



SHRIRAM

NOTICE - EQUITY SHAREHOLDERS

SHRIRAM PISTONS & RINGS LIMITED

| | | |
|-------------------|---|--|
| Registered Office | : | 3 rd Floor, Himalaya House, 23, Kasturba Gandhi Marg, New Delhi-110001 |
| Tel. no. | : | 011- 2331 5941-45 |
| CIN | : | L29112DL1963PLC004084 |
| Website | : | http://www.shrirampistons.com |
| E-mail | : | compliance.officer@shrirampistons.com |

MEETING OF THE EQUITY SHAREHOLDERS WHICH INCLUDES PUBLIC SHAREHOLDERS OF SHRIRAM PISTONS & RINGS LIMITED

*(Convened pursuant to Order dated 3rd October, 2018 passed by the Hon'ble National
Company Law Tribunal, Principal Bench at New Delhi)*

MEETING:

| | | |
|-------|---|--|
| Day | : | Wednesday |
| Date | : | 21 st day of November 2018 |
| Time | : | 11.00 a.m. (1100 hours) |
| Venue | : | PHD Chamber of Commerce and Industry, PHD House, No. 4/2, Siri Institutional Area, August Kranti Marg, New Delhi, Delhi 110016 |

POSTAL BALLOT AND E-VOTING:

| | | |
|---------------------|---|---|
| Start Date and Time | : | 19 th day of October 2018 at 9.00 a.m. (0900 hours) |
| End Date and Time | : | 18 th day of November 2018 at 5.00 p.m. (1700 hours) |

SHRIRAM PISTONS & RINGS LIMITED

CIN: L29112DL1963PLC004084

Regd. Office: 3rd Floor, Himalaya House, 23, Kasturba Gandhi Marg, New Delhi-110001

Tel. No.: 011- 2331 5941-45

E-mail: compliance.officer@shrirampistons.com

Website: <http://www.shrirampistons.com>

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BEFORE THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL,
AT NEW DELHI

COMPANY APPLICATION NO. CA (CAA) 148 (PB) OF 2018

IN THE MATTER OF:

THE SCHEME OF AMALGAMATION OF:

SHRIRAM AUTOMOTIVE PRODUCTS LIMITED having its registered office at 4th Floor, Himalaya House, 23 Kasturba Gandhi Marg, New Delhi-110001.

... TRANSFEROR COMPANY/ APPLICANT COMPANY NO. 1
WITH

SHRIRAM PISTONS & RINGS LIMITED having its registered office at 3rd Floor, Himalaya House, 23 Kasturba Gandhi Marg, New Delhi-110001.

... TRANSFEREE COMPANY/ APPLICANT COMPANY NO. 2

NOTICE CONVENING THE MEETING OF THE EQUITY SHAREHOLDERS (WHICH INCLUDES
PUBLIC SHAREHOLDERS) OF THE TRANSFEREE COMPANY

To,

All the Equity Shareholders of Shriram Pistons & Rings Limited (the "Transferee Company"):

NOTICE is hereby given that by an Order dated 3rd October 2018 (the "Order"), the Hon'ble National Company Law Tribunal, Principal Bench at New Delhi ("NCLT") has directed a meeting to be held of the Equity Shareholders of the Transferee Company for the purpose of considering, and if thought fit, approving, with or without modification(s), the arrangement embodied in the Scheme of Amalgamation between Shriram Automotive Products Limited and Shriram Pistons & Rings Limited and their respective Shareholders ("Scheme"). In pursuance of the said Order and as directed therein further notice is hereby given that a meeting of the Equity Shareholders of the Transferee Company will be held at the PHD Chamber of Commerce and Industry, PHD House, No. 4/2, Siri Institutional Area, August Kranti Marg, New Delhi, Delhi 110016., India on Wednesday, the 21st day of November 2018 at 11.00 a.m. (1100 hours) at which time and place you are requested to attend. At the meeting, the following resolution will be considered and if thought fit, be passed, with or without modification(s):

"RESOLVED THAT pursuant to the provisions of Sections 230 - 232 and other applicable provisions of the Companies Act, 2013, the Rules, Circulars and Notifications made thereunder (including any statutory modification or re-enactment thereof) as may be applicable, the Securities and Exchange Board of India Circular No. CFD/DIL3/CIR/2017/21 dated 10th March 2017, the Observation Letter dated 31st day of August 2018 issued by the National Stock Exchange of India Ltd. (NSE) and subject to the provisions of the Memorandum and Articles of Association of the Transferee Company and subject to the approval of Hon'ble National Company Law Tribunal, Principal Bench at New Delhi ("NCLT") and subject to such other approval(s), permission(s) and sanction(s) of regulatory and other authorities, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by NCLT or by any regulatory or other authorities, while granting such consents, approvals and permissions, which may be agreed to by the Board of Directors of the Transferee Company (hereinafter referred to as the "Board", which term shall be deemed to mean and include one or more Committee(s) constituted/to be constituted by the Board or any person(s) which the Board may nominate to exercise its powers including the powers conferred by this resolution), the arrangement embodied in the Scheme of Amalgamation of Shriram Automotive Products Limited (hereinafter referred as Transferor Company) with Shriram Pistons & Rings Limited (hereinafter referred as Transferee Company) and their respective shareholders and creditors ("Scheme") placed before this meeting and initialed by the Chairman of the Meeting for the purpose of identification, be and is hereby approved.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things, as it may, in its absolute discretion deem requisite, desirable, appropriate or necessary to give effect to this resolution and effectively implement the arrangement embodied in the Scheme and to accept such modifications, amendments, limitations and/or conditions, if any, which

may be required and/or imposed by the NCLT while sanctioning the arrangement embodied in the Scheme or by any of the authorities under law, or as may be required for the purpose of resolving any questions or doubts or difficulties that may arise including passing of such accounting entries and/or making such adjustments in the books of accounts as considered necessary in giving effect to the Scheme, as the Board may deem fit and proper."

TAKE FURTHER NOTICE that you may attend and vote at the said meeting in person or by proxy provided that a proxy in the prescribed form, duly signed by you or your authorised representative, is deposited at the registered office of the Transferee Company at **3rd Floor, Himalaya House, 23 Kasturba Gandhi Marg, New Delhi-110001, India**, not later than 48 (forty eight) hours before the time fixed for the aforesaid meeting. The form of proxy can be obtained free of charge from the registered office of the Transferee Company.

TAKE FURTHER NOTICE that in compliance with the provisions of (i) Section 230(4) read with Sections 108 and 110 of the Companies Act, 2013; (ii) Rule 6(3)(xi) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016; (iii) Rule 22 read with Rule 20 and other applicable provisions of the Companies (Management and Administration) Rules, 2014; (iv) Regulation 44 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; and (v) Circular No. CFD/DIL3/CIR/2017/21 dated 10th March 2017 issued by the Securities and Exchange Board of India, the Transferee Company has provided the facility of voting by postal ballot and e-voting so as to enable the Equity Shareholders, which includes the Public Shareholders (as defined in the Notes below), to consider and approve the Scheme by way of the aforesaid resolution. Accordingly, voting by Equity Shareholders of the Transferee Company to the Scheme shall be carried out through (i) postal ballot or e-voting and (ii) polling paper at the venue of the meeting to be held on Wednesday, the 21st day of November 2018.

Copies of the Scheme and of the Explanatory Statement, under Sections 230(3), 232(1) and (2) and 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, along with the enclosures as indicated in the Index, can be obtained free of charge at the registered office of the Transferee Company at **3rd Floor, Himalaya House, 23 Kasturba Gandhi Marg, New Delhi-110001, India**

NCLT has appointed undersigned as Chairman and Ms. Prachi Johri, Advocate as Alternate Chairperson of the said meeting of Equity Shareholders of the Transferee Company.

The Scheme, if approved in the aforesaid meeting, will be subject to the subsequent approval of NCLT.

A copy of the Explanatory Statement, under Sections 230(3), 232(1) and (2) and 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, the Scheme and the other enclosures as indicated in the Index are enclosed.

Dated: 13th day of October, 2018
Place: New Delhi


(Rakesh Khanna)
Advocate

Chairman appointed for the Meeting

Registered Office:
3rd Floor, Himalaya House,
23 Kasturba Gandhi Marg,
New Delhi-110001

1. Please note that only member(s)/ proxies/ authorized representatives with attendance slips will be allowed in the area where AGM/ related functions will be held.
2. The members/ proxies/ authorized representatives are requested to carry their photo identity card recognized by Government Authorities (preferably Aadhar card) for easy identification.

Notes:

1. Only registered Equity Shareholders of the Transferee Company may attend and vote either in person or by proxy (a proxy need not be an equity shareholder of the Transferee Company) or in the case of a body corporate or Registered Foreign Portfolio Investors ("RFPI") or Foreign Institutional Investors ("FI"), by a representative authorized under Section 113 of the Companies Act, 2013 at the meeting of the equity shareholders of the Transferee Company. The authorized representative of a body corporate/RFPI/FII which is a registered equity shareholder of the Transferee Company may attend and vote at the meeting of the equity shareholders of the Transferee Company provided a copy of the resolution of the Board of Directors or other governing body of the body corporate/RFPI/FII authorising such representative to attend and vote at the meeting of the equity shareholders of the Transferee Company, duly certified to be a true copy by a Director, the Manager, the Secretary or other authorized officer of such body corporate/RFPI/FII, is deposited at the registered office of the Transferee Company not later than 48 (forty eight) hours before the scheduled time of the commencement of the meeting of the equity shareholders of the Transferee Company.
2. As per Section 105 of the Companies Act, 2013 and the rules made thereunder, a person can act as proxy on behalf of not more than 50 (fifty) equity shareholders holding in aggregate, not more than 10% (ten percent) of the total share capital of the Transferee Company carrying voting rights. Equity shareholders holding more than 10% (ten percent) of the total share capital of the Transferee Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or equity shareholder.
3. The form of proxy can be obtained free of charge from the registered office of the Transferee Company.
4. All alterations made in the form of proxy should be initialed.
5. NCLT by its Order has directed that a meeting of the Equity Shareholders of the Transferee Company shall be convened and held at the PHD Chamber of Commerce and Industry, PHD House, No. 4/2, Siri Institutional Area, August Kranti Marg, New Delhi, Delhi 110016, India on Wednesday, the 21st day of November 2018 at 11.00 a.m. (1100 hours) for the purpose of considering, and if thought fit, approving, with or without modification(s), the arrangement embodied in the Scheme. Equity shareholders would be entitled to vote in the said meeting either in person or through proxy.
6. In compliance with the provisions of (i) Section 230(4) read with Sections 108 and 110 of the Companies Act, 2013; (ii) Rule 6(3)(xi) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016; (iii) Rule 22 read with Rule 20 and other applicable provisions of the Companies (Management and Administration) Rules, 2014; (iv) Regulation 44 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; and (v) Circular No. CFD/DIL3/CIR/2017/21 dated 10th March 2017 issued by the Securities and Exchange Board of India, the Transferee Company has provided the facility of voting by postal ballot and e-voting so as to enable the equity shareholders, which includes the Public Shareholders (as defined below), to consider and approve the Scheme by way of the aforesaid resolution. Accordingly, voting by equity shareholders of the Transferee Company to the Scheme shall be carried out through (i) postal ballot or e-voting and (ii) polling paper at the venue of the meeting to be held on Wednesday, the 21st day of November 2018.
7. A registered equity shareholder or his proxy, attending the meeting, is requested to bring the Attendance Slip duly completed and signed.
8. The registered equity shareholders who hold shares in dematerialized form and who are attending the meeting are requested to bring their DP ID and Client ID.
9. The registered equity shareholders are informed that in case of joint holders attending the meeting, only such joint holder whose name stands first in the Register of Members of the Transferee Company/ list of beneficial owners as received from Depositories in respect of such joint holding, will be entitled to vote.

10. The documents referred to in the accompanying Explanatory Statement shall be open for inspection by the equity shareholders at the registered office of the Transferee Company between 11.00 a.m. to 5.00 p.m. on all working days (Monday to Friday) up to the date of the meeting.
 11. **Equity Shareholders (which includes Public Shareholders) holding equity shares as on 3rd August, 2018, being the cut-off date, will be entitled to exercise their right to vote on the above resolution.**
 12. The Notice, together with the documents accompanying the same, is being sent to all the equity shareholders either by registered post or speed post/air mail or by courier service or electronically by e-mail to those equity shareholders who have registered their e-mail ids with the Transferee Company/Registrar and Share Transfer Agents/ Depositories, whose names appear in the register of members/list of beneficial owners as received from Depositories as on 3rd August, 2018. The Notice will be displayed on the website of the Transferee Company at <http://shrirampistons.com/investors-guide.html> and on the website of CDSL www.cdslindia.com.
 13. **A person, whose name is not recorded in the register of members or in the register of beneficial owners maintained by NSDL/CDSL as on the cut-off date i.e. 3rd August, 2018 shall not be entitled to avail the facility of e-voting or voting through postal ballot or voting at the meeting by polling paper to be held on 21st November, 2018. Voting rights shall be reckoned on the paid-up value of the shares registered in the names of equity shareholders (which includes Public Shareholders) as on 3rd August, 2018. Persons who are not equity shareholders of the Transferee Company as on the cut-off date i.e. 3rd August, 2018 should treat this notice for information purposes only.**
 14. The voting by the equity shareholders (including the Public Shareholders) through the postal ballot or e-voting shall commence at 9.00 a.m. (0900 hours) on 19th October 2018 and shall close at 5.00 p.m. (1700 hours) on 18th November 2018.
 15. The notice convening the meeting will be published through advertisement in (i) Business Standard (Delhi Edition) in the English language; and (ii) translation thereof in Jansatta (Delhi Edition) in Hindi language.
 16. Circular No. CFD/DIL3/CIR/2017/21 dated 10th March 2017 ("SEBI Circular") issued by the Securities and Exchange Board of India ("SEBI"), inter alia, provides that approval of Public Shareholders of the Transferee Company to the Scheme shall be obtained by way of voting through postal ballot and e-voting. Since, the Transferee Company is seeking the approval of its equity shareholders (which includes Public Shareholders) to the Scheme by way of voting through postal ballot and e-voting, no separate procedure for voting through postal ballot and e-voting would be required to be carried out by the Transferee Company for seeking the approval to the Scheme by its Public Shareholders in terms of SEBI Circular. The aforesaid notice sent to the Equity Shareholders (which includes Public Shareholders) of the Transferee Company would be deemed to be the notice sent to the Public Shareholders of the Transferee Company. For this purpose, the term "Public" shall have the meaning assigned to it in Rule 2(d) of the Securities Contracts (Regulations) Rules, 1957 and the term "Public Shareholders" shall be construed accordingly. In terms of SEBI Circular the Transferee Company has provided the facility of voting by postal ballot and e-voting to its Public Shareholders.
- NCLT, by its Order, has, inter alia, held that since the Transferee Company is directed to convene a meeting of its Equity Shareholders, which includes Public Shareholders, and the voting in respect of the Equity Shareholders, which includes Public Shareholders, is through postal ballot and e-voting, the same is in sufficient compliance of SEBI Circular.
17. In accordance with the provisions of Sections 230 – 232 of the Companies Act, 2013, the Scheme shall be acted upon only if a majority of persons representing three fourth in value of the equity shareholders of the Transferee Company, voting in person or by proxy or by postal ballot or e-voting, agree to the Scheme.
 18. Further, in accordance with the SEBI Circular, the Scheme shall be acted upon only if the votes cast by the Public Shareholders in favor of the aforesaid resolution for approval of Scheme are more than the number of votes cast by the Public Shareholders against it.

19. The Transferee Company has engaged the services of CDSL for facilitating e-voting for the said meeting to be held on Wednesday, the 21st day of November 2018. Equity shareholders desiring to exercise their vote by using e-voting facility are requested to follow the instructions mentioned in Notes below.
20. A postal ballot form along with self-addressed postage pre-paid envelope is also enclosed. Equity shareholders' voting in physical form is requested to carefully read the instructions printed in the attached postal ballot form. Equity shareholders who have received the postal ballot form by e-mail and who wish to vote through postal ballot form, can also download the postal ballot form from the Transferee Company's website <http://shrirampistons.com/investors-guide.html> or seek duplicate postal ballot form from the Transferee Company.
21. Equity shareholders shall fill the requisite details and send the duly completed and signed postal ballot form in the enclosed self-addressed postage pre-paid envelope to the Scrutinizer so as to reach the Scrutinizer before 5.00 p.m. on or before 18th November 2018. Postal ballot form, if sent by courier or by registered post/speed post at the expense of an equity shareholder will also be accepted. Any postal ballot form received after the said date and time period shall be treated as if the reply from the equity shareholders has not been received.
22. Incomplete, unsigned, improperly or incorrectly tick marked postal ballot forms will be rejected by the Scrutinizer.
23. The vote on postal ballot cannot be exercised through proxy.
24. There will be only 1 (one) postal ballot form for every registered folio/client ID irrespective of the number of joint equity shareholders.
25. The postal ballot form should be completed and signed by the equity shareholders (as per specimen signature registered with the Transferee Company and/or furnished by the Depositories). In case, shares are jointly held, this form should be completed and signed by the first named equity shareholder and, in his/her absence, by the next named equity shareholder. Holder(s) of Power of Attorney ("PoA") on behalf of an equity shareholder may vote on the postal ballot mentioning the registration number of the PoA with the Transferee Company or enclosing a copy of the PoA authenticated by a notary. In case of shares held by Companies, Societies etc., the duly completed postal ballot form should be accompanied by a certified copy of the Board Resolution/ Authorisation giving the requisite authority to the person voting on the postal ballot form.
26. NCLT has appointed Mr. Tejinder Parkash, Practicing Chartered Accountant (Mem. No.089388 and Firm Registration No.010726N, as Scrutinizer for conducting the voting by way of Postal Ballot/ remote e-voting process in a fair and transparent manner and to receive and scrutinize the completed Physical Postal Ballot Forms from the shareholders. The Physical Postal Ballot Form together with the self-addressed Business Reply Envelope are enclosed for use of shareholders.
27. The Scrutinizer will submit his combined report to the Chairman of the meeting after completion of the scrutiny of the votes cast by the equity shareholders, which includes Public Shareholders, of the Transferee Company through e-voting process, postal ballot and polling done at the meeting. The Scrutinizer will also submit a separate report with regard to the result of the postal ballot and e-voting in respect of Public shareholders within 48 hours from the conclusion of the meeting. The Scrutinizer's decision on the validity of the vote (including e-votes) shall be final.
28. The equity shareholders of the Transferee Company (which includes Public Shareholders) can opt only one mode for voting i.e. by postal ballot or e-voting or voting at the venue of the meeting. If an equity shareholder has opted for e-voting, then he/she should not vote by postal ballot form also and vice versa. However, in case equity shareholder(s) (which includes Public Shareholder(s) cast their vote both via postal ballot and e-voting, then voting validly done through e-voting shall prevail and voting done by postal ballot shall be treated as invalid.
29. The Equity Shareholders of the Transferee Company attending the meeting who have not cast their vote either through postal ballot or e-voting shall be entitled to exercise their vote at the venue of the meeting. Equity shareholders who have cast their votes through postal ballot

or e-voting may also attend the meeting but shall not be entitled to cast their vote again. In case equity shareholder(s) (which includes Public Shareholder(s) cast their vote both via postal ballot and e-voting, then voting validly done through e-voting shall prevail and voting done by postal ballot shall be treated as invalid.

