and equipment	10,942.14	406.93	42.15	11,306.92	6,008.51	756.16	-	32.33	6,732.34	4,574.58	4,933.63
Furniture & fixtures	114.15	13.75	13.96	113.94	97.09	13.72	-	13.09	97.72	16.22	17.06
Vehicles	167.33	28.82	33.61	162.54	78.43	27.47	-	27.16	78.74	83.80	88.90
Office equipment	294.22	32.46	12.68	314.00	244.01	34.01	-	10.61	267.41	46.59	50.21
Dies	194.19	26.46	4.27	216.38	150.94	21.63	-	4.05	168.52	47.86	43.25
Total	13,567.29	522.21	106.67	13,982.83	6,908.97	915.87	-	87.24	7,737.60	6,245.23	6,658.32

Particulars	Gross Block					Accumulated Depreciation / Amortisation				Written down value	
	Original cost as at April 1, 2014	Additions for the year	Deductions for the year	Original cost as at March 31, 2015	As at April 1, 2014	For the year	Transition adjustment against Surplus balance in Consolidated Statement of Profit and Loss	Deductions for the year	As at	As at	As at
									March 31, 2015	March 31, 2015	March 31, 2014
Land - leasehold	337.05	-	-	337.05	28.64	3.45	-	-	32.09	304.96	308.41
Buildings	1,507.25	10.96	-	1,518.21	246.84	49.89	1.17	-	297.90	1,220.31	1,260.41
Plant and equipment	10,587.57	387.11	32.54	10,942.14	5,235.99	792.69	8.47	28.64	6,008.51	4,933.63	5,351.59
Furniture & fixtures	107.59	10.58	4.02	114.15	86.73	13.54	-	3.18	97.09	17.06	20.86
Vehicles	143.66	46.77	23.10	167.33	72.69	24.37	-	18.63	78.43	88.90	70.97
Office equipment	274.63	33.17	13.58	294.22	217.96	37.89	-	11.84	244.01	50.21	56.67
Dies	177.85	26.84	10.50	194.19	135.86	24.99	-	9.91	150.94	43.25	41.99
Total	13,135.60	515.43	83.74	13,567.29	6,024.71	946.82	9.64	72.20	6,908.97	6,658.32	7,110.90

13. Intangible assets

Rs. million

Particulars	Gross Block					Accumulated Depreciation / Amortisation				Written down value	
	Original cost as at April 1, 2015	Additions for the year	Deductions for the year	Original cost as at March 31, 2016	As at April 1, 2015	For the year	Transition adjustment against Surplus balance in Consolidated Statement of Profit and Loss	Deductions for the year	As at	As at	As at
									March 31, 2016	March 31, 2016	March 31, 2015
Computer software	71.05	12.19	-	83.24	62.21	9.93	-	-	72.14	11.10	8.84
Product design and development	20.17	15.56	-	35.73	20.17	5.18	-	-	25.35	10.38	-
Total	91.22	27.75	-	118.97	82.38	15.11	-	-	97.49	21.48	8.84

Particulars	Gross Block					Accumulated Depreciation / Amortisation				Written down value	
	Original cost as at April 1, 2014	Additions for the year	Deductions for the year	Original cost as at March 31, 2015	As at April 1, 2014	For the year	Transition adjustment against Surplus balance in Consolidated Statement of Profit and Loss	Deductions for the year	As at	As at	As at
									March 31, 2015	March 31, 2015	March 31, 2014
Computer software	63.86	7.19	-	71.05	52.67	9.54	-	-	62.21	8.84	11.19
Product design and development	20.17	-	-	20.17	16.11	4.06	-	-	20.17	-	4.06
Total	84.03	7.19	-	91.22	68.78	13.60	-	-	82.38	8.84	15.25

Notes forming part of the consolidated financial statements for the year ended March 31, 2016

	As at March 31, 2016 Rs. million	As at March 31, 2015 Rs. million
14. Current Investments (Unquoted)		
Non Trade		
Investment in Mutual fund		
Liquid fund		
Units of Face value of Rs 1000 each		
– 21027 units (Previous year: Nil) of SBI Premier Liquid Fund Growth Plan.	50.00	-
– 14898 units (previous year : Nil) of Axis Liquid Fund- Growth Direct.	25.00	-
– 30827 units (previous year : Nil) of IDBI Liquid Fund Growth Plan - Direct.	50.00	-
– 33154 units (previous year : Nil) of HSBC Cash Fund Growth Direct.	50.00	-
	175.00	-
Repurchase price current Rs 175.21 Million (Previous year: Nil)		

15. Loan and advances

	As at March 31, 2016		As at March 31, 2015	
	Current Rs. million	Non-Current Rs. million	Current Rs. million	Non-Current Rs. million
Capital advances (Unsecured, considered good)	-	57.06	-	67.61
Security deposits (Unsecured, considered good)	0.66	120.01	0.64	117.67
	0.66	177.07	0.64	185.28
Advances recoverable in cash or in kind or for value to be received Unsecured, considered good	95.25	-	57.88	-
Doubtful	13.73	-	24.73	-
	108.98	-	82.61	-
Less: Doubtful	(13.73)	-	(24.73)	-
	95.25	-	57.88	-
Other loans and advances				
Advance tax (net)	-	-	13.76	-
Prepaid expenses	42.31	-	31.15	-
Housing loans to employees (secured)	0.04	-	0.13	0.03
Cenvat recoverable	70.76	-	64.81	-
Balance with excise authorities	12.91	-	16.07	-
	126.02	-	125.92	0.03
	221.93	177.07	184.44	185.31

Housing loans are secured by the documents of the properties financed.

Advance recoverable in cash or in kind includes Rs. Nil (previous year: Rs. 0.03 million) due from related parties (refer note 32)



Notes forming part of the consolidated financial statements for the year ended March 31, 2016

16. Other assets

(Unsecured, considered good unless stated otherwise)

	As at March 31, 2016		As at March 31, 2015	
	Current Rs. million	Non-Current Rs. million	Current Rs. million	Non-Current Rs. million
Export incentive receivable	12.56	65.81	18.67	66.98
Interest accrued on fixed deposits	35.90	-	14.06	-
Margin money (refer Note 19)	-	6.63	-	6.54
Other assets	84.24	23.59	86.63	10.43
	132.70	96.03	119.36	83.95

17. Inventories

(valued at lower of cost or net realisable value)

	As at March 31, 2016	As at March 31, 2015
	Rs. million	Rs. million
Raw material and components (includes in transit Rs. 10.66 million (previous year: Rs. 2.83 million))	496.86	478.05
Work-in-progress (includes in transit Rs. 1.20 million (previous year: Rs. 0.59 million))	493.50	521.40
Finished goods (includes in transit Rs. 202.83 million (previous year: Rs.184.51 million))	878.89	938.70
Stores and spares	186.25	176.84
Loose tools	27.97	41.08
	2,083.47	2,156.07

18. Trade receivables

(Unsecured, considered good unless stated otherwise)

	As at March 31, 2016	As at March 31, 2015
	Rs. million	Rs. million
Outstanding for a period exceeding six months		
- Considered good	24.75	14.75
- Doubtful	7.95	8.87
Other receivables		
- Considered good	2,200.48	2,149.23
- Doubtful	5.26	1.45
	2,238.44	2,174.30
Provision for doubtful trade receivables	(13.21)	(10.32)
	2,225.23	2,163.98

Notes forming part of the consolidated financial statements for the year ended March 31, 2016

19. Cash and cash equivalents

	As at March 31, 2016		As at March 31, 2015	
	Current Rs. million	Non-Current Rs. million	Current Rs. million	Non-Current Rs. million
Cash and cash equivalents				
Cash in hand	1.07	-	1.59	-
Balances with banks				
- current accounts	31.19	-	51.98	-
- deposits with original maturity of less than three months	191.80	-	130.00	-
	<u>224.06</u>	<u>-</u>	<u>183.57</u>	<u>-</u>
Other bank balances				
Dividend account	0.45	-	0.45	-
Deposits with maturity more than 3 months but less than 12 months	731.27	-	83.43	-
Deposits with bank held as margin money	48.59	6.63	23.26	6.54
	<u>780.31</u>	<u>6.63</u>	<u>107.14</u>	<u>6.54</u>
Less : Amounts disclosed as other non-current assets (refer note 16)	-	(6.63)	-	(6.54)
	<u>1,004.37</u>	<u>-</u>	<u>290.71</u>	<u>-</u>

20. Revenue from operations

	Year ended March 31, 2016 Rs. million	Year ended March 31, 2015 Rs. million
Sale of products (refer note 33)	15,216.01	13,364.16
Other operating revenues		
- sale of scrap	124.08	133.79
- export benefits	106.63	97.43
- others	8.93	8.59
	<u>15,455.65</u>	<u>13,603.97</u>
Less:		
Excise duty	(1,526.05)	(1,160.20)
	<u>13,929.60</u>	<u>12,443.77</u>

21. Other income

	Year ended March 31, 2016 Rs. million	Year ended March 31, 2015 Rs. million
Interest income		
- Bank deposits	44.14	38.09
- Others	18.99	14.60
Net gain on sale of non trade current investment	9.89	-
Profit on sale/retirement of fixed assets(net) (* Rs. 502/-)	8.78	0.00*
Exchange rate variation (net)	18.64	60.80
Provision for doubtful debts and advances (net)	8.10	-
Other non-operating income	61.54	58.64
	<u>170.08</u>	<u>172.13</u>