30. The voting through postal ballot and e-voting period will commence at 9.00 a.m. (0900 hours) on, Friday the 19th October, 2018 and will end at 5.00 p.m. (1700 hours) on Sunday the 18th November, 2018. During this period, the equity shareholders (which includes Public Shareholders) of the Transferee Company holding shares either in physical form or in dematerialized form, as on the cut-off date, i.e. 3rd August, 2018 may cast their vote electronically or by postal ballot. The e-voting module shall be disabled by CDSL for voting on 18th November, 2018 at 5.00 p.m. (1700 hours). Once the vote on the resolution is cast by an equity shareholder, he or she will not be allowed to change it subsequently.
31. Any queries/grievances in relation to the voting by postal ballot or e-voting may be addressed to Mr R. Srinivasan, Company Secretary of the Transferee Company at 3rd Floor, Himalaya House, 23 Kasturba Gandhi Marg, New Delhi-110001, or through email to compliance.officer@shrirampistons.com can also be contacted at 011-2331 5941-45;. Any query/grievance related to the e-voting may be addressed to helpdesk.evoting@cDSLindia.com.
32. In terms of Clause 16.6.3 of Secretarial Standard-2, the resolution shall be deemed to have been passed on the last date specified by the Company for receipts of duly completed Postal Ballot Forms or e-voting i.e. 18th day of November 2018 in the event, the draft resolution is assented to by the requisite majority of shareholders.
33. **Voting through Electronic means:**
The instructions for the members for voting electronically are as under:-
- (i) Log on the e-voting website: www.evotingindia.com
 - (ii) Click on "Shareholders" tab.
 - (iii) Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"
 - (iv) Now Enter your User ID
 - a) For NSDL: 8 Character DP ID followed by 8 Digits Client ID.
 - b) For CDSL: 16 digit beneficiary ID,
 - c) Members holding shares in Physical Form should enter Folio Number registered with the Company
 - (v) Next enter the Image Verification as displayed and Click on Login.
 - (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.
 - (vii) If you are a first time user, follow the steps given below:

| For members holding shares in Demat and Physical form | |
|---|---|
| PAN | 1. Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) 2. Members who have not updated their PAN with the Company / Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number (affixed in this notice) in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of zero's before the number after the first two characters of the name in CAPITAL letters. E.g. If your name is Ramesh Kumar with serial number 1 then enter RA00000001 in the PAN field. |
| Dividend Bank Details OR Date of Birth (DOB) | Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field. |

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then reach directly to the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login

password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the Electronic Voting Sequence Number (EVSN) for Shriram Pistons & Rings Limited.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take printout of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders holding multiple folios/ demat account shall choose the voting process separately for each folios/ demat account.
- (xix) Additional instructions for Institutional Shareholders:
 - a) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
 - b) They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com and tejinder104@yahoo.com.
 - c) After receiving the login details they have to create a user id who would be able to link the account(s) which they wish to vote on.
 - d) The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - e) They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
- (xx) Members are eligible to cast vote electronically only if they are holding shares as on 3rd August, 2018.
- (xxi) The voting period shall commence at 09:00 A.M.(0900 hours) on 19th October, 2018 and will end at 05:00 P.M. (1700 hours) on 18th November, 2018. The e-voting module shall be disabled by 18th November, 2018 after 05:00 P.M. (1700 hours) and shall not be allowed beyond the said date and time.
- (xxii) In case you have any queries or issues regarding remote e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

34. The results, together with the Scrutinizer's report, will be displayed at the registered office and on the website of the Transferee Company i.e., www.shrirampistons.com and also on the website of i.e., www.evotingindia.com, besides being communicated to NSE on which the shares of the Transferee Company are listed.

**BEFORE THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL,
AT NEW DELHI**

COMPANY APPLICATION NO. CA (CAA) 148 (PB) OF 2018

IN THE MATTER OF:

THE SCHEME OF AMALGAMATION OF:

SHRIRAM AUTOMOTIVE PRODUCTS LIMITED having its registered office at 4th Floor, Himalaya House, 23 Kasturba Gandhi Marg, New Delhi-110001.

... **TRANSFEROR COMPANY/ APPLICANT COMPANY NO. 1**
WITH

SHRIRAM PISTONS & RINGS LIMITED having its registered office at 3rd Floor, Himalaya House, 23 Kasturba Gandhi Marg, New Delhi-110001.

... **TRANSFeree COMPANY/ APPLICANT COMPANY NO. 2**

EXPLANATORY STATEMENT UNDER SECTIONS 230(3), 232(1) AND (2) AND 102 OF THE COMPANIES ACT, 2013 READ WITH RULE 6 OF THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016

1. Pursuant to the Order passed by the Hon'ble Principal Bench of the National Company Law Tribunal at New Delhi, (the "NCLT") in the Company Application No. CA(CAA) 148(PB) of 2018 dated 03rd October, 2018 ("Order") a meeting of the Equity Shareholders of the Shriram Pistons & Rings Limited (hereinafter referred to as the "Transferee Company" or "Applicant Company No. 2" as the context may admit), is being convened and held at PHD Chamber of Commerce and Industry, PHD House, No. 4/2, Siri Institutional Area, August Kranti Marg, New Delhi, Delhi 110016., India, India on Wednesday, the 21st day of November 2018 at 11.00 a.m. (1100 hours) for the purpose of considering and, if thought fit, approving with or without modification(s), the proposed Scheme of Amalgamation between Shriram Automotive Products Limited ("Transferor Company") and Shriram Pistons & Rings Limited ("Transferee Company") and their respective shareholders and Creditors ("Scheme") under Sections 230 to 232 of the Companies Act, 2013 (the "Act") (including any statutory modification or re-enactment or amendment thereof) read with the rules issued thereunder. The Transferor Company and the Transferee Company are together referred to as the "Companies". Equity shareholders would be entitled to vote in the said meeting either in person or through proxy.
2. In terms of the said Order, NCLT, has appointed, Mr. Rakesh Khanna, Advocate as the Chairman and Ms. Prachi Johri, Advocate as alternate Chairperson of the meeting of the equity shareholders of the Transferee Company.
3. This statement is being furnished as required under Sections 230(3), 232(1) and (2) and 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 (the "Rules").
4. In addition, the Transferee Company is seeking the approval of its equity shareholders to the Scheme by way of voting through postal ballot and e-voting. Circular No. CFD/DIL3/CIR/2017/21 dated 10th March 2017 ("SEBI Circular") issued by the Securities and Exchange Board of India ("SEBI"), inter alia, provides that approval of Public Shareholders of the Transferee Company to the Scheme shall be obtained by way of voting through postal ballot and e-voting. Since, the Applicant Company is seeking the approval of its equity shareholders (which includes Public Shareholders) to the Scheme by way of voting through postal ballot and e-voting, no separate procedure for voting through postal ballot and e-voting would be required to be carried out by the Transferee Company for seeking the approval to the Scheme by its Public Shareholders in terms of SEBI Circular. The notice sent to the equity shareholders (which include Public Shareholders) of the Transferee Company would be deemed to be the notice sent to the Public Shareholders of the Transferee Company.

5. For this purpose, the term "Public" shall have the meaning assigned to it in Rule 2(d) of the Securities Contracts (Regulations) Rules, 1957 and the term "Public Shareholders" shall be construed accordingly.
6. NCLT, by its Order, has, inter alia, held that since the Transferee Company is directed to convene a meeting of its equity shareholders, which includes Public Shareholders, and the voting in respect of the equity shareholders, which includes Public Shareholders, is through postal ballot and e-voting, the same is in sufficient compliance of SEBI Circular.
7. The scrutinizer appointed for conducting the postal ballot and e-voting process will however submit his separate report to the Chairman of the Transferee Company after completion of the scrutiny of the postal ballot including e-voting submitted/cast by the Public Shareholders so as to announce the results of the postal ballot and e-voting exercised by the Public Shareholders of the Transferee Company.
8. In terms of the SEBI Circular, the Scheme shall be acted upon only if the votes cast by the Public Shareholders in favour of the resolution for approval of Scheme are more than the number of votes cast by the Public Shareholders against it.
9. A copy of the Scheme setting out in detail the terms and conditions of the arrangement, inter alia, providing for the proposed Scheme of Amalgamation between Shriram Automotive Products Limited ("Transferor Company") and Shriram Pistons & Rings Limited ("Transferee Company") and their respective shareholders, which has been approved by the Board of Directors of the Transferee Company at its meeting held on, 22nd day of May, 2018 is attached to this Notice and forms part of this explanatory statement.

BACKGROUND OF THE COMPANIES

10. Shriram Pistons & Rings Limited (herein after referred to as 'SPRL' or 'Transferee Company') was incorporated on 9th day of December 1963 under Registration No. 4084 in accordance with the provisions of the Companies Act, 1956 under the name and style of Shama Pistons & Rings Limited and Certificate of Incorporation was obtained from Registrar of Companies, NCT of Delhi and Haryana. The certificate for commencement of business was received vide certificate dated 26.08.1964. On 19.10.1972, the name of the Transferee Company was changed to Shriram Pistons & Rings Ltd. and is continuing its existence under the said name having CIN L29112DL1963PLC004084. The Permanent Account Number of the Transferee Company is AAACS0229G. At present, the registered office of the Transferee Company, is situated at 3rd Floor, Himalaya House, 23 Kasturba Gandhi Marg, New Delhi-110001.
11. The Capital Structure of Transferee Company as on and immediately before the implementation of the Scheme is as under:

| Particulars | Amount (Rs.) |
|---|----------------|
| Authorized Share Capital 5,00,00,000 Equity Shares of Rs. 10/- each and 30,00,000 Preference Shares of Rs. 100 each. | 80,00,00,000/- |
| Issued, Subscribed and Paid-Up Share Capital 2,23,74,912 Equity Shares of Rs. 10 /- each and NIL Preference Shares | 22,37,49,120/- |

There is no change in the Capital Structure of the Transferee Company since the Appointed Date.

12. The Transferee Company is widely held listed Company having its equity shares listed on National Stock Exchange of India Limited. The objects for which SPRL has been incorporated are set out in its Memorandum of Association. Some of the main objects of the Transferee Company as set out in its Memorandum of Association are as follows:
 - i. "To carry on the business of designing, manufacturing, developing, improving, hiring, buying, selling and dealing in Pistons, Piston Rings, Piston Pins and all types of Pins, Piston Assemblies, Cylinder Liners, Valve Guides, thin and thick Wall Engine Bearings, Valves and Valve Tappets, Cylinder Blocks, Cylinder Heads, Gaskets, Hydro Dynamic Oil Seals, Dies, Cams, Jigs, Toolings, Fixtures, Flywheel, Rings Gears, Gears Shifter Forks, Yorks, Connecting Rod, Transmission Gears, Pivot Arm, Torque Link, Bell, Arm Knuckle, Steering Knuckle, Gear Pinion, Case Components, Bearing Plates, Gears of

all types including in particular Spiral Bevel, Crown Wheel and Pinion and Spites Kit Assembly, Straight Bevel, Spur and helical and work gears, gears box, winches speed drivers, reduction gear boxes, power take offs, and all other components for all types of vehicles and engines including internal combustion engines operated by any type of fuel and/or gases including steam, compressors, pumps and any other machine whatsoever and also to carry on the business of engineers, whether general, consulting, mechanical, electrical and structural, marine or otherwise, general contractors, importers and exporters and dealers in plant and machinery articles, property and things of all kinds including ores, metals and hardware.

- II. To carry on the business or business of manufacturers, importers and exporters of and dealers in ferrous and non-ferrous casting of all kinds and, in particular chilled and malleable castings, special alloy castings, steel castings, gun metal, copper, brass and aluminium and all types of casting by any Process and foundry work of all kinds.
- III. To carry on the business of manufacturers and dealers in all type of castings, cylinders heads for internal combustion engines, rods and electrodes for welding and brazing, storage and chemical handling equipment, gasoline and oil tanks, screw machine parts and free machining stock, power shovel bails, aircraft fitting and structure and control parts, airplanes propellers, radial engine crank cases, aircraft fuel and oil liners, fuel tanks, miscellaneous naval marine and transportation applications, petroleum refining equipment, aircraft landing mats, cable sheathing, pontoon boats and canoes, valve bodies etc. and all types of thermal insulators.
- IV. To carry on the business of manufacturers, dealers, importers and exporters and designers of all types of pressure casting extruded and spun equipment articles, parts etc., all types of parts for machines, automobile and all type of industries, beer barrels, furniture, ornamental grills for decorative purposes, miscellaneous thin and intricate castings, castings required for pressure tightness, washing machines, agitators, bushings and bearings, tapet guide clusters, pulleys, sheaves, flywheel and gear axle, housing compressor, connecting rods, bus and aircraft wheels, fuel pump bodies, typewriter frames and parts, piano plates, water jackets, liquid, aircooled cylinder heads and blocks and all types of goods which can be manufactured by any and all types of casting by various processes."

13. Object Clause No. 31 of Memorandum of Association permits Transferee Company;

"to acquire and undertake all or any part of the business, property and liabilities of any person or Company carrying on any business which this Company is authorised to carry on or to take possession of property suitable for the purpose of the Company or to amalgamate with any other Company."

Background of Shriram Automotive Products Limited ("Transferor Company") is as under:

14. Shriram Automotive Products Limited (herein after referred to as 'SAPL' or 'Transferor Company') was incorporated on 2nd September 1982, under the Companies Act, 1956 with the Registrar of Companies, Delhi and Haryana under the name and style of 'Canind Sales Pvt. Ltd.' having Registration No. 14285. On 28.10.1991, the name of the Company was changed to Shriram Automotive Products Pvt. Ltd. and with effect from 01.07.1997, it became a public limited company under the name "Shriram Automotive Products Ltd." and is continuing its existence under the said name having CIN U34300DL1982PLC014285.
15. At present, the registered office of the Transferor Company is situated at 4th Floor, Himalaya House, 23 Kasturba Gandhi Marg, New Delhi-110001.
16. The Capital Structure of Transferor Company as on and immediately before the implementation of the Scheme is as under:

| Particulars | Amount (Rs.) |
|---|---------------|
| Authorized Share Capital 2,50,000 Equity Shares of Rs 100 /- each | 2,50,00,000/- |
| Issued, Subscribed and Paid-Up Share Capital 1,20,240 Equity Shares of Rs 100 /- each | 1,20,24,000/- |

There is no change in the Capital Structure of the Transferor Company since the Appointed Date.

17. The objects for which Transferor Company has been incorporated are set out in its Memorandum of Association. Some of the main objects of the Transferor Company as set out in its Memorandum of Association are as follows:

- I. *"To establish and carry on business as dealers in and to act as merchants, traders, commission agents, buying agents, selling agents, contractors, importers, exporters of all type of engineering goods, electrical appliances and goods, electrical motors, fans, sewing machines, knitting and embroidery machines, cooking ranges, refrigerators, sealed compressors, electrical devices, yarn, linen, cloth and ancillary goods and fabrics and readymade clothes made from cotton, jute, silk, help, wool hair, rayon goods, heavy and other chemicals intermediates, paper and paper products, minerals and salts, alcohol and alcoholic beverages, soap and soap preparations, confectionaries, sugar and sugar products, vegetables ghee, refined oils and vegetable products, food and all kinds beverages, shoes, leather goods, cars, automobile and trucks, auto tools and equipments, accessories, engines, pumps, agricultural produce and implements, ceramic goods, crockery, glass wares, vacuum flasks and cosmetics and toilet goods, things of art and beauty raw materials of or for marketing any of the above commodities or to undertake transport of and general trade in such goods and commodities in India or anywhere else in the world and particularly non-traditional commodities, goods and articles to non-traditional destinations.*
- II. *To deal, develop and invest in real estate namely land, buildings, flats, farm houses.*
- III. *To carry on the business of hiring, buying, selling, and dealing in pistons, piston rings, pins and all types of pins, piston assemblies, cylinder liners and valve guides for any and all types of engines including internal combustion engines, operated by any type of fuel and/or gases including steam compressors, pumps and any other machines, whatsoever and also to carry on the business of engineers, whether general, consulting, mechanical, electrical and structural, marine or otherwise, general contractors, importers and exporters and dealers in plant and machinery articles, property and things of all kinds including ores, metals and hardware."*

18. Object Clause No. 5 of Memorandum of Association permits Transferee Company:

"amalgamate with any other Company having objects altogether or in part similar to those of this company."

19. RATIONALE OF THE SCHEME

Both the companies are in similar line of business and consolidation is expected to bring strengths that each company may not necessarily possess individually. In order to optimally utilize the available resources and to achieve synergies in the combined business entity, the Board of Directors of the Transferor Company and the Transferee Company decided to merge and amalgamate the Transferor Company into the Transferee Company. The merger and amalgamation will result in better, efficient and economical management, help in increasing sales in both Domestic & Exports After Market, achieve cost savings, pooling of resources, reduction in administrative and operational expenses and greater control.

20. The salient features and effects of the Scheme are:

- For the sake of convenience, the Scheme has been divided into the following parts:
- Part I** - This part of Scheme contains general provisions applicable as used in this Scheme including Preamble, Rationale, Definitions & Interpretation.
- Part II** - Share Capital
- Part III** - Transfer and vesting of SAPL into SPRL
- Part IV** - This part of Scheme contains other conditions applicable to the Scheme.

The Scheme inter alia provides for:

- i) Amalgamation of SAPL with SPRL;
- ii) The appointed date as specified in the scheme is 01.04.2018, subject to the directions of this Tribunal;
- iii) Transfer of the authorized share capital of SAPL to SPRL and consequential increase in the authorized share capital of SPRL;
- iv) Issue and allotment of fully paid up Non-Participating, Redeemable, Non-Convertible, Cumulative Preference Share of SPRL and payment of Cash Consideration by SPRL in accordance with Part III of the Scheme;
- v) Dissolution of SAPL without winding up;
- vi) Cancellation of the equity shares issued by SAPL to its member pursuant to Part II of the Scheme;
- vii) Alteration of Clause V of the Memorandum of Association of SPRL
- viii) Various other matters consequential or incidental to or otherwise integrally connected with the above.

The aforesaid are only some of the salient extracts of the proposed Scheme of Amalgamation between the Applicant Companies. Copy of Scheme of Amalgamation is enclosed as Annexure 1. Certain clauses of the Scheme are extracted below:

4. TRANSFER & VESTING OF UNDERTAKING

- 4.1 *With effect from the Appointed Date, the whole of the Merged Undertaking, comprising inter-alia all assets and liabilities of whatsoever nature and wheresoever situated, shall, under the provisions of Section 230 read with Section 232 and all other applicable provisions, if any, of the Act, without any further act or deed, be transferred to and vested in and/ or be deemed to be transferred to and vested in SPRL as a going concern so as to become as and from the Appointed Date the assets and liabilities of SPRL and to vest in SPRL all the rights, title, interest or obligations of SAPL therein.*
- 4.2 *All assets acquired by SAPL after the Appointed Date and prior to the Effective Date shall also stand transferred to and vested in SPRL upon the coming into effect of the Scheme. Where any of the assets of SAPL as on the Appointed Date deemed to be transferred to SPRL have been sold or transferred by SAPL after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of SPRL. As regards transfer of specified movable assets, Clauses 4.3 and 4.4 below provide for the physical mode of effecting transfer.*
- 4.3 *In respect of such of the assets of the Merged Undertaking as are movable in nature or are otherwise capable of transfer by manual delivery, by paying over or by endorsement and delivery, the same may be so delivered, paid over, or endorsed and delivered, by SAPL and shall become the property of SPRL as an integral part of the Merged Undertaking transferred to it. The aforesaid transfer shall be deemed to take effect from the Appointed Date without requiring any deed or instrument of conveyance for the same. Such transfer may not be liable to stamp duty in accordance with law. Such delivery shall be made on a date mutually agreed upon between the Board of Directors of SPRL and the Board of Directors of SAPL.*
- 4.4 *With effect from the Appointed Date and upon the Scheme becoming effective, the land with the buildings standing thereon, commercial spaces, as given in **Schedule – II**, held by Transferor Company, and any documents of title or rights and easements in relation thereto shall be vested in and transferred to and/or be deemed to have been transferred to and vested in the Transferee Company and shall belong to the Transferee Company. With effect from the Effective Date, the Transferee Company shall be liable for ground rent and municipal taxes in relation to properties subject to such taxes, if any. Upon the Scheme becoming effective, the title to such immovable properties shall be mutated and transferred by appropriate authorities, in accordance with terms hereof, in favour of the Transferee Company.*
- 4.5 *All debts, advance tax, loans and advances recoverable in cash or in kind or for value to be received, deposits, outstanding and receivables of Merged Undertaking/ SAPL other than the movable assets specified in Clause 4.3 shall on and from the Appointed Date stand transferred to and vested in SPRL without any further actions or deed (although SPRL may, if it deems appropriate, give notice to the third party that the debts, outstanding and receivables do stand transferred to and vested in SPRL), and the debtors shall be obliged to make payments to SPRL on and after the Effective Date.*
- 4.6 *With effect from the Appointed Date, all debts payable, liabilities, contingent liabilities, duties and obligations of every kind, nature and description of Merged Undertaking/ SAPL shall also, under the provisions of Sections 230 to 232 of the Companies Act 2013, without any further act or deed, be transferred to or be deemed to be transferred to SPRL so as to become as and from the Appointed Date the debts payable, liabilities, contingent liabilities, duties and obligations of SPRL.*
- 4.7 *Where any of the liabilities and obligations, if any, of the Merged Undertaking/ Transferor Company, as on the Appointed Date, transferred to the Transferee Company has been discharged by the Transferor Company after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Transferee Company.*
- 4.8 *All loans raised and utilized and all debts, duties, undertakings, liabilities and obligations, if any, incurred or undertaken by the Merged Undertaking/ Transferor Company, after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, used, incurred or undertaken for and on behalf of the Transferee Company and to the extent they are outstanding on the Effective Date, shall, upon the coming into effect of this Scheme, pursuant to the provisions of section 232 of the Act, without any further act, instrument or deed be and stand transferred to or vested in or be deemed to have been transferred to and vested in the Transferee Company and shall become the debt, duties, undertakings, liabilities and obligations of the Transferee Company.*

- 4.9 The transfer and vesting of the Merged Undertaking as aforesaid, shall be subject to the existing securities, charges and mortgages, if any, subsisting over or in respect of the property and assets or any part thereof of SAPL.

Provided however that any reference in any security documents or arrangements (to which SAPL is a party) to the assets of SAPL offered or agreed to be offered as security for any financial assistance or obligations, shall be construed as reference only to the assets pertaining to the Merged Undertaking of SAPL as are vested in SPRL by virtue of this Scheme, to the end and intent that such security, charge and mortgage shall not extend or be deemed to extend, to any of the other assets of SAPL or any of the assets of SPRL.

Provided always that this Scheme shall not operate to enlarge the security for any loan, deposit or facility created by SAPL which shall vest in SPRL by virtue of merger of SAPL into SPRL and SPRL shall not be obliged to create any further or additional security after the Scheme has become operative.

5. CONSIDERATION AND RE-ORGANISATION OF SHARE CAPITAL

Upon Scheme becoming effective and without any further application, act, instrument or deed, the Transferee Company, in consideration of the transfer and vesting of the Merged Undertaking (with all its assets, liabilities, rights and obligations) of the Transferor Company in the Transferee Company, the Transferee Company shall issue and allot on the proportionate basis to all the members of the Transferor Company whose name is entered in the register of members of the Transferor Company as on the Record Date ("Members") or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognized by the Board of Transferor Company, not later than 30 Days from the date of scheme of merger and amalgamation becoming effective, a total of 28,85,760 (Twenty Eight Lac Eighty Five Thousand Seven Hundred Sixty), 4.2% fully paid up Non-Participating, Redeemable, Non-Convertible, Cumulative Preference Shares of Rs. 100/- each redeemable at par on expiry of 5 years from the date of Allotment, aggregating to Rs. 28,85,76,000/- (Twenty Eight Crore Eighty Five Lac Seventy Six Thousand Only) and a cash consideration of Rs. 11,18,23,200/- (Rupees Eleven Crore Eighteen Lac Twenty Three Thousand Two Hundred Only). The Transferee Company shall have option to redeem at par these preference shares on expiry of 6 months from the date of allotment or 30.06.2019, whichever is later. The preference shares shall be allotted and the cash consideration shall be paid to the equity shareholders of the Transferor Company in the proportion of equity shares held by them in the Transferor Company, in the following exchange ratio:

24 Nos. (Twenty Four) of 4.2% fully paid up Non-Participating, Redeemable, Non-Convertible, Cumulative Preference Shares of Rs. 100 each, of the Transferee Company for every 1 (one) equity share of the Transferor Company.

And

Payment of Cash consideration of Rs. 930/- (Rupees Nine Hundred Thirty Only) for every 1 (one) equity share of the Transferor Company to the equity shareholders of Transferor Company, not later than 30 Days from the date of scheme of merger and amalgamation and merger becoming effective.

The allotment of New Preference Shares shall be governed by the following:

- i) The New Preference Shares to be issued in terms hereof shall be subject to the Memorandum and Articles of Association of the Transferee Company.
- ii) The preference shareholders will not be entitled to any rights and privileges available to equity shareholders, other than those available to them under statutory laws.
- iii) No dividend shall accrue on the preference shares till the date of allotment of such shares.
- iv) The New Preference Shares to be issued in physical form.

6. ACCOUNTING TREATMENT

6.1 The Transferee Company shall account for the amalgamation of the Transferor Company into and with the Transferee Company in its books of account in compliance with the Indian Accounting Standard 103 on Business Combinations and other Indian Accounting Standards, as applicable, and notified under Section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules, 2015 in the following manner:

- a) All the assets including identifiable intangible assets such as Trademarks, Trade Name, Dealer Network/Customer Contracts and other business and commercial rights etc. and all the liabilities of the Transferor Company transferred to and vested in the Transferee Company pursuant to this scheme shall be recorded in the books of account of the

Transferee Company at fair values and adopted by the Board of Directors of the Transferee Company.

- b) Any Excess of the amount of consideration [as per clause 5] over the fair value of net assets of the Transferor acquired by the Transferee Company [as per clause 6(a)] shall be treated as goodwill in accordance with the applicable Indian Accounting Standards. If the amount of consideration [as per clause 5], is lower than the fair value of net assets acquired [as per clause 6(a)], the difference shall be treated as Capital Reserve.
- c) The inter-company balances, loans and/or investments, if any, appearing in the books of account of the Transferee Company and Transferor Company will stand cancelled and nullified.

6.2(a) Transactions in the nature of sale or transfer of goods between the Appointed date and Effective Date would continue in the normal course.

6.2(b) It is hereby clarified that, all transactions during the period between the Appointed Date and Effective Date relating to the Merged Undertaking would be duly reflected in the financial statements of SPRL, upon the coming into effect of this Scheme.

6.3 Notwithstanding anything contained in this Clause 6, the Board of Directors of SPRL is authorized to account for any of these transaction/ balances in any manner whatsoever, as may be deemed fit, in accordance with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013 or any other applicable provisions of the Act.

13. STAFF, WORKMEN AND EMPLOYEES

13.1 On the coming into effect of the Scheme, all staff and employees of SAPL in service on such date shall be deemed to have become staff and employees of SPRL in accordance with the prevailing policies of SPRL without any break in their service and on the basis of continuity of service and the terms and conditions of their employment with SPRL in terms of overall monetary benefits shall not be less favourable than those applicable to them with reference to SAPL on the Effective Date.

13.2 Upon the Scheme coming into effect, all staff welfare schemes including the existing Provident Fund, Gratuity Fund and/ or schemes and trusts, including employee's welfare trust, created by SAPL for its employees shall be transferred to SPRL. SAPL shall make such arrangements or enter into such agreements for the continuance or transfer, where applicable, of the Provident Fund, Gratuity Fund and/ or schemes and trusts, including employee's welfare trust, pursuant to the Scheme, to SPRL. All obligations of SAPL with regard to the said Fund or Funds as defined in the respective trust deed and rules shall be taken over by SPRL from the Effective Date to the end and intent that all rights, duties, powers and obligations of SAPL in relation to such Fund or Funds shall become those of SPRL and all the rights, duties and benefits of the employees employed in SAPL under such Funds and Trusts shall be fully protected, subject to the provisions of law for the time being in force. It is clarified that the services of the staff, workmen and employees of SAPL will be treated as having been continuous for the purpose of the said Fund or Funds.

13.3 Upon the coming into effect of this Scheme, the Directors of the Transferor Company, will not be entitled to any representation on the Board of Directors in the Transferee Company by the virtue of the provisions of this Scheme. It is clarified that this Scheme will not affect any person who is already a Director in the Transferee Company as on the Appointed Date from continuing as whether including Whole Time Director.

14. TREATMENT OF TAXES

14.1 The Tax Deducted at Source (TDS)/advance tax including MAT credit entitlement, provision for income tax, if any, paid by the Transferor Company under the Income Tax Act, 1961 or any other statute in respect of income of the Transferor Company assessable for the period commencing from Appointed Date shall be deemed to be the tax deducted from/advance tax paid by the Transferee Company and credit for such TDS/advance tax (including MAT credit) shall be allowed to the Transferee Company notwithstanding that certificates or challans for TDS/advance tax/ MAT are in the name of the Transferor Company and not in the name of the Transferee Company. The income tax, if any, paid by the Transferor Company on or after the Appointed Date, in respect of income assessable from that date, shall be deemed to have been paid by or for the benefit of the Transferee Company. The Transferee Company shall, after the Effective Date, be entitled to file the relevant returns with the authorities concerned for the period after the Appointed Date notwithstanding that the period for filing such return may have elapsed. Further, the Transferee Company shall, after the Effective Date, be entitled to revise

the relevant returns, if any, filed by the Transferor Company for any year, if so necessitated or consequent to this Scheme becoming effective; notwithstanding that the time prescribed for such revision may have elapsed.

- 14.2 The wealth tax, if any, paid by the Transferor Company in respect of its assets under the Wealth Tax Act, 1957, on or after the Appointed Date shall be deemed to have been paid by the Transferee Company. The Transferee Company shall, after the Scheme becomes effective, be entitled to file the wealth tax return for the relevant valuation date notwithstanding that the time prescribed for filing such returns may have lapsed. Further the Transferee Company shall, after the Scheme becomes effective, be entitled to revise the wealth tax returns, if any, filed by the Transferor Company for any year if so necessitated or consequent to this Scheme becoming effective; notwithstanding that the time prescribed for such revision may have elapsed.
- 14.3 Similarly, any other taxes including but not limited to excise duty, CENVAT, Cess, GST, input credit tax, value added tax, sales tax etc. paid by the Transferor Company on or after the Appointed Date, in respect of the period after such date shall be deemed to have been paid by or for the benefit of the Transferee Company. The Transferee Company shall, after the Effective Date, be entitled to file the relevant returns with the authorities concerned for the period after the Appointed Date, notwithstanding that the time prescribed for filing such return may have elapsed. Further, the Transferee Company shall, after the Effective Date, be entitled to revise the relevant returns, if any, filed by the Transferor Company for any year, if so necessitated or consequent to this Scheme becoming effective, notwithstanding that the time prescribed for such revision may have elapsed.
- 14.4 Without prejudice to generality of the aforesaid, any concessional or statutory forms under the laws of the Central or State Sales Tax or Value Added Tax (VAT), Service Tax or local levies issued or received by the Transferor Company, if any, in respect of period commencing from the Appointed Date shall be deemed to be issued or received in the name of the Transferee Company and benefit of such forms shall be allowable to the Transferee Company in the same manner and to the same extent as would have been available to the Transferor Company.

15. SAVING OF CONCLUDED TRANSACTIONS

- 15.1 The transfer of Merged Undertaking (including assets, liabilities, rights and obligations) under Clause 4 above and the continuance of proceedings by or against the Transferee Company under Clause 12 herein above shall not affect any transaction or proceedings already concluded by the Transferor Company on or before the Appointed Date and after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done, and executed by the Transferor Company in respect thereto as done and executed on behalf of Transferee Company.
- 15.2 Since each of the permissions, approvals, registrations, consents, sanctions, remissions, special reservations, right of way, insurance policy, incentives, concessions and other authorizations of the Transferor Company shall stand transferred by the order of the Hon'ble Tribunal to the Transferee Company, the Transferee Company may file the relevant intimations, for the record of the statutory authorities or any relevant authority or person who shall take them on file, pursuant to the vesting order of the Tribunal.

21. Copy of Valuation Report issued by M/s J.C. Bhalla & Co., Chartered Accountants, an Independent Valuer, is enclosed as **Annexure 2**.
22. The accounting treatment as proposed in the Scheme is in conformity with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013. The certificate issued by the Statutory Auditors of the Transferee Company are open for inspection.
23. Under the Scheme, an arrangement is sought to be entered into between Transferor Company and its equity shareholders as the Undertaking of the Transferor Company shall stand transferred to and vested in the Transferee Company.

In respect of the Scheme, an arrangement is sought to be entered into between the Transferor Company and its creditors though no liabilities of the creditors of the Transferor Company is being reduced or being extinguished under the Scheme.

Under Part III of the Scheme, no rights of the Employees of Transferor Company are being affected. The services of the Employees of the Transferor Company, under Part III of the Scheme, shall continue on the same terms and conditions on which they were engaged by the Transferor Company. Under Clause 13 of Part III of the Scheme, on and from the Effective Date all persons

that were employed by the Transferor Company immediately before such date shall become employee of Transferee Company with the benefit of continuity of service on terms and conditions which are not less favourable than those applicable to such employees of Transferor Company immediately prior to such transfer and without any break or interruption of service.

There is no effect of the Scheme on the key managerial personnel and/or the directors of the Transferor Company/Transferee Company except to the extent of the equity shares held by them or by their relatives in the Transferor Company / Transferee Company.

Further, none of the Directors, the Key Managerial Personnel (as defined under the Act and rules framed thereunder) of the Transferor Company and their respective relatives (as defined under the Act and rules framed thereunder) have any interest in the Scheme except to the extent of the equity shares held by them in the Transferor Company and/ or to the extent of their shareholding as nominees in the Transferee Company and/or to the extent that the said Director(s) are common director(s) of the Transferor Company and/or the Transferee Company and/or to the extent that the said Director(s), Key Managerial Personnel and their respective relatives are the directors, members of the companies that hold shares in the Transferor Company. Save as aforesaid, none of the said Directors or the Key Managerial Personnel has any material interest in the Scheme. The Scheme will not affect any person who is already a Director in the Transferee Company as on the Appointed Date from continuing as whether including Whole Time Director.

24. Under the Scheme, no arrangement is sought to be entered into between the Transferee Company and its equity shareholders. No rights of the equity shareholders of the Transferee Company are being affected pursuant to the transfer and vesting of undertaking of Transferor Company.
25. Further, no arrangement is sought to be entered into between the Transferee Company and its creditors. No liabilities of the creditors of the Transferee Company is being reduced or being extinguished under the Scheme.
26. The rights of the employees of the Transferee Company are in no way affected by the Scheme. The employees engaged by the Transferee Company shall continue to be employed by the Transferee Company.
27. There is no effect of the Scheme on the key managerial personnel and/or the directors of the Transferee Company.
28. Further, none of the Directors, the Key Managerial Personnel (as defined under the Act and rules framed thereunder) of the Transferee Company and their respective relatives (as defined under the Act and rules framed thereunder) have any interest in the Scheme except to the extent of the equity shares held by them in the Transferor Company and/or to the extent of their shareholding as nominees in the Transferee Company and/or to the extent that the said Director(s) are common director(s) of the Transferor Company and/or the Transferee Company and/or to the extent that the said Director(s), Key Managerial Personnel and their respective relatives are the directors, members of the companies that hold shares in the Transferor Company. Save as aforesaid, none of the said Directors or the Key Managerial Personnel has any material interest in the Scheme.
29. That no investigation proceedings are pending or instituted under Sections 235 to 251 of the Companies Act, 1956 and/or under Sections 206 to 229 of the Companies Act, 2013 against the Transferor and Transferee Companies.
30. Further the Scheme of Amalgamation is not otherwise opposed to public policy or interest of the stakeholders of the respective Applicant Companies.
31. The Audited Financial Statements for the period ending on 31st March, 2018 and provisional Financial Statements for the period ending on 31st July, 2018 of the Transferor Company and the Transferee Company are enclosed as **Annexure 9** and **Annexure 8** respectively.
32. As per the books of accounts as on 31st July, 2018 of Transferor Company and Transferee Company, the amount due to the unsecured creditors are Rs.25,56,61,489/- and Rs.201,99,40,583/- respectively.
33. As per the books of accounts as on 31st July, 2018 of Transferor Company and Transferee Company, the amount due to the secured creditors are Rs. NIL and Rs. 63,61,46,795/- respectively.