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Notes forming part of the consolidated financial statements for the year ended March 31, 2016

22. Cost of material consumed

	<u>Year ended March 31, 2016</u> Rs. million	<u>Year ended March 31, 2015</u> Rs. million
Cost of raw material and components consumed (refer note 34)	3,976.29	3,978.76
Cost of packing material consumed	281.43	249.85
	<u>4,257.72</u>	<u>4,228.61</u>

23. (Increase) / Decrease in inventories

	<u>Year ended March 31, 2016</u> Rs. million	<u>Year ended March 31, 2015</u> Rs. million
Inventories at the end of the year		
Work-in-progress	493.50	521.40
Finished goods	878.89	938.70
	<u>1,372.39</u>	<u>1,460.10</u>
Inventories at the beginning of the year		
Work-in-progress	521.40	470.60
Finished goods	938.70	718.21
	<u>1,460.10</u>	<u>1,188.81</u>
Excise duty variation on finished goods	10.19	56.12
	<u>97.90</u>	<u>(215.17)</u>

24. Employee benefit expense

	<u>Year ended March 31, 2016</u> Rs. million	<u>Year ended March 31, 2015</u> Rs. million
Salaries and wages	2,306.80	1,982.59
Contribution to provident and other funds	185.34	168.31
Staff welfare expenses	220.59	208.31
	<u>2,712.73</u>	<u>2,359.21</u>

25. Finance costs

	<u>Year ended March 31, 2016</u> Rs. million	<u>Year ended March 31, 2015</u> Rs. million
Interest expense	258.48	316.66
Other borrowing costs	1.82	3.76
	<u>260.30</u>	<u>320.42</u>

Notes forming part of the consolidated financial statements for the year ended March 31, 2016

26. Depreciation and amortisation expense

	<u>Year ended March 31, 2016</u> Rs. million	<u>Year ended March 31, 2015</u> Rs. million
For the year		
– tangible (refer note 12)	915.87	956.46
– intangible (refer note 13)	15.11	13.60
	<u>930.98</u>	<u>970.06</u>
Less : Transition adjustment against Surplus balance in Statement of Profit and Loss (refer note 12)	-	9.64
	<u>930.98</u>	<u>960.42</u>

27. Other expenses

	<u>Year ended March 31, 2016</u> Rs. million	<u>Year ended March 31, 2015</u> Rs. million
Stores and spares consumed	1,319.26	1,235.77
Power and fuel	1,023.32	961.70
Job work charges	391.01	363.56
Freight expenses	180.06	156.17
Royalty	291.84	252.88
Rent	56.71	43.44
Rates and taxes	14.63	18.32
Insurance	18.75	20.39
Repair and maintenance		
– Plant and machinery	101.86	94.93
– Buildings	102.27	88.74
– Others	27.46	26.25
Auditor's remuneration (refer note 28)	2.87	2.78
Directors' fees	3.31	3.70
Provision for doubtful debts and advances (net)	-	13.74
Bad debts and advances written off	0.52	3.48
Corporate Social Responsibilities Expenses	18.50	6.58
Miscellaneous expenses	959.68	877.37
	<u>4,512.05</u>	<u>4,169.80</u>



Notes forming part of the consolidated financial statements for the year ended March 31, 2016

28. Payment to auditor

(excluding service tax)

	<u>Year ended March 31, 2016</u> Rs. million	<u>Year ended March 31, 2015</u> Rs. million
As auditor:		
– Audit fee	1.87	1.57
– Tax audit fee	0.20	0.20
– Limited review	0.60	0.83
In other capacity:		
– Certification fees	0.20	0.08
– Reimbursement of expenses	-	0.10
	<u>2.87</u>	<u>2.78</u>

29. Earnings per share (EPS)

	<u>Year ended March 31, 2016</u> Rs. million	<u>Year ended March 31, 2015</u> Rs. million
Net profit attributable to equity shareholders (Rs. million)	927.31	573.18
Weighted average number of equity shares (Nos. million)	22.37	22.37
Earning per share		
– Basic (Rs.)	41.44	25.62
– Diluted (Rs.)	41.44	25.62

30. Research and development expenditure

The details of research and development expenditure incurred by the Parent Company and included in the respective account heads are as under:-

	<u>Year ended March 31, 2016</u> Rs. million	<u>Year ended March 31, 2015</u> Rs. million
Capital expenditure	41.82	23.10
Revenue expenditure	121.08	149.02
	<u>162.90</u>	<u>172.12</u>

The details of revenue expenditure incurred on research and development is as under:

	<u>Year ended March 31, 2016</u> Rs. million	<u>Year ended March 31, 2015</u> Rs. million
Stores and spares consumed	43.85	79.03
Salaries and wages	56.27	50.81
Contribution to provident and other funds	6.94	5.08
Staff welfare expenses	1.13	1.04
Power and fuel	3.70	3.69
Repair and maintenance		
– Plant and Machinery	0.39	1.29
– Buildings	-	0.04
– Others	0.03	-
Cost of material consumed (* Rs. 2506/-)	-	0.00*
Loss on sale/retirement of fixed assets (net)	0.20	-
Miscellaneous expenses	8.57	8.04
	<u>121.08</u>	<u>149.02</u>

Notes forming part of the consolidated financial statements for the year ended March 31, 2016

31. Employee benefits

The Parent company has classified the various employee benefits as under :-

i) Defined contribution plans

The Parent company has recognised the following amount in the consolidated statement of profit and loss:-

	<u>Year ended March 31, 2016</u>	<u>Year ended March 31, 2015</u>
	Rs. million	Rs. million
Employers' contribution to Provident fund	127.97	107.33
Employers' contribution to Superannuation fund	20.82	18.71
Employers' contribution to State insurance fund	30.65	32.58
	<u>179.44</u>	<u>158.62</u>

ii) Defined benefit plans - Gratuity

In accordance with Accounting Standard 15 (revised 2005), actuarial valuation was done for the aforesaid benefit plans and details of the same are given below :

Particulars	<u>Year ended March 31, 2016</u>	<u>Year ended March 31, 2015</u>
	Rs. million	Rs. million
Components of employer's expense		
Current service cost	51.87	49.11
Interest cost	43.75	39.68
Expected return on plan assets	(51.53)	(47.63)
Actuarial losses/(gains)	(15.60)	(7.08)
Total expense recognised in the Consolidated Statement of Profit and Loss	28.49	34.08
Actual contribution and benefit payments for the year		
Actual benefit payments	(34.17)	(25.50)
Actual contributions	-	25.00
Net asset / (liability) recognised in the Balance Sheet		
Present value of defined benefit obligation	616.76	570.90
Fair value of plan assets	640.43	588.90
Funded status [Surplus / (Deficit)]	23.67	18.00
Net asset / (liability) recognised in the Balance Sheet	23.67	18.00
Change in defined benefit obligations (DBO) during the year		
Present value of DBO at beginning of the year	570.90	515.06
Current service cost	51.87	49.11
Interest cost	43.75	39.68
Actuarial (gains) / losses	(15.60)	(7.45)
Benefits paid	(34.17)	(25.50)
Present value of DBO at the end of the year	616.75	570.90
Change in fair value of assets during the year		
Plan assets at beginning of the year	588.90	516.75
Expected return on plan assets	51.53	47.63
Actual company contributions	-	25.00
Actuarial gain / (loss)	-	(0.37)
Benefits paid	-	(0.11)
Plan assets at the end of the year	640.43	588.90
Actual return on plan assets	51.53	47.26
Actuarial assumptions		
Discount rate	7.90%	7.90%
Expected return on plan assets	8.75%	9.00%
Salary escalation	11.00%	11.00%
Attrition	5 /25% p.a.	5 /25% p.a.
Mortality table used	IAL 2006-08 Ultimate	IAL 2006-08 Ultimate

**Notes forming part of the consolidated financial statements for the year ended March 31, 2016**

Disclosure of present value of plan obligation, fair value of plan assets and experience adjustment for the current year and previous four years are as follows:

	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012
	Rs. million	Rs. million	Rs. million	Rs. million	Rs. million
Gratuity					
Present value of DBO	616.75	570.90	515.06	520.71	472.90
Fair value of plan assets	640.43	588.90	516.75	445.08	324.69
Funded status [Surplus / (Deficit)]	23.68	18.00	1.69	(75.63)	(148.21)
Experience adjustment in plan obligation [Gain/(Loss)]	(15.60)	(7.45)	(69.30)	(17.09)	(25.90)
Experience adjustment in plan assets [Gain/(Loss)]	0.00	(0.37)	0.56	0.31	2.44

The plan assets are managed by independent Board of Trustees through Life Insurance Corporation of India (LIC), SBI Life Insurance, Bajaj Allianz Life Insurance Company and HDFC Standard Life Insurance Co. Under this policy, the eligible employees are entitled to receive gratuity payments upon their resignation or death in lumpsum after deduction of necessary taxes. The fund managers do not disclose the composition of their portfolio investment, accordingly break-down of plan assets by investment type has not been disclosed.

Estimate of the future salary increase is based on factors such as inflation, seniority, promotions, demand and supply in employment market.

iii) Actuarial assumptions for long -term compensated absences

Discount rate	7.90%	7.90%
Expected return on plan assets	-	-
Salary escalation	11.00%	11.00%
Attrition	5 /25% p.a.	5 /25% p.a.
Mortality table used	IAL 2006-08 Ultimate	IAL 2006-08 Ultimate

iv) The Parent Company has a long service reward scheme for selective group of employees. The total expense recognised in the current year is Rs. 6.66 million (previous year: 6.90 million) based on actuarial valuation. The liability recognised in the books as at March 31, 2016 is Rs. 26.79 million (previous year Rs. 27.18 million)



Notes forming part of the consolidated financial statements for the year ended March 31, 2016

32. Related party disclosure

As per Accounting Standard – 18, notified in the companies (accounting standards) rules, 2006 , the Group's related parties and transactions with them are disclosed below :

A. List of related parties

Subsidiary company	SPR International Auto Exports Limited
Key management personnel	Shri A.K Taneja, Managing Director & CEO Shri R. Srinivasan, Jt. Managing Director & Company Secretary Shri Luv D. Shriram, Whole Time Director
Relatives of key management personnel	
Shri A.K Taneja	Smt. Anita Taneja
Shri R. Srinivasan	Smt. Usha Srinivasan
Shri Luv D. Shriram	Late Shri. Deepak C. Shriram Smt. Santosh D. Shriram Smt. Meenakshi Dass Shri Arjun D. Shriram Shri Kush D. Shriram Smt Nandishi Shriram Smt. Arati Shriram
Enterprises over which there is significant influence of Shri Luv D. Shriram and their relatives as above	Shriram Automotive Products Ltd. Shriram Alpine Sales Pvt. Ltd. Shriram Veritech Solutions Pvt. Ltd. Sera Com Pvt. Ltd. Manisha Commercial Pvt. Ltd Sarva Commercial Pvt. Ltd. Charat Ram Shriram Pvt. Ltd. Deepak C. Shriram & Sons HUF Shabnam Commercial Pvt. Ltd.
Enterprises over which there is significant influence of Shri A.K Taneja and their relatives as above	Shriram Automotive Products Ltd. Shriram Alpine Sales Pvt. Ltd.



SHRIRAM

Notes forming part of the consolidated financial statements for the year ended March 31, 2016

B. Related party transactions

Rs. million

Particulars	Key management personnel (KMP)		Relatives of KMP		Enterprises over which KMP has significant influence or control		Total	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
(A) Transactions during the year								
Remuneration								
Shri A.K.Taneja	35.00	29.77	-	-	-	-	35.00	29.77
Shri R. Srinivasan	26.81	22.97	-	-	-	-	26.81	22.97
Smt. Meenakshi Dass	-	1.48*	-	-	-	-	-	1.48
Shri. Luv D Shriram	28.75	22.85	-	-	-	-	28.75	22.85
Rent								
Smt. Meenakshi Dass	-	0.02	-	-	-	-	-	0.02
Smt. Anita Taneja	-	-	0.24	0.24	-	-	0.24	0.24
Smt. Usha Srinivasan	-	-	0.24	0.24	-	-	0.24	0.24
Manisha Commercial Pvt. Ltd.	-	-	-	-	1.04	1.02	1.04	1.02
Deepak C. Shriram & Sons HUF	-	-	-	-	0.24	0.22	0.24	0.22
Interest on deposits								
Shri R. Srinivasan	0.54	0.81	-	-	-	-	0.54	0.81
Smt. Meenakshi Dass	-	1.18	0.64	-	-	-	0.64	1.18
Smt. Usha Srinivasan	-	-	-	0.16	-	-	-	0.16
Smt. Santosh D Shriram	-	-	-	0.003	-	-	-	0.003
Shri Arjun D Shriram	-	-	-	0.04	-	-	-	0.04
Ms. Nandishi Shriram	-	-	0.28	-	-	-	0.28	-
Smt Arati Shriram	-	-	0.25	0.22	-	-	0.25	0.22
Charat Ram Shriram Pvt. Ltd.	-	-	-	-	0.46	0.46	0.46	0.46
Directors sitting fees								
Smt. Meenakshi Dass	-	0.30	0.20	-	-	-	0.20	0.30
Dividend paid								
Shri A.K.Taneja	0.0002	0.0002	-	-	-	-	0.0002	0.0002
Smt. Meenakshi Dass	-	16.02	18.30	-	-	-	18.30	16.02
Shri Luv D Shriram	13.34	11.67	-	-	-	-	13.34	11.67
Smt. Usha Srinivasan	-	-	0.01	0.01	-	-	0.01	0.01
Late Shri Deepak C Shriram	-	-	0.004	0.003	-	-	0.004	0.003
Sarva Commercial Pvt. Ltd.	-	-	-	-	4.25	3.72	4.25	3.72
Charat Ram Shriram Pvt. Ltd.	-	-	-	-	0.009	0.008	0.009	0.008
Manisha Commercial Pvt. Ltd.	-	-	-	-	2.66	2.33	2.66	2.33
Sera Com Pvt. Ltd.	-	-	-	-	3.78	3.31	3.78	3.31
Shabnam Commercial Pvt. Ltd.	-	-	-	-	0.41	0.36	0.41	0.36
Deposits taken during the year								
Shri R. Srinivasan	-	0.57	-	-	-	-	-	0.57
Smt. Meenakshi Dass	-	2.50	13.00	-	-	-	13.00	2.50
Smt. Nandishi Shriram	-	-	7.00	-	-	-	7.00	-
Smt. Arati Shriram	-	-	0.50	-	-	-	0.50	-
Licence fee earned								
Shriram Automotive Products Ltd.	-	-	-	-	0.01	0.01	0.01	0.01