34. The name and addresses of the Promoter(s) of Shriram Pistons & Rings Limited (Transferee Company) and their shareholding in the Transferee Company as on 03rd August, 2018 are as under:

| S. No. | Name & Address of Promoters & Promoters Group. | Total Number of Equity Shares | % of total number of shares |
|--------------|--|-------------------------------|-----------------------------|
| 1. | Smt. Meenakshi Dass & Shri Luv D. Shriram 27, Aurangzeb Road, New Delhi -110011 (Shares held in the capacity of Trustees of Deepak Shriram Family Benefit Trust) | 33,35,668 | 14.91 |
| 2 | Shri Luv D. Shriram & Smt. Meenakshi Dass 26, Sardar Patel Road, New Delhi -110021 (Shares held in the capacity of Trustees of Deepak Shriram Family Benefit Trust) | 33,35,668 | 14.91 |
| 3 | Smt. Meenakshi Dass 27, Aurangzeb Road, New Delhi -110011 | 11,99,395 | 5.36 |
| 4 | Ms. Nandishi Shriram 26, Sardar Patel Road, New Delhi -110021 | 943 | 0.004 |
| 5 | Sarva Commercial Pvt. Ltd 42B,4th Floor, Himalaya House, 23, K.G. Marg, New Delhi-110001 | 10,62,561 | 4.75 |
| 6 | Sera Com Pvt. Ltd 42B,4th Floor, Himalaya House, 23, K.G. Marg, New Delhi-110001 | 9,46,040 | 4.23 |
| 7 | Manisha Commercial Pvt. Ltd 42B,4th Floor, Himalaya House, 23, K.G. Marg, New Delhi-110001 | 6,46,936 | 2.97 |
| 8 | Shabnam Commercial Pvt. Ltd 42B,4th Floor, Himalaya House, 23, K.G. Marg, New Delhi-110001 | 1,02,320 | 0.46 |
| Total | | 1,06,47,531 | 47.59 |

35. The name and addresses of the Promoters of Shriram Automotive Products Limited (Transferor Company) including their shareholding in the Transferor Company as on 31st July, 2018 are as under:

| S. No. | Name & Address of Promoters | Total Number of Equity Shares | % of total number of shares |
|--------|--|-------------------------------|-----------------------------|
| 1. | NAK Benefit Trust 26 Sardar Patel Marg, Chanakya Puri, New Delhi -110021 | 96,187 | 79.996 |
| 2. | Shri Kush D. Shriram 26 Sardar Patel Marg, Chanakya Puri, New Delhi -110021 | 1 | 0.001 |
| 3. | Shri Arjun D. Shriram 26 Sardar Patel Marg, Chanakya Puri, New Delhi -110021 | 1 | 0.001 |
| 4. | Ms. Meenakshi Dass 27 Aurangzeb Road, New Delhi - 110010 | 1 | 0.001 |

| S. No. | Name & Address of Promoters | Total Number of Equity Shares | % of total number of shares |
|--------------|--|-------------------------------|-----------------------------|
| 5. | Ms. Nandishi Shriram 26 Sardar Patel Marg, Chanakya Puri, New Delhi -110021 | 1 | 0.001 |
| 6. | Shri Luv D. Shriram 26 Sardar Patel Marg, Chanakya Puri, New Delhi -110021 | 1 | 0.001 |
| 7. | Mrs. Anita Taneja C - 6/9, Safdarjung Development Area, New Delhi -110016 | 13,234 | 11.006 |
| 8. | Ms. Anjali Taneja 211, Golf Links, New Delhi - 110003 | 10,814 | 8.994 |
| Total | | 1,20,240 | 100 |

36. The list of Directors and KMP of the Transferee Company and their individual shareholding in the Transferee Company as on 03rd August, 2018 is as per the table below:

Transferee Company

| S.No | Name and Address of Director & KMP | Designation | DIN | Nos. Equity Shares | % of Equity Shares |
|------|--|------------------------|----------|--------------------|--------------------|
| 1 | Shri Pradeep Dinodia A-9A, Maharani Bagh, New Delhi - 110065 | Non-Executive Chairman | 00027995 | - | - |
| 2 | Shri Hari S. Bhartia 2, Amrita Shergill Marg, New Delhi - 110003 | Non-Executive Director | 00010499 | - | - |
| 3 | Smt. Meenakshi Dass 27, Aurangzeb Road, New Delhi - 110011 | Non-Executive Director | 00524865 | 45,35,063* | 20.27* |
| 4 | Shri Ravinder Narain 55, Sunder Nagar, New Delhi -110003 | Independent Director | 00059197 | - | - |
| 5 | Shri C.Y.Pal 11B Vaibhav Apartments, 80 Bhulabhai Desai Road, Mumbai 400026 | Independent Director | 00106536 | - | - |
| 6 | Dr. Peter Neu Am Zuckerberg 40, Ludwigburg, Germany-71640 | Non-Executive Director | 00324469 | - | - |
| 7 | Shri M. Sekimoto 4-3-2-406, Inagi City, Tokyo, Japan - 2060803 | Non-Executive Director | 00452082 | - | - |
| 8 | Shri Inderdeep Singh 20-A, Aurangzeb Road, New Delhi - 110011 | Independent Director | 00173538 | - | - |

| S.No | Name and Address of Director & KMP | Designation | DIN | Nos. Equity Share | % of Equity Shares |
|---|---|---|----------|-------------------|--------------------|
| 9 | Shri Kiyoto Tone 2-1-40 Ishibotoke- Cho, Showa-Ku Nagoya-Shi, Aichi Japan | Independent Director | 08154738 | - | - |
| 10 | Shri A. K. Taneja C - 6 / 9, Safdarjung Development Area, New Delhi -110016 | Managing Director | 00124814 | 48 | 0.0002 |
| 11 | Shri R. Srinivasan C-512, Sushant Lok 1, Gurgaon Haryana -122002 | Joint Managing Director | 00124760 | 3,236 | 0.014 |
| 12 | Shri Luv D. Shriram 26, Sardar Patel Road, New Delhi -110021 | Whole-Time Director | 00051065 | 33,35,668* | 14.91* |
| 13 | Shri Noritada Okano Cosumo Kamagaya II 605, 633 Awano Kamagaya Shi, Chiba Ken, Japan - 2730132 | Alternate Director to Shri M. Sekimoto | 02005759 | - | - |
| 14 | Shri Naveen Agarwal 10/14, Jai Dev Park, East Punjabi Bagh, New Delhi-110026 | Alternate Company Secretary | - | 4 | 0.00002 |
| 15 | Shri Vinod Raheja BE 181, Janakpuri, New Delhi-110058 | Chief Financial Officer | - | - | - |
| <p>* Notes:</p> <p>i) Shareholding of Smt. Meenakshi Dass of 45,35,063 (20.27% of total paid-up share capital of the Company) Nos. shares is as under:</p> <p>Smt. Meenakshi Dass (First named shareholder) & Shri Luv D. Shriram (Second named shareholder) hold 33,35,668 Nos. shares (14.91% of total paid-up share capital of the Company) on behalf of Deepak Shriram Family Benefit Trust.</p> <p>In addition to above, as on 3.08.2018, Smt. Meenakshi Dass also holds 11,99,395 Nos. shares (5.36% of total paid-up share capital of the Company) in her name.</p> <p>ii) Shri Luv D. Shriram (First named shareholder) & Smt. Meenakshi Dass (Second named shareholder) hold 33,35,668 Nos. shares (14.91% of total paid-up share capital of the Company) on behalf of Deepak Shriram Family Benefit Trust.</p> | | | | | |

37. The list of Directors and KMP of the Transferor Company and their individual shareholding in respective Companies as on is as per the table below:

Transferor Company

| S.No | Name and Address of Director & KMP | Designation | DIN | Nos. Equity Shares | % of Equity Shares |
|------|--|---------------------------|----------|--------------------|--------------------|
| 1 | Shri A. K. Taneja C-6/9, Sarfardjung Development Area, New Delhi - 110016 | Non-Executive Chairman | 00124814 | - | - |

| S.No | Name and Address of Director & KMP | Designation | DIN | Nos. Equity Shares | % of Equity Shares |
|------|---|------------------------|----------|--------------------|--------------------|
| 2 | Shri Ramesh Ajit Vaswani M-155, 1 st Floor, Greater Kailash 2, New Delhi - 110048 | Independent Director | 00449428 | - | - |
| 3 | Shri Narinder Pal Singh 78, Dream Vally, Beside O.U. Colony, Sheikhpet, Golconda, Hyderabad - 500008 | Independent Director | 00023160 | - | - |
| 4 | Shri Luv. D. Shriram 26, Sardar Patel Road, New Delhi -110021 | Non-Executive Director | 00051065 | 1 | 0.001 |
| 5 | Shri Kush D. Shriram 26, Sardar Patel Road, New Delhi -110021 | Whole-Time Director | 00050036 | 1 | 0.001 |

38. (a) The Pre & Post Arrangement (Expected) Capital Structure of Transferee Company is as per the table below:

Transferee Company – Pre Arrangement as on 03rd August, 2018

| Particulars | Amount (Rs.) |
|---|----------------|
| Authorized Share Capital 5,00,00,000 Equity Shares of Rs. 10/- each and 30,00,000 Preference Shares of Rs. 100 each. | 80,00,00,000/- |
| Issued, Subscribed and Paid-Up Share Capital 2,23,74,912 Equity Shares of Rs. 10 /- each and NIL Preference Shares | 22,37,49,120/- |

Transferee Company – Post Arrangement (Expected)

The Capital Structure of Transferee Company after the implementation of the Scheme (Expected) will be as under:

| Particulars | Amount (Rs.) |
|--|----------------------------------|
| Authorized Share Capital 5,25,00,000 Equity Shares of Rs. 10/- each and 30,00,000 Preference Shares of Rs. 100 each. | 82,50,00,000/- |
| Issued, Subscribed and Paid-Up Share Capital 2,23,74,912 Equity Shares of Rs. 10 /- each and 28,85,760 Preference Shares of Rs. 100/- each. | 22,37,49,120/- 28,85,76,000/- |

- (b) The Capital Structure of Transferor Company as on and immediately before the implementation of the Scheme is as under:

| Particulars | Amount (Rs.) |
|---|---------------|
| Authorized Share Capital 2,50,000 Equity Shares of Rs 100 /- each | 2,50,00,000/- |
| Issued, Subscribed and Paid-Up Share Capital 1,20,240 Equity Shares of Rs 100 /- each | 1,20,24,000/- |

The Post-Arrangement (Expected) Capital Structure of Transferor Company:

Since the Transferor Company is being merged with the Transferee Company and by virtue of the amalgamation, the Transferor Company shall stand dissolved without the process of winding up.

39. The Pre & Post Arrangement (Expected) shareholding pattern of Transferee Company is as per the table below:

Transferee Company – Pre Arrangement as on 03rd August, 2018

| Sl. No. | Category of Shareholders | No. of Equity Shares | Percentage (%) to Equity |
|---------|---|----------------------|--------------------------|
| (A) | Promoter & Promoter Group | | |
| (1) | Indian | | |
| (a) | Individuals/Hindu Undivided Family | 78,71,674 | 35.18 |
| (b) | Body Corporate | 27,75,857 | 12.41 |
| | Sub Total (A)(1) | 1,06,47,531 | 47.59 |
| (2) | FOREIGN | | |
| (a) | Body Corporate | - | - |
| | Sub Total (A)(2) | - | - |
| | Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2) | 1,06,47,531 | 47.59 |
| (B) | Public Shareholding | | |
| (1) | Institutions | | |
| (a) | Insurance Companies | 23,18,758 | 10.36 |
| | Sub Total (B)(1) | 23,18,758 | 10.36 |
| (2) | Central Government/ State Government(s)/ President of India | - | - |
| | Sub Total (B)(2) | - | - |
| (3) | Non Institutions | | |
| (a) | i. Individual shareholders holding nominal share capital upto Rs. 2 lakhs. | 1,77,441 | 0.79 |
| | ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs. | 54,986 | 0.25 |
| (b) | Any Others | | |
| | Bodies Corporate | 91,76,196 | 41.01 |
| | Sub Total (B)(3) | 94,08,623 | 42.05 |
| | Total Public Shareholding (B)= (B)(1)+(B)(2)+(B)(3) | 1,17,27,381 | 52.41 |
| | Grand Total (A+B) | 2,23,74,912 | 100.00 |

Statement showing shareholding of persons belonging to the category "Promoter and Promoter Group"-

| Sl. No. | Promoter & Promoter Group | No. of Equity Shares | Percentage (%) to Equity |
|--|--|----------------------|--------------------------|
| 1 | Smt. Meenakshi Dass & Shri Luv D. Shriram* | 33,35,668 | 14.91 |
| 2 | Shri Luv D. Shriram & Smt. Meenakshi Dass# | 33,35,668 | 14.91 |
| 3 | Smt. Meenakshi Dass | 11,99,395 | 5.36 |
| 4 | Ms. Nandishi Shriram | 943 | 0.004 |
| 5 | Sarva Commercial Pvt. Ltd. | 10,62,561 | 4.75 |
| 6 | Sera Com Pvt. Ltd | 9,46,040 | 4.23 |
| 7 | Manisha Commercial Pvt. Ltd. | 6,64,936 | 2.97 |
| 8 | Shabnam Commercial Pvt. Ltd. | 1,02,320 | 0.46 |
| Total | | 1,06,47,531 | 47.59 |
| Notes: | | | |
| - * Smt. Meenakshi Dass & Shri Luv D. Shriram hold 33,35,668 Nos. shares on behalf of Deepak Shriram Family Benefit Trust. | | | |
| - # Shri Luv D. Shriram & Smt. Meenakshi Dass hold 33,35,668 Nos. shares on behalf of Deepak Shriram Family Benefit Trust. | | | |

Transferee Company – Post Arrangement (Expected)

There will be no change in Equity Shareholding Pattern of the Transferee Company, Post-Merger, as merger consideration is being discharged partly by issuance of fully paid up Non-participating, Redeemable, Non- Convertible, Cumulative Preference Shares and balance by payment of cash consideration to the equity shareholders of the Transferor Company.

40. The pre arrangement shareholding of Transferor Company as on 31st July, 2018 is as per the table below:

| S. No. | Name & Address of Shareholders | Total Number of Equity Shares | % of total number of shares |
|--------------|--|-------------------------------|-----------------------------|
| 1. | NAK Benefit Trust 26 Sardar Patel Marg, Chanakya Puri, New Delhi -110021 | 96,187 | 79.996 |
| 2. | Shri Kush D. Shriram 26 Sardar Patel Marg, Chanakya Puri, New Delhi -110021 | 1 | 0.001 |
| 3. | Shri Arjun D. Shriram 26 Sardar Patel Marg, Chanakya Puri, New Delhi -110021 | 1 | 0.001 |
| 4. | Ms. Meenakshi Dass 27 Aurangzeb Road, New Delhi - 110010 | 1 | 0.001 |
| 5. | Ms. Nandishi Shriram 26 Sardar Patel Marg, Chanakya Puri, New Delhi -110021 | 1 | 0.001 |
| 6. | Shri Luv D. Shriram 26 Sardar Patel Marg, Chanakya Puri, New Delhi -110021 | 1 | 0.001 |
| 7. | Mrs. Anita Taneja C - 6/9, Safdarjung Development Area, New Delhi -110016 | 13,234 | 11.006 |
| 8. | Ms. Anjali Taneja 211, Golf Links, New Delhi -110003 | 10,814 | 8.994 |
| Total | | 1,20,240 | 100 |

41. Statement disclosing details of Arrangement and Amalgamation as per Sub-Section 3 of Section 230 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.