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Notes forming part of the consolidated financial statements for the year ended March 31, 2016

Rs. million

Particulars	Key management personnel (KMP)		Relatives of KMP		Enterprises over which KMP has significant influence or control		Total	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Purchase of material / stores								
Shriram Veritech Solutions Pvt. Ltd.	-	-	-	-	6.94	5.28	6.94	5.28
Purchase of components								
Shriram Automotive Products Ltd.	-	-	-	-	302.86	275.22	302.86	275.22
Shriram Alpine Sales Pvt. Ltd.	-	-	-	-	16.32	18.43	16.32	18.43
Interest Expense								
Shriram Veritech Solutions Pvt. Ltd.	-	-	-	-	-	0.005	-	0.005
Share of expenses recovered								
Shriram Automotive Products Ltd.	-	-	-	-	3.15	3.16	3.15	3.16
Shriram Alpine Sales Pvt. Ltd.	-	-	-	-	0.46	0.91	0.46	0.91
(B) Balances due from/to the related parties								
Deposits								
Shri R. Srinivasan	3.90	3.90	-	-	-	-	3.90	3.90
Smt. Meenakshi Dass	-	11.30	-	-	-	-	-	11.30
Smt Arati Shriram	-	-	2.50	2.00	-	-	2.50	2.00
Smt Nandishi Shriram	-	-	7.00	-	-	-	7.00	-
Charat Ram Shriram Pvt. Ltd.	-	-	-	-	4.20	4.20	4.20	4.20
Interest accrued but not due								
Shri R Srinivasan	0.54	0.80	-	-	-	-	0.54	0.80
Smt Nandishi Shriram	-	-	0.28	-	-	-	0.28	-
Amount payable								
Shri A.K.Taneja	22.65	17.53	-	-	-	-	22.65	17.53
Shri R. Srinivasan	16.99	13.15	-	-	-	-	16.99	13.15
Smt. Meenakshi Dass	-	0.45*	-	-	-	-	-	0.45
Shri. Luv D Shriram	19.26	14.90	-	-	-	-	19.26	14.90
Manisha Commercial Pvt. Ltd.	-	-	-	-	0.09	0.08	0.09	0.08
Shriram Veritech Solutions Pvt. Ltd.	-	-	-	-	0.01	0.005	0.01	0.005
Shriram Alpine Sales Pvt. Ltd.	-	-	-	-	2.78	-	2.78	-
Shriram Automotive Products Ltd.	-	-	-	-	32.95	24.40	32.95	24.40
Amount recoverable								
Shriram Alpine Sales Pvt. Ltd.	-	-	-	-	-	0.03	-	0.03

Note : * Includes Rs. 0.45 million payable as commission in the capacity of Non-executive director.



SHRIRAM

Notes forming part of the consolidated financial statements for the year ended March 31, 2016

33. Sale of products

	Year ended March 31, 2016	Year ended March 31, 2015
	Rs. million	Rs. million
Pistons, Piston Pins, Piston Rings etc	12,267.43	10,710.86
Engine Valves	2,948.58	2,653.30
	15,216.01	13,364.16

Pistons/Piston Pins/Piston Rings/Cylinder liners/Conrod are sold as individual components as well as composite units. Hence, combined value has been shown.

34. Consumption of raw material and components

	Year ended March 31, 2016	Year ended March 31, 2015
	Rs. million	Rs. million
Aluminium /aluminium alloy	981.07	1,055.14
Silicon	190.70	185.27
RCP inserts	200.50	161.79
Pig iron	73.23	84.45
Steel bars/tubes	443.51	383.98
Steel wire	225.77	254.33
Valve steel	615.80	692.71
Others	1,245.71	1,161.09
	3,976.29	3,978.76



SHRIRAM

Notes forming part of the consolidated financial statements for the year ended March 31, 2016

35. Consumption of raw materials, components, packing material and stores spares

		Year ended March 31, 2016		Year ended March 31, 2015	
		Rs. million	%	Rs. million	%
Raw materials	- Imported	764.27	19.22	857.08	21.54
	- Indigenous	2,351.45	59.13	2,357.82	59.26
Components	- Imported	180.73	4.55	174.97	4.40
	- Indigenous	679.84	17.10	588.89	14.80
	- Total :	3,976.29	100.00	3,978.76	100.00
Packing material	- Imported	0.37	0.13	0.21	0.08
	- Indigenous	281.06	99.87	249.64	99.92
	- Total :	281.43	100.00	249.85	100.00
Stores & spares	- Imported	259.08	19.64	214.52	17.36
	- Indigenous	1,060.18	80.36	1,021.25	82.64
	- Total :	1,319.26	100.00	1,235.77	100.00

36. Foreign currency exposure

Details of outstanding foreign exchange exposure as at March 31, 2016 are as under:-

(Figures in million)

Currency	USD		JPY		EURO		GBP		SGD	
	Foreign Currency	Indian Rupees	Foreign Currency	Indian Rupees	Foreign Currency	Indian Rupees	Foreign Currency	Indian Rupees	Foreign Currency	Indian Rupees
<u>Hedged Exposure</u>										
- Receivables	1.00 (2.27)	67.48 (144.11)	- -	- -	2.36 2.41	175.78 (162.64)	- -	- -	- -	- -
- Payables	- (0.89)	- (55.63)	- (294.06)	- (153.38)	- -	- -	- -	- -	- -	- -
- Loans	30.90 (44.70)	1,583.83 (2,294.03)	- -	- -	- -	- -	- -	- -	0.49 (2.45)	16.39 (81.95)
<u>Unhedged Exposure</u>										
- Receivables	1.18 (1.89)	78.09 (118.33)	4.14 (3.64)	2.44 (1.90)	3.62 (1.52)	273.20 (102.32)	0.09 (0.18)	8.87 (16.54)	- -	- -
- Payables	0.72 (2.40)	47.43 (149.94)	366.27 (145.15)	215.67 (75.61)	0.16 (0.05)	11.89 (3.64)	0.003 (0.02)	0.25 (1.86)	- -	- -

Figures in the bracket indicate previous year figures



Notes forming part of the consolidated financial statements for the year ended March 31, 2016

37. a) Information pursuant to clause 3 (vii) (b) of the Companies (Auditor's Report) order, 2016 in respect of disputed dues, not deposited as at March 31, 2016, pending with various authorities:

Name of the Statute	Nature of the Dues	Forum where dispute is pending	Period to which the amount relates(various years covering the period)	Amount* (Rs. Million)	Amount unpaid (Rs. in Million)
Income Tax Act, 1961	Income tax	Appellate authority up to Commissioners' level	2003-04, 2004-05 & 2013-14	4.72	-
Central Excise Act, 1944	Excise Duty	Customs, Excise & Service Tax Appellate Tribunal (CESTAT)	2010-11	0.35	0.33
Finance Act, 1994	Service Tax	Customs, Excise & Service Tax Appellate Tribunal (CESTAT)	2000-01 to 2004-05	48.90	48.90
		Commissioner (Appeals)	2013-14	1.47	1.41
Central Sales Tax Act, 1956	Sales Tax	Appellate Tribunal	2005-06 to 2007-08	15.69	13.95
		Appellate authority up to Commissioners' level	2006-07, 2007-08, 2009-10, 2010-11, 2012-13	0.58	0.34
Sales Tax Laws	Sales Tax / Value Added Tax	Appellate authority up to Commissioners' level	2004-05 to 2012-13	47.10	39.86
		Appellate Tribunal	1995-96, 2003-04, 2005-06, 2007-08 to 2011-12	0.34	0.25

* amount as per demand orders including interest and penalty wherever quantified in the order.

b) The following matters, which have been excluded from the table above, have been decided in favour of the Group but the department has preferred appeals at higher levels. The details are given below:

Name of the Statute	Nature of the Dues	Forum where dispute is pending	Period to which the amount relates(various years covering the period)	Amount* (Rs. Million)
Income Tax Act, 1961	Income tax	Income Tax Appellate Tribunal	2010-11, 2011-12 & 2012-13	11.01

* amount as per demand orders including interest and penalty wherever quantified in the order.

Notes forming part of the consolidated financial statements for the year ended March 31, 2016

38. The Parent Company has made provision for disputed/ pending litigation based on its assessment of the amount it estimates to incur to meet such obligations, details of which are given below:

Particulars	As at March 31, 2015 Rs. Million	Addition during the year (Rs. Million)	As at March 31, 2016 Rs. Million
Entry Tax	7.69	(2.80)	4.89
	(5.53)	(2.16)	(7.69)

39. Operating lease

The Parent Company has entered into lease agreements both on cancellable and non - cancellable in nature.