| No. | Particulars | Shriram Pistons & Rings Limited | Shriram Automotive Products Limited |
|------|---|---|---|
| (i) | | Transferee Company <i>Details of the order of the NCLT directing the calling, convening and conducting of the meeting :-</i> | Transferor Company |
| | <i>Details of the order of the NCLT directing the calling, convening and conducting of the meeting :-</i> | | |
| a. | Date of the Order | 03.10.2018 | 03.10.2018 |
| b. | Date, time and venue of the meeting | Meeting of Shareholders Date – 21.11.2018 Time – 11:00 a.m. Meeting of Unsecured Creditors Date – 21.11.2018 Time – 02:00 p.m. Venue for both Shareholders and Unsecured Creditors' Meeting – PHD Chamber of Commerce and Industry, PHD House, No. 4/2, Siri Institutional Area, August Kranti Marg, New Delhi, Delhi 110016 Meeting of Secured Creditors Dispensed by Hon'ble NCLT | Meeting of Shareholders, Meeting of Secured Creditors, Meeting of Unsecured Creditors Dispensed by Hon'ble NCLT |
| (ii) | Details of the Companies including | | |
| a. | Corporation Identification Number (CIN) | L29112DL1963PLC004084 | U34300DL1982PLC014285 |
| b. | Permanent Account Number (PAN) | AAACS0229G | AAACS5118E |
| c. | Name of Company | Shriram Pistons & Rings Limited | Shriram Automotive Products Limited |
| d. | Date of Incorporation | 09.12.1963 | 02.09.1982 |
| e. | Type of Company | Listed Public Company. | Unlisted Public Company |
| f. | Registered Office address | 3rd Floor, Himalaya House, 23 Kasturba Gandhi Marg, New Delhi-110001 | 4 th Floor, Himalaya House, 23 Kasturba Gandhi Marg, New Delhi-110001 |
| | E-mail address | compliance.officer@shrirampistons.com | sapl@shriramautomotive.in |
| g. | Summary of main object as per the memorandum of association; and main business carried on by the Company | As per Para 12 of the Explanatory Statement. | As per Para 16 of the Explanatory Statement. |
| h. | Details of change of name, Registered Office and | Not Applicable | Not Applicable |

| | | | |
|-------|---|---|--|
| | objects of the Company during the last five years | | |
| i. | Name of stock exchange(s) where securities of the company are listed, if applicable | National Stock Exchange of India Limited | Unlisted |
| j. | Details of capital structure – Authorized, Issued, subscribed and paid-up share capital | As per Para 11 of the Explanatory Statement and Clause 3 of Part (II) of the Scheme. | As per Para 15 of the Explanatory Statement and Clause 3 of Part (II) of the Scheme. |
| k. | Names of the promoters and directors along with their addresses | As per Para 32 and 34 of the Explanatory Statement | As per Para 33 and 35 of the Explanatory Statement |
| (iii) | If the scheme of compromise or arrangement relates to more than one company, the fact and details of any relationship subsisting between such companies who are parties to such scheme of compromise or arrangement, including holding, subsidiary or associate companies | | <p>-Some of the Shareholders of the Transferor Company, directly or through their relatives, are Shareholders of the Transferee Company.</p> <p>-Some of the Directors of the Transferor Company are Directors of the Transferee Company.</p> |
| (iv) | The date of board meeting at which the scheme was approved by the board of directors including the name of directors who voted in favour of the resolution, who voted against the resolution and who did not | The resolution was passed unanimously by all the Directors who attended the Board Meeting held on 22.05.2018. Shri A.K. Taneja, Shri Luv D. Shriram and Smt. Meenakshi Dass, Directors, being interested in the resolution, did not take part in the deliberations. | The resolution was passed unanimously by all the Directors who attended the Board Meeting held on 21.05.2018. Shri A.K. Taneja, Shri Luv D. Shriram and Shri Kush D. Shriram, Directors, being interested in the resolution, did not take part in the deliberations. |

| | | | |
|-----|--|---|--|
| | vote or participate on such resolution | | |
| (v) | <i>Explanatory Statement disclosing details of the scheme of compromise or arrangement including:-</i> | | |
| a. | Parties involved in such compromise or arrangement | Shriram Pistons & Rings Limited (Transferee Company) Shriram Automotive Products Limited (Transferor Company) | |
| | In case of amalgamation or merger, appointed Date | | |
| | Appointed Date | 01.04.2018 | |
| | Effective Date | The last of the dates on which the certified or authenticated copy of the orders of the NCLT sanctioning the scheme are filed with the Registrar of Companies by the Transferor Companies and the Transferee Company. | |
| b. | Share Exchange Ratio and other considerations, if any. | Not Applicable being a Transferee Company | <p>24 Nos. (Twenty Four) of 4.2% fully paid up Non Participating, Redeemable, Non-Convertible, Cumulative Preference Shares of Rs. 100 each, of the Transferee Company for every 1 (one) equity share of the Transferor Company.</p> <p>And</p> <p>Payment of Cash consideration of Rs. 930/- (Rupees Nine Hundred Thirty Only) for every 1 (one) equity share of the Transferor Company to the equity shareholders of Transferor Company.</p> |
| c. | Copy of Valuation report (if applicable) including basis of valuation and fairness opinion of the registered valuer, if any, and the declaration that the valuation report is available for inspection at registered | | Refer Annexure 2 for Valuation Report; and Annexure 3 for fairness opinion. The same are available for inspection at the Registered Office of the Company on all working days between 11 a.m. to 5 p.m. (Monday to Friday) |

| | | | |
|------|--|---|---|
| | office of the Company | | |
| d. | Details of capital or debt restructuring, if any | Not applicable | |
| e. | Rationale for the compromise or arrangement | Refer Clause 41 of the Scheme. Also refer Para 17 of the Explanatory Statement. | |
| f. | Benefits of the compromise or arrangement as perceived by the Board of directors to the company, members, creditors and others (as applicable) | As provided in the rationale for Amalgamation in Clause 41 of the Scheme and as stated in Para 17 of the Explanatory Statement. | |
| g. | Amount due to unsecured Creditors as of 31 st July, 2018 | Rs. 201,99,40,583/- | Rs. 25,56,61,489/- |
| (vi) | <i>Disclosure about effect of the compromise or arrangement on</i> | | |
| | Key Managerial personnel (KMP) (other than Directors) | No effect | Shall cease to be KMPs |
| | Directors | No effect | Shall cease to be directors. Scheme will not affect any person who is already a Director in the Transferee Company as on the Appointed Date from continuing as whether including Whole Time Director. |
| | Promoters | No effect | Shall cease to be promoters |
| | Non-promoter members | There will be no change in Non-Promoters' Equity shareholding. | Not applicable |
| | Depositors | No Effect | |
| | Creditors | No Effect | -Creditors shall become the creditors of the Transferee Company and paid off in the ordinary course of business. -Inter-company creditors would get cancelled. |
| | Debenture holders | No Effect as none of the Companies has issued any debentures. | |
| | Deposit Trustee & Debenture Trustee | No Effect as none of the Companies has any Deposit or Debenture Trustees. | |

| | | | |
|--------|--|---|---|
| | Employees of the Company | No Effect | No Effect as all employees of the Transferor Company will become the employees of the Transferee Company. |
| (vii) | Disclosure about effect of compromise or arrangement on material interest of Directors, Key Managerial Personnel (KMP) and debenture trustee | | |
| | Directors | No material effect of arrangement and amalgamation | |
| | Key Managerial personnel | No material effect of arrangement and amalgamation | |
| | Debenture Trustee | Not Applicable | |
| (viii) | Investigation or proceedings, if any, pending against the company under the Act | None | |
| (ix) | details of the availability of the following documents for obtaining extract from or for making or obtaining copies of or inspection by the members and creditors, namely: | | |
| a. | Latest Audited Financial Statements of the Company including consolidated financial statements | Available at Registered Office of the Transferee Company between 11:00 a.m. to 05:00 p.m. on all working days (Monday to Friday). Additionally for the Transferee Company, they are also available on the website of the Company and the National Stock Exchange, where the shares are listed. | |
| b. | Copy of the order of Tribunal in pursuance of which the meeting is to be convened or has been dispensed with. | Available at Registered Office of the Transferee Company between 11:00 a.m. to 05:00 p.m. on all working days (Monday to Friday). | |
| c. | Copy of scheme of Compromise or Arrangement | Enclosed as Annexure 1 to this Notice Available at Registered Office of the Transferee Company between 11:00 a.m. to 5:00 p.m. on all working days (Monday to Friday). Additionally for the Transferee Company, it is also available on the website of the Company and the National Stock Exchange, where their shares are listed. | |
| d. | Contracts or Agreements material to the compromise or arrangement | There were no contracts or agreement material to the Scheme of Arrangement and Amalgamation. | |
| e. | The certificate issued by the Auditor of the Company to the effect that the accounting treatment, if any, proposed in the scheme of compromise or arrangement is in conformity with the Accounting Standards prescribed under Section 133 of the | Available at Registered Office of the Transferee Company between 11:00 a.m. to 5:00 p.m. on all working days (Monday to Friday). | |

| | | | |
|------|--|--|----------------|
| | Companies Act, 2013; and | | |
| f. | Such other information or documents as the Board or Management believes necessary and relevant for making decision things for or against the scheme | None | |
| (x) | Details of approvals, sanctions or no-objection(s), if any, from regulatory or any other governmental authorities required, received or pending for the proposed scheme of compromise or arrangement | No Objection Certificate in the form of Observation Letter received from NSE Limited on August 31, 2018 | Not Applicable |
| | | Notice under Section 230(5) of the Companies Act, 2013 is being given to: · The Central Government, Registrar of Companies, Income Tax Authorities and Reserve Bank of India in respect of both the Companies · SEBI and concerned Stock Exchange(s) in respect of Transferee Company; and · Official Liquidator in respect of Transferor Company, Approvals, sanctions or representations, if any, are pending from these authorities. | |
| (xi) | A statement to the effect that the persons to whom the notice is sent may vote in the meeting either in person or by proxies, or where applicable, by voting through electronic means | Members to whom the Notice is sent may vote in the meeting either in person or by proxies, or where applicable, by voting through electronic means | |

42. Inspection Documents

Inspection of the following documents may be done at the Registered Office of *Shriram Pistons & Rings Limited* (Transferee Company) at 3rd Floor, Himalaya House, 23 Kasturba Gandhi Marg, New Delhi-110001 on all working days (Monday to Friday) between 11:00 A.M. and 5:00 P.M. and the same are displayed on Company's website <http://shrirampistons.com/investors-guide.html>

- a. Copy of the order passed by the National Company Law Tribunal, Principal Bench at New Delhi in Application made by Transferor Company and Transferee Company under Company Application No. **CA (CAA) 148 (PB) OF 2018**, inter alia, convening the meetings of the Shareholders and Unsecured Creditors of the Transferee Company ;

- b. Scheme of Arrangement for Amalgamation between Shriram Automotive Products Ltd. (Transferor Company) with Shriram Pistons & Rings Limited (Transferee Company) under section 230-232 of the Companies Act, 2013.
- c. Valuation Report issued by M/s J.C. Bhalla & Co, Chartered Accountants, an Independent Valuer.
- d. Fairness Opinion issued by Finshore Management Services Ltd. a SEBI Registered Merchant Banker.
- e. The Observation Letter issued by National Stock Exchange of India Limited to Shriram Pistons & Rings Limited.
- f. Complaints Report submitted by Shriram Pistons & Rings Ltd. with National Stock Exchange of India Limited.
- g. Copy of Board Resolution passed by the Board of Directors of Shriram Pistons & Rings Limited.
- h. Copy of Board Resolution passed by the Board of Directors of Shriram Automotive Products Limited
- i. Audited Financial Statements for the period ended on 31.03.2018 and provisional Financial Statement of Shriram Pistons & Rings Limited for the period ended 31.07.2018.
- j. Audited Financial Statements for the period ended on 31.03.2018 and provisional Financial Statement of Shriram Automotive Products Limited for the period ended 31.07.2018.

A copy of the Scheme, Explanatory Statement, proxy form and Postal Ballot Form may be obtained from the Registered Office of Shriram Pistons & Rings Limited at 3rd Floor, Himalaya House, 23 Kasturba Gandhi Marg, New Delhi-110001.

After the Scheme is approved by the Equity Shareholders and Unsecured Creditors of the Transferee Company, it will be subject to the approval/ sanction of the Hon'ble National Company Law Tribunal, Principal Bench at New Delhi.

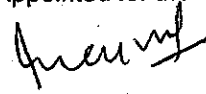
Dated: 13th day of October, 2018
Place: New Delhi

Registered Office:
3rd Floor, Himalaya House,
23 Kasturba Gandhi Marg, New Delhi-110001


(Rakesh Khanna)
Advocate

Chairman Appointed for the meeting





SCHEME OF AMALGAMATION
BETWEEN
SHRIRAM AUTOMOTIVE PRODUCTS LIMITED
(Transferor Company)

AND

SHRIRAM PISTONS & RINGS LIMITED
(Transferee Company)

UNDER SECTIONS 230 - 232 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 READ WITH THE COMPANIES (COMPROMISES, ARRANGEMENTS, AMALGAMATIONS) RULES, 2016

| |
|---|
| PART I - PREAMBLE, RATIONALE, DEFINITIONS & INTERPRETATION |
|---|

1.1 PREAMBLE

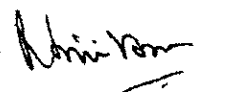
- 1.1.1 This Scheme of Amalgamation (hereinafter referred to as the "Scheme") provides for the amalgamation of **Shriram Automotive Products Limited** (hereinafter referred to as "**Transferor Company**" or "**SAPL**") with **Shriram Pistons & Rings Limited** (hereinafter referred to as "**Transferee Company**" or "**SPRL**"). The Scheme is made pursuant to the provisions of Sections 230 -232 and other applicable provisions of the Companies Act, 2013 read with the Companies (Compromises, Arrangements, Amalgamations) Rules, 2016 or any statutory modifications or re-enactment thereof.
- 1.1.2 SAPL is an unlisted public limited Company incorporated under the Companies Act, 1956 having CIN U34300DL1982PLC014285 and having its registered office at 4th Floor, Himalaya House, 23, K.G. Marg, New Delhi - 110001 and having as its main objects to carry on the business as dealers, merchants traders, commission agents, buying agents, import-export etc. of all types of engineering goods, Cylinder Liners, Valve Guides, Pistons, Piston Rings, Piston Pins etc.. The said Company was originally incorporated under the name of Canind Sales Private Ltd. on 2nd September 1982 and vide fresh Certificate of Incorporation consequent

For Shriram Automotive Products Ltd.


 Director

1

For SHRIRAM PISTONS & RINGS LTD


 R. SRINIVASAN
 Jt. Managing Director

to change of name the Company dated 11.11.1991 the name of the Company was changed to Shriram Automotive Products Ltd.

1.1.3 SPRL is a public limited company incorporated under the Companies Act, 1956 having CIN L29112DL1963PLC004084 and having its registered office at 3rd Floor, Himalaya House, 23, K.G. Marg, New Delhi -110001. It is listed on National Stock Exchange (NSE) and is presently engaged in the business of manufacturing and selling interalia Piston Assembly, Piston Rings, Piston Pins, Engine Valves etc. The Company was originally incorporated on 9th December 1963 under the name of Shama Pistons & Rings Ltd. and the name was subsequently changed vide Fresh Certificate of Incorporation consequent on change of name issued by the Assistant Registrar of Companies, Delhi and Haryana on 25.10.1972.

1.1.4 This Scheme is divided into the following parts:

- Part I: Preamble, Rationale, Definitions & Interpretation
- Part II: Share Capital
- Part III: Transfer and vesting of SAPL into SPRL
- Part IV: Other conditions applicable to the Scheme

1.2 RATIONALE OF THE SCHEME

Both the companies are in similar line of business and consolidation is expected to bring strengths that each company may not necessarily possess individually. In order to optimally utilize the available resources and to achieve synergies in the combined business entity, the Board of Directors of the Transferor Company and the Transferee Company decided to merge and amalgamate the Transferor Company into the Transferee Company. The merger and amalgamation will result in better, efficient and economical management, help in increasing sales in both Domestic & Exports After Market, achieve cost savings, pooling of resources, reduction in administrative and operational expenses and greater control. Without prejudice to the generality of the above, the proposed amalgamation is expected to achieve the following objectives in particular:

- (a) Help in increasing sales in both Domestic & Exports After Market
- (b) Economize on administrative and other expenses;
- (c) Increase the efficiency of combined business by pooling of resources and their optimum utilization, thereby availing synergies from combined resources;

For Shriram Automotive Products Ltd.


Director

2

For SHRIRAM PISTONS & RINGS LTD


R. SRINIVASAN
Jt. Managing Director

- (d) Facilitate expansion of business offerings by the Transferee;
- (e) Improve management focus and facilitate the unified control over operations;
- (f) Leverage the operational, capital and corporate synergies and help optimal utilization of resources viz business promotion, managerial pool, etc.;
- (g) Reduce overheads, administrative, managerial and other expenditure;
- (h) Seamless availability of technical expertise and
- (i) Facilitate greater integration, provide greater financial strength, which would result in maximizing overall shareholder value and will improve the competitive position of the combined entity.

2. DEFINITIONS AND INTERPRETATION

2.1 In this Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the meanings given below;

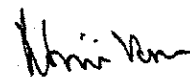
- (a) "**Act**" or "**the Act**" means the Companies Act, 1956 and/or the Companies Act, 2013 (as the context may require) or any statutory amendments thereto or re-enactment thereof for the time being in force;
- (b) "**Accounting Standards**" means accounting standards prescribed under the Companies (Accounting Standards) Rules, 2006 or the Companies Indian Accounting Standards Rules, 2015 as applicable to the Companies.
- (c) "**Appointed Date**" for the purposes of this Scheme means April 1, 2018, or such other date as the Hon'ble Tribunal may direct;
- (d) "**Board**" or "**Board of Directors**" means the Board of Directors of the Transferor Company or the Transferee Company, as the case may be, and shall, unless it is repugnant to the context or otherwise, include a committee of directors or any person authorized by the Board of Directors or such committee of directors;
- (e) "**Effective Date**" shall mean the last of the dates on which the conditions referred to in Clause 18 of the Scheme have been fulfilled. References in this Scheme to the date of the "coming into effect of this Scheme" or "effectiveness of this Scheme" shall mean the Effective date;

For Shriram Automotive Products Ltd.


Director

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For SHRIRAM PISTONS & RINGS LTD


R. SRINIVASAN
Jt. Managing Director

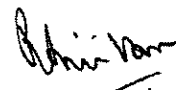
- (f) **"Merged Undertaking"** shall mean and include the whole of the businesses and undertakings of SAPL on a going concern basis, being carried on by SAPL as on the Appointed Date and shall include (without limitation):
- i) all the properties and assets whether movable or immovable, real or personal, in possession or reversion, corporeal or incorporeal, tangible or intangible, present or contingent and including but without being limited to land and building, all fixed and movable plant & machinery, broadband infrastructure providing broadband access services, offices, car, all other kinds of machinery, tools, equipment, spares, leasehold or freehold, including all computers and accessories, software and related data, leasehold improvements, capital work-in-progress, vehicles, furniture, fixtures, fittings, office equipment, telephone, facsimile and other communication facilities and equipment, electrical appliances, accessories, deferred tax assets and investments;
 - ii) all liabilities, present and future, including the contingent liabilities;
 - iii) all rights and licenses including all permits, clearances and registrations whether under Central, State or other laws, rights (including rights/ obligations under any agreement, contracts, applications, letters of intent, or any other contracts), subsidies, grants, tax credits (including MODVAT/ CENVAT, GST or input Tax credits), incentives or schemes of central/ state/ local governments, certifications and approvals, regulatory approvals, entitlements, other licenses, environmental clearances, municipal permissions, approvals, consents, tenancies, investments and/ or interest (whether vested, contingent or otherwise), cash balances, bank balances, bank accounts, reserves, deposits, advances, recoverable, receivables, benefit of insurance claims, easements, advantages, financial assets, hire purchase and lease arrangements, assets or equipment rental agreements, the benefits of bank guarantees issued by SAPL, funds belonging to or proposed to be utilised by SAPL, privileges, all other claims, rights and benefits (including under any powers of attorney issued by SAPL or any powers of attorney issued in favour of SAPL or from or by virtue of any proceeding before a legal, quasi judicial authority or any other statutory authority to which SAPL was a party), powers and facilities of every kind, nature and description whatsoever, rights to use and

For Shriram Automotive Products


Director

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For SHRIRAM PISTONS & RINGS LTD


R. SRINIVASAN
Jt. Managing Director

avail of telephones, telexes, facsimile connections and installations, utilities, electricity, water and other services, provisions, funds; benefits, duties and obligations of all agreements, contracts and arrangements and all other rights and interests;

- iv) all employees on rolls of SAPL on the date immediately preceding the Effective Date;
- v) all deposits and balances with Government, Semi-Government, local and other authorities and bodies, customers and other persons, share application money, earnest moneys and/ or security deposits paid or received by SAPL;
- vi) all books, records, files, papers, product specifications and process information, records of standard operating procedures, computer programs along with their licenses, manuals and backup copies, designs and drawings, other manuals, data catalogues, quotations, sales and advertising materials, and other data and records whether in physical or electronic form;
- vii) all intellectual property rights including all trademarks, trademark applications, trade names, right of way permission, patents and patent applications and all other interests exclusively relating to SAPL including but not limited to those detailed in **Schedule I** hereto.

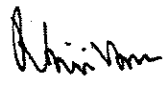
It is intended that the definition of Merged Undertaking under this Clause would enable the transfer of entire business and undertakings including all properties, assets, rights, duties and liabilities of SAPL into SPRL pursuant to this Scheme.

(g) "**Record Date**" means the date to be fixed by the Board of the Transferor Company in consultation with the Transferee Company, with reference to which the eligibility of the shareholders of the Transferor Company for the purposes of issue and allotment of preference Shares of the Transferee Company and payment of Cash consideration by the Transferee Company in terms of the Scheme shall be determined.

(h) "**Registrar of Companies**" means Registrar of Companies, Delhi & Haryana, having jurisdiction over the Transferor and Transferee companies.

For Shriram Automotive Products Ltd.

Director

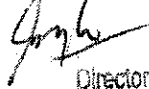
For SHRIRAM PISTONS & RINGS LTD

R. SRINIVASAN
Jt. Managing Director

- (i) **"Scheme"** or **"the Scheme"** or **"this Scheme"** means this Scheme of Amalgamation in its present form, with any amendment/modifications approved or imposed or directed by the Board and/or shareholders and/or creditors and/or by the Tribunal;
- (j) **"Share Exchange Ratio"** means the ratio in which the New preference Shares of the Transferee Company are to be allotted to the equity shareholders of the Transferor Company by the Transferee Company as per Clause 5 of the Scheme.
- (k) **"Stock Exchange"** shall mean The National Stock Exchange of India Limited ("NSE").
- (l) **"Transferor Company"** means Shriram Automotive Products Ltd. (SAPL) an unlisted public limited company incorporated under the provisions of the Companies Act, 1956 and having its registered office at 4th Floor, Himalaya House, 23, K.G. Marg, New Delhi -110001, India.
- (m) **"Transferee Company"** means Shriram Pistons & Rings Ltd. , a listed public limited company incorporated under the Companies Act, 1956 and presently having its registered office at 3rd Floor, Himalaya House, 23, K.G. Marg, New Delhi - 110001, India.
- (n) **"Tribunal"** means the Hon'ble National Company Law Tribunal, New Delhi Bench or such other Bench having jurisdiction in respect to the Transferee Company and the Transferor Company or any other appropriate forum or authority or Court empowered to approve the Scheme as per the law for the time being in force.

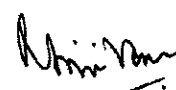
2.2 INTERPRETATION

All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act and other applicable laws, rules, regulations, bye-laws, as the case may be including any statutory amendments thereto or re-enactment thereof. Reference to Companies Act, 1956 shall also mean corresponding provisions of Companies Act, 2013 as applicable.

For Shriram Automotive Products Ltd.


Director

For SHRIRAM PISTONS & RINGS LTD


R. SRINIVASAN
Jt. Managing Director

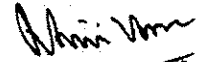
2.3 COMPLIANCE WITH TAX LAWS

The Scheme proposes to meet the commercial and business interest of the parties as specified herein before. This Scheme, in so far as it relates to the merger and has been also drawn-up to comply with the conditions relating to "Amalgamation" as specified under the tax laws, including section 2(1B), section 47 and section 72A (if applicable) and all other relevant Sections of the Income Tax Act, 1961 or any amendment or reenactment thereto. If any terms or provisions of the Scheme are found to be or interpreted to be inconsistent with any of the said provisions at a later date, whether as a result of any amendment of law or any judicial or executive interpretation or for any other reason whatsoever, the Scheme shall then stand modified to the extent determined necessary to comply with the said provisions. Such modification will however not affect other parts of the Scheme, and the power to make any such amendments shall vest with the Board of Directors of SAPL and SPRL.

For Shriram Automotive Products Ltd.


Director

For SHRIRAM PISTONS & RINGS LTD


R. SRINIVASAN
Jt. Managing Director

PART II – SHARE CAPITAL

3. CAPITAL STRUCTURE

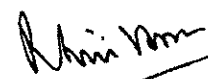
3.1 The position of the authorized, issued, subscribed and paid up capital of the Transferor Company and the Transferee Company as on March 31, 2018 is as follows:

| Name of the Company | Authorized Share Capital | Issued Subscribed and Paid Up Capital |
|--|---|---|
| Shriram Automotive Products Limited ("Transferor Company") | Rs.2,50,00,000/- (Rupees Two Crore Fifty Lac Only) consisting of 2,50,000- (Two Lac Fifty Thousand) equity shares of Rs. 100/- (Rupees Hundred) each. | Rs.1,20,24,000/- (Rupees One Crore Twenty Lac Twenty Four Thousand Only) consisting of 1,20,240 (One Lac Twenty Thousand Two Hundred Forty) equity shares of Rs. 100/- each. |
| Shriram Pistons & Rings Limited ("Transferee Company") | Rs. 80,00,00,000/- (Rupees Eighty Crore Only) consisting of 5,00,00,000 (Five Crore) equity shares of Rs. 10/- each And 30,00,000 (Thirty Lacs) preference shares of Rs.100/- each | Rs.22,37,49,120/- (Rupees Twenty Two Crore Thirty Seven Lac Forty Nine Thousand One Hundred and Twenty Only) consisting of 2,23,74,912 (Two Crore Twenty Three Lac Seventy Four Thousand Nine Hundred and Twelve) equity shares of Rs. 10/- each. Nil |

For Shriram Automotive Products Ltd.


Director


For SHRIRAM PISTONS & RINGS LTD

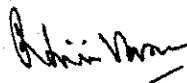

R. SRINIVASAN
Jt. Managing Director

PART III – TRANSFER AND VESTING OF SAPL INTO SPRL

4. TRANSFER AND VESTING OF UNDERTAKING

- 4.1 With effect from the Appointed Date, the whole of the Merged Undertaking, comprising inter-alia all assets and liabilities of whatsoever nature and wheresoever situated, shall, under the provisions of Section 230 read with Section 232 and all other applicable provisions, if any, of the Act, without any further act or deed, be transferred to and vested in and/ or be deemed to be transferred to and vested in SPRL as a going concern so as to become as and from the Appointed Date the assets and liabilities of SPRL and to vest in SPRL all the rights, title, interest or obligations of SAPL therein.
- 4.2 All assets acquired by SAPL after the Appointed Date and prior to the Effective Date shall also stand transferred to and vested in SPRL upon the coming into effect of the Scheme. Where any of the assets of SAPL as on the Appointed Date deemed to be transferred to SPRL have been sold or transferred by SAPL after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of SPRL. As regards transfer of specified movable assets, Clauses 4.3 and 4.4 below provide for the physical mode of effecting transfer.
- 4.3 In respect of such of the assets of the Merged Undertaking as are movable in nature or are otherwise capable of transfer by manual delivery, by paying over or by endorsement and delivery, the same may be so delivered, paid over, or endorsed and delivered, by SAPL and shall become the property of SPRL as an integral part of the Merged Undertaking transferred to it. The aforesaid transfer shall be deemed to take effect from the Appointed Date without requiring any deed or instrument of conveyance for the same. Such transfer may not be liable to stamp duty in accordance with law. Such delivery shall be made on a date mutually agreed upon between the Board of Directors of SPRL and the Board of Directors of SAPL.
- 4.4 With effect from the Appointed Date and upon the Scheme becoming effective, the land with the buildings standing thereon, commercial spaces, as given in **Schedule – II**, held by Transferor Company, and any documents of title or rights and easements in relation thereto shall be vested in and transferred to and/or be deemed to have been transferred

For Shriram Automotive Products Ltd.

 Director

For SHRIRAM PISTONS & RINGS LTD

R. SRINIVASAN
 Jt. Managing Director

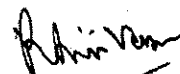
- to and vested in the Transferee Company and shall belong to the Transferee Company. With effect from the Effective Date, the Transferee Company shall be liable for ground rent and municipal taxes in relation to properties subject to such taxes, if any. Upon the Scheme becoming effective, the title to such immovable properties shall be mutated and transferred by appropriate authorities, in accordance with terms hereof, in favour of the Transferee Company.
- 4.5 All debts, advance tax, loans and advances recoverable in cash or in kind or for value to be received, deposits, outstanding and receivables of Merged Undertaking/ SAPL other than the movable assets specified in Clause 4.3 shall on and from the Appointed Date stand transferred to and vested in SPRL without any further actions or deed (although SPRL may, if it deems appropriate, give notice to the third party that the debts, outstanding and receivables do stand transferred to and vested in SPRL), and the debtors shall be obliged to make payments to SPRL on and after the Effective Date.
- 4.6 With effect from the Appointed Date, all debts payable, liabilities, contingent liabilities, duties and obligations of every kind, nature and description of Merged Undertaking/ SAPL shall also, under the provisions of Sections 230 to 232 of the Companies Act 2013, without any further act or deed, be transferred to or be deemed to be transferred to SPRL so as to become as and from the Appointed Date the debts payable, liabilities, contingent liabilities, duties and obligations of SPRL.
- 4.7 Where any of the liabilities and obligations, if any, of the Merged Undertaking/ Transferor Company, as on the Appointed Date, transferred to the Transferee Company has been discharged by the Transferor Company after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Transferee Company.
- 4.8 All loans raised and utilized and all debts, duties, undertakings, liabilities and obligations, if any, incurred or undertaken by the Merged Undertaking/ Transferor Company, after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, used, incurred or undertaken for and on behalf of the Transferee Company and to the extent they are outstanding on the Effective Date, shall, upon the coming into effect of this Scheme, pursuant to the provisions of section

For Shriram Automotive Products Ltd.


Director

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For SHRIRAM PISTONS & RINGS LTD



R. SRINIVASAN
Jt. Managing Director

232 of the Act, without any further act, instrument or deed be and stand transferred to or vested in or be deemed to have been transferred to and vested in the Transferee Company and shall become the debt, duties, undertakings, liabilities and obligations of the Transferee Company.

4.9 The transfer and vesting of the Merged Undertaking as aforesaid, shall be subject to the existing securities, charges and mortgages, if any, subsisting over or in respect of the property and assets or any part thereof of SAPL.

Provided however that any reference in any security documents or arrangements (to which SAPL is a party) to the assets of SAPL offered or agreed to be offered as security for any financial assistance or obligations, shall be construed as reference only to the assets pertaining to the Merged Undertaking of SAPL as are vested in SPRL by virtue of this Scheme, to the end and intent that such security, charge and mortgage shall not extend or be deemed to extend, to any of the other assets of SAPL or any of the assets of SPRL.

Provided always that this Scheme shall not operate to enlarge the security for any loan, deposit or facility created by SAPL which shall vest in SPRL by virtue of merger of SAPL into SPRL and SPRL shall not be obliged to create any further or additional security after the Scheme has become operative.

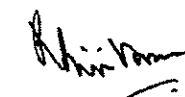
5. CONSIDERATION AND RE-ORGANISATION OF SHARE CAPITAL

Upon Scheme becoming effective and without any further application, act, instrument or deed, the Transferee Company, in consideration of the transfer and vesting of the Merged Undertaking (with all its assets, liabilities, rights and obligations) of the Transferor Company in the Transferee Company, the Transferee Company shall issue and allot on the proportionate basis to all the members of the Transferor Company whose name is entered in the register of members of the Transferor Company as on the Record Date ("**Members**") or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognized by the Board of Transferor Company, not later than 30 Days from the date of scheme of merger and amalgamation becoming effective, a total of 28,85,760 (Twenty Eight Lac Eighty Five Thousand Seven Hundred Sixty), 4.2% fully

For Shriram Automotive Products Ltd.


Director

For SHRIRAM PISTONS & RINGS LTD


R. SRINIVASAN
Jt. Managing Director

paid up Non Participating, Redeemable, Non- Convertible, Cumulative Preference Shares of Rs. 100/- each redeemable at par on expiry of 5 years from the date of Allotment, aggregating to Rs. 28,85,76,000/- (Twenty Eight Crore Eighty Five Lac Seventy Six Thousand Only) and a cash consideration of Rs. 11,18,23,200/- (Rupees Eleven Crore Eighteen Lac Twenty Three Thousand Two Hundred Only). The Transferee Company shall have option to redeem at par these preference shares on expiry of 6 months from the date of allotment or 30.06.2019, whichever is later. The preference shares shall be allotted and the cash consideration shall be paid to the equity shareholders of the Transferor Company in the proportion of equity shares held by them in the Transferor Company, in the following exchange ratio:

- 24 Nos. (Twenty Four) of 4.2% fully paid up Non Participating, Redeemable, Non- Convertible, Cumulative Preference Shares of Rs. 100 each, of the Transferee Company for every 1 (one) equity share of the Transferor Company.

And

- Payment of Cash consideration of Rs. 930/- (Rupees Nine Hundred Thirty Only) for every 1 (one) equity share of the Transferor Company to the equity shareholders of Transferor Company, not later than 30 Days from the date of scheme of merger and amalgamation and merger becoming effective.

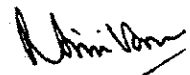
The allotment of New Preference Shares shall be governed by the following:

- i) The New Preference Shares to be issued in terms hereof shall be subject to the Memorandum and Articles of Association of the Transferee Company.
- ii) The preference shareholders will not be entitled to any rights and privileges available to equity shareholders, other than those available to them under statutory laws.
- iii) No dividend shall accrue on the preference shares till the date of allotment of such shares.
- iv) The New Preference Shares to be issued in physical form.

For Shriram Automotive Products Ltd.


Director

For SHRIRAM PISTONS & RINGS LTD


R. SRINIVASAN
Jt. Managing Director

6. ACCOUNTING TREATMENT

6.1 The Transferee Company shall account for the amalgamation of the Transferor Company into and with the Transferee Company in its books of account in compliance with the Indian Accounting Standard 103 on Business Combinations and other Indian Accounting Standards, as applicable, and notified under Section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules, 2015 in the following manner:

- a) All the assets including identifiable intangible assets such as Trademarks, Trade Name, Dealer Network/Customer Contracts and other business and commercial rights etc. and all the liabilities of the Transferor Company transferred to and vested in the Transferee Company pursuant to this scheme shall be recorded in the books of account of the Transferee Company at fair values and adopted by the Board of Directors of the Transferee Company.
- b) Any Excess of the amount of consideration [as per clause 5] over the fair value of net assets of the Transferor acquired by the Transferee Company [as per clause 6(a)] shall be treated as goodwill in accordance with the applicable Indian Accounting Standards. If the amount of consideration [as per clause 5], is lower than the fair value of net assets acquired [as per clause 6(a)], the difference shall be treated as Capital Reserve.
- c) The inter-company balances, loans and/or investments, if any, appearing in the books of account of the Transferee Company and Transferor Company will stand cancelled and nullified.

6.2(a) Transactions in the nature of sale or transfer of goods between the Appointed date and Effective Date would continue in the normal course.

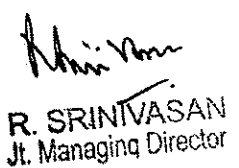
6.2(b) It is hereby clarified that, all transactions during the period between the Appointed Date and Effective Date relating to the Merged Undertaking would be duly reflected in the financial statements of SPRL, upon the coming into effect of this Scheme.

For Shriram Automotive Products Ltd.



Director

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6.3. Notwithstanding anything contained in this Clause 6, the Board of Directors of SPRL is authorized to account for any of these transaction/ balances in any manner whatsoever, as may be deemed fit, in accordance with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013 or any other applicable provisions of the Act.

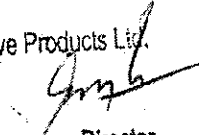
7. BUSINESS AND PROPERTY IN TRUST FOR TRANSFeree COMPANY

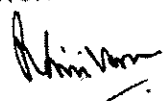
As and from the Appointed Date and upto and including the Effective Date:

- 7.1 The Transferor Company shall carry on and be deemed to have carried on its business and activities and shall stand possessed of all its assets and properties referred to in Clause 4 above, in trust for the Transferee Company and shall account for the same to the Transferee Company.
- 7.2 The Transferor Company shall carry on its business and activities with reasonable diligence and business prudence.
- 7.3 Any income or profit accruing or arising to the Transferor Company and all costs, charges, expenses and losses or taxes (including deferred tax balances, if any) incurred by the Transferor Company shall for all purposes be treated as the income, profits, costs, charges, expenses and losses or taxes (including deferred tax balances, if any), as the case may be, of the Transferee Company and shall be available to the Transferee Company for being disposed off in any manner as it thinks fit.

8. CONDUCT OF BUSINESS

- 8.1 From the date of approval of the Scheme by the Board of Directors of SAPL and upto the Effective Date:
 - i) SAPL shall carry on its business with reasonable diligence and in the same manner as it had been doing it theretofore.
 - ii) SAPL shall not alter or substantially expand the business except with the written concurrence of the Transferee Company.
 - iii) SAPL shall not, without the written concurrence of the Transferee Company, alienate charge or encumber any of its properties, except in the ordinary course of business or pursuant to any pre-existing obligation

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Director

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undertaken prior to the date of acceptance of the Scheme by the Board of Directors of SAPL.