	<u>Year ended March 31, 2016</u> Rs. million	<u>Year ended March 31, 2015</u> Rs. million
The total of future minimum lease payments for remaining period of non-cancellable leases are as under:		
Not later than one year	4.30	5.19
Later than one year but not later than five years	3.98	9.08
Later than five years	-	-
	<u>8.28</u>	<u>14.27</u>

40. Segment reporting

As the Group's business activity falls within a single business segment viz "automotive components" and a single geographical segment, disclosure requirements of accounting standard - 17 specified under section 133 of Companies Act, 2013, as applicable, are not applicable.

Notes forming part of the consolidated financial statements for the year ended March 31, 2016

41. Micro, Small and Medium enterprises as defined under the MSMED Act

The status of vendors under Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 is based on certificate submitted by vendors about their coverage under the provisions of MSMED Act, 2006.

	<u>Year ended March 31, 2016</u>	<u>Year ended March 31, 2015</u>
	Rs. million	Rs. million
Amount remaining unpaid to suppliers under MSMED as at the end of year		
- Principal amount	38.29	39.12
- Interest due thereon	-	-
Amount of payments made to suppliers beyond the appointed day during the year		
- Principal amount	31.30	7.65
- Interest actually paid under section 16 of MSMED	0.01	0.02
Amount of interest due and payable for delay in payment (which has been paid but beyond the appointed day during the year) but without adding interest under MSMED	0.15	0.07
Interest accrued and remaining unpaid at the end of the year		
- Interest accrued during the year	0.15	0.07
- Interest remaining unpaid as at the end of the year	0.24	0.13
Interest remaining disallowable as deductible expenditure under the Income-tax Act, 1961	0.15	0.07

42. Contingent liabilities

	<u>Year ended March 31, 2016</u>	<u>Year ended March 31, 2015</u>
	Rs. million	Rs. million
i) Disputed		
- Excise duty	0.35	94.25
- Sales tax	63.71	62.49
- Service tax	50.37	42.21
- Income tax	1.43	1.43
- Employees' State Insurance	28.83	-
All the above matters are subject to legal proceedings in the ordinary course of business. In the opinion of the management, the legal proceedings, when ultimately concluded, will not have a material effect on operations or the financial position of the Group.		
ii) Bank guarantees	25.00	25.00
iii) Bills discounted from banks	9.89	10.31
iv) Claims not acknowledged as debts	54.99	37.77



Notes forming part of the consolidated financial statements for the year ended March 31, 2016

43. Commitments

	<u>Year ended March 31, 2016</u> Rs. million	<u>Year ended March 31, 2015</u> Rs. million
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	396.50	219.93

Outstanding export obligation to be fulfilled over a period of maximum upto 5 years under the EPCG scheme against import of some machines is Rs. 3465.22 Millions (previous year Rs. 4656.43 Millions). Customs duty saved against outstanding export obligations is Rs.66.35 million (previous year Rs. 181.90 million)

The Parent Company has other commitments, for purchase / sales orders which are issued after considering requirements as per operating cycle for purchase / sale of goods, employee benefits including union agreements in normal course of business. The Parent Company does not have any other long term commitments or material non-cancellable contractual commitments, which may have a material impact on the consolidated financial statements.

44. The Group does not have any long term contracts including derivative contracts for which there are any material foreseeable losses

45. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund (IEPF) by the Group during the year.

46. Information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013 is given below:-

Name of the entity	Net assets, i.e., total assets minus total liabilities		Share of profit or loss	
	As % of consolidated net assets	Rs. (Million)	As % of consolidated profit or loss	Rs. (Million)
Parent				
Shriram Pistons & Rings Limited	100.00	6,891.65	100.00	928.48
Subsidiary				
SPR International Auto Exports Ltd	0.00	0.47	0.00	0.02

47. Previous year figures have been re-grouped / reclassified, wherever necessary to confirm to current year's classification. Figures in brackets denote previous year figures.

For and on behalf of the Board of Directors

Pradeep Dinodia
Chairman

A.K. Taneja
Managing Director & CEO

R. Srinivasan
Jt. Managing Director & Company Secretary

Place : New Delhi
Date : May 07, 2016

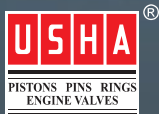
Vinod Raheja
Dy. Executive Director & CFO

Luv D. Shriram
Whole - Time Director



Technology has always been our driving force. And our biggest strength too. We are continuously innovating and finding breakthrough solutions, working closely with our technology partners. This has helped us make components that can withstand the toughest performance standards. And the toughest of competition.

Our strong partnership with global technology leaders gives us confidence to work with our customers to offer cost-effective solutions for BS-VI (Euro VI) compliant engines to be introduced in India from 2020.



SHRIRAM PISTONS & RINGS LTD.

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