- iv) SAPL shall not vary or alter, except in the ordinary course of its business or pursuant to any pre-existing obligation undertaken prior to the date of acceptance of the Scheme by the Board of Directors of SAPL, the terms and conditions of employment of any of its employees, nor shall it conclude settlement with employees.
- v) SAPL shall not revalue its respective assets and liabilities in its balance sheets without the express written consent of SPRL.
- vi) SAPL shall not declare any dividend or issue any further shares between the Appointed date till the Effective Date.
- vii) With effect from the Effective Date and until such time the bank accounts of the Transferor Company will be transferred to the Transferee Company, Transferee Company shall be entitled to operate the bank accounts of the Transferor Company, in so far as may be necessary.

8.2 Notwithstanding anything else contained in this Scheme, SPRL may declare any dividend (interim or final) or bonus shares as per applicable provisions of the Act.

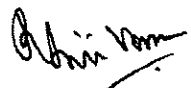
It is clarified that the provisions in respect of declaration of dividends, whether interim or final or issuance of bonus shares, are enabling provisions only and shall not be deemed to confer any right on any shareholder of the Transferee Company to demand or claim any dividends/bonus shares which is subject to the provisions of the Act and shall be entirely at the discretion of the Board of Directors of and wherever necessary subject to the approval of the shareholders of the Transferee Company.

8.3 Notwithstanding anything else contained in this Scheme, during the pendency of the Scheme, SPRL is expressly authorized to raise capital for the purpose of funding growth or any other purpose, in any manner as considered suitable by its Board of Directors, whether by means of rights issue, preferential issue, public issue or any other manner whatsoever. Further, such funds may be raised by means of any instrument considered suitable by Board of Directors of SPRL, including warrants, equity/ equity

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linked instruments, preference shares, convertible/ non-convertible bonds, debentures, debt, etc.

9. CONTRACTS AND DEEDS

9.1 Subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements, memorandum of understanding, insurance policies, licenses, leases, (including all tenancies, leases, licenses and other assurances in favour of the Transferor Company or powers or authorities granted by or to it), hire-purchase arrangements and other instruments, if any, of whatsoever nature to which the Transferor Company is a party and subsisting or having effect on the Effective Date shall be in full force and effect against or in favour of the Transferee Company, as the case may be, and may be enforced by or against the Transferee Company as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party thereto.

9.2 The Transferee Company may enter into and/ or issue and/ or execute deeds, writings or confirmations, affidavits, declarations or enter into any tripartite arrangements, confirmations or novations, to which the Transferor Company will, if necessary, also be party in order to give formal effect to the provisions of this Scheme, if so required or if so considered necessary. The Transferee Company shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of the Transferor Company and to implement or carry out all formalities required on the part of the Transferor Company to give effect to the provisions of this Scheme. It is clarified that any inter-se contracts between the Transferor Company and the Transferee Company as on the Effective Date shall stand merged and vest in the Transferee Company.

9.3 All subsisting agreements/ arrangements/ licenses/ permissions/ registrations/ applications of the Transferor Company relating to the use of patents, patent applications, trade marks (including logos), brands, copyrights, websites, and / or technology, know-how, designs, process and all other intellectual property and rights, as on the Effective Date shall accrue to and for the benefit of the Transferee Company.

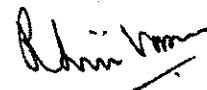
10. MERGER OF AUTHORISED SHARE CAPITAL OF TRANSFEROR COMPANY WITH TRANSFEE COMPANY

10.1 Upon the Scheme becoming effective and with effect from the Appointed Date, the authorized share capital of the Transferor Company

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shall stand transferred to and be added with the authorized equity share capital of Transferee Company, without any liability for payment of any additional fees (including fee to Registrar of Companies) or stamp duty. Further, if required the Transferee Company shall take necessary steps to further increase and/or alter its authorised share capital suitably to enable it to issue and allot shares under the Scheme.

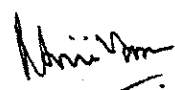
- 10.2 Consequently, subject to any increase and/or alteration in the authorized share capital of the Transferee Company as may be effected with the approval of its shareholders during the pendency of the Scheme for issue and allotment of shares under the Scheme, upon coming into effect of the Scheme and particularly the Clause 10.1 mentioned herein above, the authorized share capital of the Transferee Company shall be increased and accordingly, the Memorandum and Articles of Association of the Transferee Company shall automatically stand amended.

Accordingly, in terms of this Scheme, the Authorised Share Capital of the Transferee Company shall stand enhanced to an amount of Rs. 82,50,00,000 (Rupees Eighty Two Crore Fifty Lac only), divided into 5,25,00,000 (Five Crore Twenty Five Lac) Equity Shares of Rs. 10/- each and 30,00,000 (Thirty Lac) Preference shares of Rs. 100/- each and the Capital Clause with respect to Authorized Share Capital being Clause V of Memorandum of Association of the Transferee Company shall stand substituted as follows:

"The Authorised Share Capital of the Company is Rs. 82,50,00,000 (Rupees Eighty Two Crore Fifty Lac only), divided into 5,25,00,000 (Five Crore Twenty Five Lac) Equity Shares of Rs. 10/- each and 30,00,000 (Thirty Lac) Preference shares of Rs. 100/- each with the rights, privileges and conditions attaching hereto as are provided by regulations of the Company divide the shares in the Capital for the time being in to several classes and subject to the provisions of the Companies Act, 2013 to attach hereto respectively, such preferential, qualified or special rights, privileges or conditions as may be determined by or in accordance with the regulations of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the regulations of the Company."

The filing fee and stamp duty already paid by the Transferor Company on its Authorized Share Capital shall be utilized and applied to the increased authorized share capital of the Transferee Company, and shall be deemed to have been so paid by the Transferee Company on such combined authorized share capital and accordingly, the Transferee

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Company shall not be required to pay any fees/ stamp duty on the authorized share capital so increased.

- 10.3 All steps for reorganizing of share capital and changes to the memorandum of association of the companies under this Scheme, shall be undertaken as an integral part of this Scheme in accordance with the provisions of Sections 230 to 232 of the Act read with Sections 5, 13, 14, 42, 52, 61, 62 of the Companies Act, 2013 or other applicable Sections of the Act and no other steps or procedures would need to be undertaken by the concerned companies to give effect to the same. Consequential changes shall also apply with respect to the existing issued, subscribed and paid up capital of the Transferor Company and the Transferee Company.

11. DISSOLUTION OF TRANSFEROR COMPANY

On the Scheme coming into effect, the Transferor Company shall, without any further act or deed, stand dissolved without the process of winding up.

12. LEGAL PROCEEDINGS

- 12.1 All legal proceedings of whatsoever nature by or against the Transferor Company pending and/ or arising at the Appointed Date and relating to the Transferor Company or its properties, assets, debts, rights, liabilities, duties and obligations referred to in Clause 2.1 (f), shall be continued and/ or enforced until the Effective Date as desired by the Transferee Company and as and from the Effective Date shall be continued and enforced by or against the Transferee Company in the same manner and to the same extent as would or might have been continued and enforced by or against the Transferor Company. On and from the Effective Date, the Transferee Company shall and may, if required, initiate any legal proceedings in its name in relation to the Transferor Company in the same manner and to the same extent as would or might have been initiated by the Transferor Company.
- 12.2 After the Appointed Date, if any proceedings are taken against the Transferor Company, the same shall be defended by and at the cost of the Transferee Company.

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13. STAFF, WORKMEN AND EMPLOYEES

- 13.1 On the coming into effect of the Scheme, all staff and employees of SAPL in service on such date shall be deemed to have become staff and employees of SPRL in accordance with the prevailing policies of SPRL without any break in their service and on the basis of continuity of service and the terms and conditions of their employment with SPRL in terms of overall monetary benefits shall not be less favourable than those applicable to them with reference to SAPL on the Effective Date.
- 13.2 Upon the Scheme coming into effect, all staff welfare schemes including the existing Provident Fund, Gratuity Fund and/ or schemes and trusts, including employee's welfare trust, created by SAPL for its employees shall be transferred to SPRL. SAPL shall make such arrangements or enter into such agreements for the continuance or transfer, where applicable, of the Provident Fund, Gratuity Fund and/ or schemes and trusts, including employee's welfare trust, pursuant to the Scheme, to SPRL. All obligations of SAPL with regard to the said Fund or Funds as defined in the respective trust deed and rules shall be taken over by SPRL from the Effective Date to the end and intent that all rights, duties, powers and obligations of SAPL in relation to such Fund or Funds shall become those of SPRL and all the rights, duties and benefits of the employees employed in SAPL under such Funds and Trusts shall be fully protected, subject to the provisions of law for the time being in force. It is clarified that the services of the staff, workmen and employees of SAPL will be treated as having been continuous for the purpose of the said Fund or Funds.
- 13.3 Upon the coming into effect of this Scheme, the Directors of the Transferor Company, will not be entitled to any representation on the Board of Directors in the Transferee Company by the virtue of the provisions of this Scheme. It is clarified that this Scheme will not affect any person who is already a Director in the Transferee Company as on the Appointed Date from continuing as whether including Whole Time Director.

14. TREATMENT OF TAXES

- 14.1 The Tax Deducted at Source (TDS)/advance tax including MAT credit entitlement, provision for income tax, if any, paid by the Transferor Company under the Income Tax Act, 1961 or any other statute in respect of income of the Transferor Company assessable for the period commencing from Appointed Date shall be deemed to be the tax

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Director

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R. SRINIVASAN
Jt. Managing Director

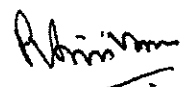
deducted from/advance tax paid by the Transferee Company and credit for such TDS/advance tax (including MAT credit) shall be allowed to the Transferee Company notwithstanding that certificates or challans for TDS/advance tax/ MAT are in the name of the Transferor Company and not in the name of the Transferee Company. The income tax, if any, paid by the Transferor Company on or after the Appointed Date, in respect of income assessable from that date, shall be deemed to have been paid by or for the benefit of the Transferee Company. The Transferee Company shall, after the Effective Date, be entitled to file the relevant returns with the authorities concerned for the period after the Appointed Date notwithstanding that the period for filing such return may have elapsed. Further, the Transferee Company shall, after the Effective Date, be entitled to revise the relevant returns, if any, filed by the Transferor Company for any year, if so necessitated or consequent to this Scheme becoming effective; notwithstanding that the time prescribed for such revision may have elapsed.

- 14.2 The wealth tax, if any, paid by the Transferor Company in respect of its assets under the Wealth Tax Act, 1957, on or after the Appointed Date shall be deemed to have been paid by the Transferee Company. The Transferee Company shall, after the Scheme becomes effective, be entitled to file the wealth tax return for the relevant valuation date notwithstanding that the time prescribed for filing such returns may have lapsed. Further the Transferee Company shall, after the Scheme becomes effective, be entitled to revise the wealth tax returns, if any, filed by the Transferor Company for any year if so necessitated or consequent to this Scheme becoming effective; notwithstanding that the time prescribed for such revision may have elapsed.
- 14.3 Similarly, any other taxes including but not limited to excise duty, CENVAT, Cess, GST, input credit tax, value added tax, sales tax etc. paid by the Transferor Company on or after the Appointed Date, in respect of the period after such date shall be deemed to have been paid by or for the benefit of the Transferee Company. The Transferee Company shall, after the Effective Date, be entitled to file the relevant returns with the authorities concerned for the period after the Appointed Date, notwithstanding that the time prescribed for filing such return may have elapsed. Further, the Transferee Company shall, after the Effective Date, be entitled to revise the relevant returns, if any, filed by the Transferor Company for any year, if so necessitated or consequent to this Scheme becoming effective, notwithstanding that the time prescribed for such revision may have elapsed.

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Director

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- 14.4 Without prejudice to generality of the aforesaid, any concessional or statutory forms under the laws of the Central or State Sales Tax or Value Added Tax (VAT), Service Tax or local levies issued or received by the Transferor Company, if any, in respect of period commencing from the Appointed Date shall be deemed to be issued or received in the name of the Transferee Company and benefit of such forms shall be allowable to the Transferee Company in the same manner and to the same extent as would have been available to the Transferor Company.

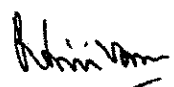
15. SAVING OF CONCLUDED TRANSACTIONS

- 15.1 The transfer of Merged Undertaking (including assets, liabilities, rights and obligations) under Clause 4 above and the continuance of proceedings by or against the Transferee Company under Clause 12 herein above shall not affect any transaction or proceedings already concluded by the Transferor Company on or before the Appointed Date and after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by the Transferor Company in respect thereto as done and executed on behalf of Transferee Company.
- 15.2 Since each of the permissions, approvals, registrations, consents, sanctions, remissions, special reservations, right of way, insurance policy, incentives, concessions and other authorizations of the Transferor Company shall stand transferred by the order of the Hon'ble Tribunal to the Transferee Company, the Transferee Company may file the relevant intimations, for the record of the statutory authorities or any relevant authority or person who shall take them on file, pursuant to the vesting order of the Tribunal.

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Director

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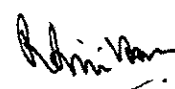
PART IV - OTHER CONDITIONS APPLICABLE TO THE SCHEME

16. APPLICATIONS TO TRIBUNAL

- 16.1 The Transferee Company and the Transferor Company shall, with all reasonable dispatch, make applications to the Tribunal under Section 230 of the Act, seeking orders for dispensing with or convening, holding and conducting of the meetings of the respective classes of the shareholders and/ or creditors of the Transferor Company and the Transferee Company as may be directed by the Tribunal.
- 16.2 That the Scheme, in no way, is a Scheme of compromise or arrangement with the creditors as all the creditors of the Transferor Company and the Transferee Company will be paid in the usual course of business and therefore, the present Scheme of Amalgamation will not be affecting the rights of the creditors of the Transferor and Transferee Companies in any manner as the aggregate assets of the Transferor Company and the Transferee Company are more than sufficient to meet the liabilities of all the creditors of the Transferor Company and the Transferee Company in full.
- 16.3 On the Scheme being agreed to by the requisite majorities of the classes of the shareholders and/ or creditors of the Transferee Company and the Transferor Company as directed by the Tribunal or their meetings dispensed with, the Transferee Company and the Transferor Company shall, with all reasonable dispatch, apply to the Tribunal, for sanctioning the Scheme under Sections 230 to 232 of the Act and other provisions of the Act (if any) and for such other order or orders, as the said Tribunal may deem fit for carrying this Scheme into effect and for dissolution of the Transferor Company without winding up.
- 16.4 The Transferee Company may, if required, give notice in such form as it may deem fit and proper to each person, debtor or borrower, statutory or regulatory authorities as the case may be that pursuant to the Tribunal having sanctioned the Scheme, the said person, debtor or borrower shall pay the debt, loan or advance or make good the same or hold the same to its account and that the right of the Transferee Company to recover or realize the same is in substitution of the right of the Transferor Company.

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17.1 TAXATION SYSTEM

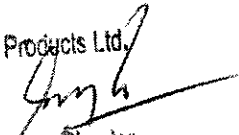
- 17.1.1 The merger and amalgamation in accordance with this Scheme shall be pursuant to and in compliance with the provisions of Section 2(1B) of the Income-tax Act, 1961, or any modification or re-enactment thereof.
- 17.1.2 If any terms or provisions of this Scheme are found to be or interpreted to be inconsistent with any of the said provisions at a later date, whether as a result of any amendment of law or any judicial or executive interpretation or for any other reason whatsoever, the Scheme shall then stand modified to the extent determined necessary to comply with the said provisions. Such modification will, however, not affect other parts of this Scheme.

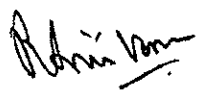
17.2 APPLICATION(S) TO THE NCLT

- 17.2.1 The Transferor Company and the Transferee Company shall make application/petition under Section 230 to 232 and other applicable provisions of the Companies Act to the NCLT, as necessary, inter alia, to seek order for dispensing with or for convening, holding or conducting of the meetings of their respective shareholders and creditors, sanctioning of this Scheme and for consequent actions including for dissolution of the Transferor Company without winding up and further application/petition under Sections 230 to 232 and other applicable provisions of the Companies Act including for sanction/confirmation/clarification of the Scheme or connected therewith, as necessary.

17.3 REVISION OF ACCOUNTS AND TAX FILINGS, MODIFICATION OF CHARGE

- 17.3.1 Upon this Scheme becoming effective and from the Appointed Date, the Transferee Company is expressly permitted to revise and file its income tax returns and other statutory returns, including tax deducted at source returns, services tax returns, excise tax returns, sales tax and value added tax returns, goods and services tax returns as may be applicable and has expressly reserved the right to make such provisions in its returns and to claim refunds or credits etc, if any. Such returns may be revised and filed notwithstanding that the statutory period for such revision and filing may have lapsed.

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 Director

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17.3.2 Filing of the certified copy of the order of the NCLT sanctioning this Scheme with the relevant Registrar of Companies shall be deemed to be sufficient for creating or modifying the charges in favor of the secured creditors, if any, of the Transferor Company, as required as per the provisions of this Scheme.

17.4 MUTATION OF PROPERTY AND STAMP DUTY

17.4.1 Upon the Scheme becoming effective and with effect from the Appointed Date, the title to the immovable properties of the Transferred Undertaking shall be deemed to have been mutated and recognized as that of the Transferee Company and the mere filing of the certified true copy of the vesting order of the NCLT sanctioning the Scheme with the appropriate Registrar or Sub-registrar of Assurances or with the relevant Government agencies shall suffice as record of continuing title of the immovable properties of the Transferred Undertaking with the Transferee Company pursuant to the Scheme becoming effective and shall constitute a deemed mutation and substitution thereof.

17.4.2 Since all movable properties belonging to the Transferor Company shall be transferred by way of delivery and possession, no stamp duty shall be payable on transfer of such properties to Transferee Company in terms of the Scheme.

17.5 MODIFICATIONS AND AMENDMENTS TO THE SCHEME

17.5.1 Notwithstanding anything to the contrary contained in this Scheme, the Transferor Company and the Transferee Company (acting through their respective Board of Directors or a committee thereof or authorised representatives) may make or assent, from time to time, to any modifications, amendments, clarifications or confirmations to this Scheme, which they deem necessary and expedient or beneficial to the interests of the stakeholders and the NCLT.

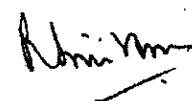
17.5.2 The Transferor Company and the Transferee Company (acting through their respective Board of Directors or a committee thereof or authorised representatives) shall be authorised to take all such steps and give such directions, as may be necessary, desirable or proper, to resolve any doubts, difficulties or questions that may arise in regard to and of the

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meaning or interpretation of this Scheme or implementation thereof or in any manner whatsoever connected therewith, whether by reason of any directive or orders of the NCLT or any other authorities or otherwise, howsoever arising out of or under or by virtue of this Scheme or any matter concerned or connected therewith and to do and execute all acts, deeds, matters and things necessary for giving effect to this Scheme.

17.5.3 For the purpose of giving effect to this Scheme or to any modifications or amendments thereof or additions thereto, the delegate of the Transferor Company and the Transferee Company may give and are hereby authorised to determine and give all such directions as are necessary and such determination or directions, as the case may be, shall be binding on all parties, in the same manner as if the same were specifically incorporated in this Scheme.

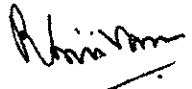
17.6 REVOCATION AND WITHDRAWAL OF THIS SCHEME

The Board of Directors of the Transferor Company and the Transferee Company shall be entitled to revoke, cancel, withdraw and declare this Scheme to be of no effect at any stage, but before the Effective date, and where applicable re-file, at any stage in case (a) this Scheme is not approved by the NCLT or if any other consents, approvals, permissions, resolutions, agreements, sanctions and conditions required for giving effect to this Scheme are not received or delayed; (b) any condition or modification imposed by the NCLT and/or any other authority is not acceptable; (c) the coming into effect of this Scheme in terms of the provisions hereof or filing of the drawn up order(s) with any Governmental Authority could have adverse implication on the Transferor Company and/or the Transferee Company; or (d) for any other reason whatsoever, and do all such acts, deeds and things as they may deem necessary and desirable in connection therewith and incidental thereto. On revocation, cancellation or withdrawal, this Scheme shall stand revoked, cancelled or withdrawn and be of no effect and in that event, no rights and liabilities whatsoever shall accrue to or be incurred inter se between the Transferor Company and the Transferee Company or their respective shareholders or creditors or employees or any other person, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which

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has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out in accordance with the applicable law and in such case, each party shall bear its own costs, unless otherwise mutually agreed.

17.7 SEVERABILITY

If any part of this Scheme is held invalid, ruled illegal by any court of competent jurisdiction, or becomes unenforceable for any reason, whether under present or future laws, then it is the intention of both the Transferor Company and the Transferee Company that such part of the Scheme shall be severable from the remainder of this Scheme and this Scheme shall not be affected thereby, unless the deletion of such part of the Scheme shall causes this Scheme to become materially adverse to either the Transferee Company or the Transferor Company, in which case the Transferor Company and the Transferee Company shall attempt to bring about a modification in this Scheme, as will best preserve for the parties the benefits and obligations of this Scheme, including but not limited to such part of the Scheme.

17.8 COSTS AND EXPENSES

All costs, expenses, charges, taxes, fees and all other expenses, if any, including stamp duty and registration charges, if any, arising out of or incurred in carrying out and implementing the terms of this Scheme and the incidentals thereto shall be borne and paid by the Transferee Company.

18 CONDITIONALITY OF THE SCHEME

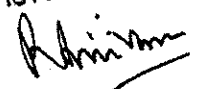
18.1 This Scheme is conditional upon and subject to all of the following:

- (a) approval of Scheme by SEBI in terms of the SEBI Circulars and the Stock Exchanges pursuant to Regulation 37 of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015.
- (b) the consents by the requisite majority of the shareholders and/ or creditors, if any, of the Transferor Company and Transferee Company to the Scheme, if required or their meeting being dispensed with; and the requisite orders of the Hon'ble Tribunal sanctioning the Scheme in exercise of the powers vested in it under the Act;

For Shriram Automotive Products Ltd.


Director

For SHRIRAM PISTONS & RINGS LTD



R. SRINIVASAN
Jt. Managing Director

- (c) such other sanctions and approvals including sanctions of any government or regulatory authority as may be required by law in respect of the Scheme;
- (d) approval of the scheme by the public shareholders of the Transferee Company in accordance with the provisions of the SEBI Circular No. CFD/DIL3/CIR/2017/21 dated 10.03.2017 and as may be amended from time to time, while providing for voting by public shareholders e-voting, after disclosure of all material facts in the explanatory statement sent to the shareholders in relation to such resolution and the Scheme shall be acted upon only if the votes cast by the public shareholders in favor of the proposal are more than the number of votes cast by the public shareholders against it.
- (e) the certified copies of the Tribunal order being filed with the jurisdictional Registrar of Companies by the Transferor Company and the Transferee Company.

18.2 The approval to this Scheme under Sections 230 to 232 of the Act by the shareholders and/or creditors of the Transferor Company and Transferee Company, shall be deemed to have the approval of the shareholders and/or creditors, as the case may be, for all matters under the applicable provisions of the Act, rules and regulations made there under, including but not limited to Sections 5, 13, 14, 42, 52, 61, 62 and 66 of the Companies Act, 2013 and rules made thereunder.

19. EFFECT OF NON-APPROVALS

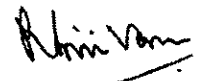
In the event any of the said sanctions and approvals referred to in Clause 18 above not being obtained and/ or the Scheme not being passed as aforesaid before September 30, 2019 or within such further period or periods as may be agreed upon between Transferee Company by its Directors and the Transferor Company by its Directors (and which the Board of Directors of the Company are hereby empowered and authorised to agree to and extend from time to time without any limitations), this Scheme of merger and Amalgamation shall stand revoked, cancelled and be of no effect and null and void save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as may otherwise arise in law and in such

For Shriram Automotive Products Ltd.


Director

27

For SHRIRAM PISTONS & RINGS LTD



R. SRINIVASAN
Jt. Managing Director

event each party shall bear their respective costs, charges and expenses in connection with the Scheme.

20 COMPETITION ACT

This Scheme does not impair competition and does not emanate any dominant position to the Transferee Company or any of its shareholders and as such there is no appreciable change in the structure.

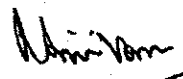
21 COSTS, CHARGES AND EXPENSES

All costs, charges, taxes including duties (including the stamp duty and/ or transfer charges, if any, applicable in relation to this Scheme), levies, fees and all other expenses, if any (save as expressly otherwise agreed) of SPRL and SAPL arising out of or incurred in carrying out and implementing this Scheme and matters incidental thereto shall be borne and paid by SPRL. These shall be deemed as expenses of the Scheme.


For Shriram Automotive Products Ltd.


Director

For SHRIRAM PISTONS & RINGS LTD


R. SRINIVASAN
Jt. Managing Director

**LIST OF TRADE MARKS REGISTERED/PENDING IN THE NAME OF
SHRIRAM AUTOMOTIVE PRODUCTS LTD.**





| S. No. | Mark | Trademark Registration/ Application No. | Class | Goods | Country | Status |
|--------|---|---|--------|---|------------|------------|
| 1 | SAPL | 202680 | 7 & 12 | Class 7: Stationary Diesel Engines & Parts thereof Class 12: Parts for IC Engines, Petrol & Diesel including Cylinder Liners, Connecting Rods, Connecting Rod Assemblys and Crank Shafts for Motor land vehicles | Iran | Registered |
| 2 | SAPL | 173470 | 7 | Stationary Diesel Engines & Parts thereof | Bangladesh | Registered |
| 3 | SAPL | 99969 | 12 | Combustion Engine, Petrol & Diesel including Cylinder Liners, Connecting Rods, Connecting Rod Assemblys and Crank Shafts for Motor land vehicles | Nigeria | Registered |
| 4 | SAPL | 94936 | 7 | Stationary Diesel Engines & Parts thereof | Nigeria | Registered |
| 5 | SHRIRAM PULSAR | 161639 | 12 | Internal Combustion Engines and Parts thereof | Sri Lanka | Pending |
| 6 | SHRIRAM PULSAR | 161657 | 7 | Stationary Diesel Engines & Parts thereof | Sri Lanka | Pending |
| 7 | SAPL | 186991 | 7 | Stationary Diesel Engines & Parts thereof | Sri Lanka | Pending |
| 8 | SAPL | 186993 | 12 | Internal Combustion Engines and Parts thereof | Sri Lanka | Pending |
| 9 | SAPL | 173471 | 12 | Internal Combustion Engines and Parts thereof | Bangladesh | Pending |
| 10 | SHRIRAM PULSAR | 139064 | 7 | Stationary Diesel Engines & Parts thereof | Bangladesh | Pending* |
| 11 | SHRIRAM PULSAR | 139065 | 12 | Internal Combustion Engines and Parts thereof | Bangladesh | Pending |
| 12 | SHRIRAM AUTOMOTIVE (Word Mark) | 1250872 | 12 | Automobile parts and for Stationary Diesel Engine Parts for Land Vehicles. | India | Registered |
| 13 | SHRIRAM AUTOMOTIVE (Word Mark) | 1250873 | 7 | Stationary Diesel Engine parts not for Land Vehicles. | India | Registered |
| 14 | LEXXTRA | 760384 | 7 | Cylinder Liners, Crankshafts, Water Pumps, Water Pump, Repairing Kits, Connecting Rods, Gaskets, Automotive Fasteners, Cylinder Heads, Cylinder Blocks Included in Class 07 | India | Registered |
| 15 | SHRIRAM ALPINE (Word Mark) | 1144967 | 12 | Vehicles, Apparatus for locomotion by land, air or water parts included in class 12. | India | Registered |
| 16 |  | 1819348 | 4 | All types of industrial and Greases, Lubricants, dust absorbing wetting and binding compositions, Fuels including motor spirit | India | Registered |
| 17 | SHRIRAM PULSAR (Word Mark) | 889744 | 12 | Internal Combustion Engines & Parts thereof, Motorland Vehicles & Parts thereof, Diesel Engines & Parts thereof included in class 12. | India | Pending |
| 18 | SHRIRAM PULSAR (Word Mark) | 889743 | 7 | Internal Combustion Engines & Parts thereof, Diesel Engines & Parts thereof. | India | Pending |

For Shriram Automotive Products Ltd.

Guy
Director

For SHRIRAM PISTONS & RINGS LTD

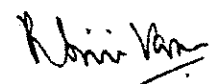
R. Srinivasan
R. SRINIVASAN
Jt. Managing Director







| S. No. | Mark | Trademark Registration/ Application No. | Class | Goods | Country | Status |
|--------|---|---|-------|--|---------|----------|
| 19 |  | 896934 | 12 | Internal Combustion Engines & Parts thereof, Motorland Vehicles & Parts thereof, Diesel Engines & Parts thereof. | India | Pending* |
| 20 |  | 896933 | 7 | Internal Combustion Engines and Parts thereof, Diesel Engines and Parts thereof | India | Pending* |
| 21 | SHRIRAM ALPINE (Word Mark) | 1144966 | 7 | Machines and Machine tools, Motors (except for vehicles); Machine couplings and belting (except for vehicles); large size agricultural implements Incubators and all other goods and their parts included in Class 7. | India | Pending |
| 22 |  | 1145953 | 7 | Machines and Machine tools, Motors (except for vehicles), Machine couplings and belting (except for vehicles), large size agricultural implements, Incubators and all other goods and their parts included in Class 7. | India | Pending |
| 23 |  | 1145955 | 12 | Vehicles, Apparatus for locomotion by land, air or water and all other goods and their parts included in Class 12 | India | Pending |
| 24 | SHRIRAM ALPINE (Word Mark) | 711512 | 12 | Clutch Lining, Brake Lining and Clutch Plate. | India | Pending* |
| 25 | SHRIRAM ALPINE (Word Mark) | 684014 | 7 | Bearings and Bushes. | India | Pending* |
| 26 | SHRIRAM ALPINE (Word Mark) | 711511 | 7 | Clutch Lining, Brake Lining and Clutch Plate. | India | Pending* |
| 27 | SHRIRAM ALPINE (Word Mark) | 711513 | 7 | Clutch Lining, Brake Lining and Clutch Plate. | India | Pending* |

For Shriram Automotive Products Ltd.


Director

For SHRIRAM PISTONS & RINGS LTD.


R. SRINIVASAN
Jt. Managing Director




| S. No. | Mark | Trademark Registration/ Application No. | Class | Goods | Country | Status |
|--------|---|---|-------|---|---------|----------|
| 28 | SHRIRAM ALPINE (Word Mark) | 684015 | 12 | Bearings for Vehicles. | India | Pending* |
| 29 | SHRIRAM ALPINE (Word Mark) | 684018 | 12 | Bearings for Vehicles. | India | Pending* |
| 30 | SHRIRAM ALPINE (Word Mark) | 684017 | 7 | Bearings and Bushes. | India | Pending* |
| 31 | SHRIRAM ALPINE (Word Mark) | 606018 | 12 | UJ Cross, Axle Shafts, Clutch Linings & Brake Linings and Clutch Plates | India | Pending* |
| 32 | SHRIRAM ALPINE (Word Mark) | 625044 | 12 | UJ Cross, Gears, Axle Shafts, Filters | India | Pending* |
| 33 | SHRIRAM ALPINE (Word Mark) | 625243 | 12 | Filters Gears | India | Pending* |
| 34 | SHRIRAM ALPINE (Word Mark) | 625045 | 7 | Filters | India | Pending* |
| 35 | SHRIRAM ALPINE (Word Mark) | 625242 | 7 | Filters | India | Pending* |
| 36 |  | 1404621 | 12 | Brake Shoes included in Class 12. | India | Pending* |
| 37 |  | 1404623 | 12 | Bearings, Ignition Coil, Drive Chains Sprocket Kits and Timing Chains | India | Pending* |
| 38 |  | 1404618 | 9 | Bearings and Ignition Coil | India | Pending* |
| 39 |  | 1404619 | 12 | Filters included in Class 12. | India | Pending* |
| 40 |  | 1404620 | 12 | Gears, Axles and UJ Cross included in Class 12. | India | Pending* |
| 41 |  | 1404622 | 12 | Brake lining, Brake Disc, Clutch Plate and Clutch facings included in Class 12. | India | Pending* |

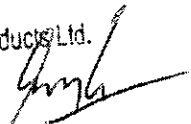
For Shriram Automotive Products Ltd.

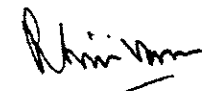

 Director

For SHRIRAM PISTONS & RINGS LTD


 R. SRINIVASAN
 Jt. Managing Director

| S. No. | Mark | Trademark Registration/ Application No. | Class | Goods | Country | Status |
|--------|---|---|-------|---|---------|----------|
| 42 |  | 1409095 | 12 | Parts of Internal Combustion Engines for use in Vehicles including its Spares parts, Pump sets, Pumps, Cylinder liners, Crankshafts, Cylinders, Heads, Connecting rods, Oil Pumps, Air Cleaners, Camshafts, Gaskets, Hydraulic Pumps, Oil Seats, Silencers, Synchronising Rings, Tie rod ends and Water Pumps but excluding Fuel Injection parts, all goods included in Class 12. | India | Pending* |
| 43 |  | 1409096 | 7 | Stationary Diesel Engines and Spares, including Pump sets, Pumps, Cylinder Liners, Crankshafts, Cylinders heads, Connecting Rods, Oil Pumps, Air Cleaners, Camshafts, Gaskets, Hydraulic Pumps, Oil seats, Silencers, Synchronising Rings, Tie Rod Ends and Water Pumps, all goods included in Class 7. | India | Pending* |
| 44 |  | 1404617 | 8 | All types of Filters. | India | Pending* |
| 45 | SHRIRAM (Word Mark) | 1404615 | 12 | Brake Lining, Brake Disc, Clutch Plate and Clutch Facings | India | Pending* |
| 46 | SHRIRAM (Word Mark) | 1404616 | 12 | Bearings, Ignition Coil Drive Chains Sprocket Kits and Timing Chains. | India | Pending* |
| 47 | SHRIRAM (Word Mark) | 1404612 | 12 | All types of Filters. | India | Pending* |
| 48 | SHRIRAM (Word Mark) | 1404613 | 12 | Gears, Axies and U.J. Cross. | India | Pending* |
| 49 | SHRIRAM (Word Mark) | 1404614 | 12 | Brake Shoes | India | Pending* |

For Shriram Automotive Products Ltd.

 Director

For SHRIRAM PISTONS & RINGS LTD

 R. SRINIVASAN
 Jt. Managing Director

| S. No. | Mark | Trademark Registration/ Application No. | Class | Goods | Country | Status |
|--------|------------------------|---|-------|---|---------|----------|
| 50 | SHRIRAM (Word Mark) | 1409094 | 12 | Parts of Internal Combustion Engines for use in Vehicles, including its Spares Parts, Pump sets, Pumps, Cylinder Liners, Crankshafts, Cylinders Heads, Connecting Rods, Oil Pumps, Air Cleaners, Camshafts, Gaskets, Hydraulic Pumps, Oil seats, Silencers, Synchronising Rings, Tie rod ends and Water Pumps but excluding Fuel Injection Parts all goods being included in Class 12 | India | Pending* |
| 51 | SHRIRAM (Word Mark) | 1404610 | 7 | All types of Filters. | India | Pending* |
| 52 | SHRIRAM (Word Mark) | 1404611 | 7 | Bearings and Ignition Coil | India | Pending* |
| 53 | SHRIRAM (Word Mark) | 1409093 | 7 | Stationary Diesel Engines and Spares, including Pump Sets, Pumps, Cylinder Liners, Crankshafts, Cylinders Heads, Connecting Rods, Oil Pumps, Air Cleaners, Camshafts, Gaskets, Hydraulic Pumps, Oil Seats, Silencers, Synchronising Rings, Tie rod ends and Water Pumps, all goods being included in Class 7 | India | Pending* |

* These application has been withdrawn by Shriram Automotive Products Ltd. or they are not following up these applications.

For Shriram Automotive Products Ltd.

[Signature]
Director

For SHRIRAM PISTONS & RINGS LTD

[Signature]
R. SRINIVASAN
Jt. Managing Director

SCHEDULE - II

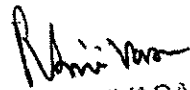
Flat No. 101 of the First Floor, Kirti Deep Building, Super Area measuring 701.6 Sq. Ft. situated at DDA approved commercial building (Shop-cum-office complex) constructed on Plot No. 2, Retail Business Centre, DDA Complex, Nangal Raya, New Delhi - 110046.

For Shriram Automotive Products Ltd.



Director

For SHRIRAM PISTONS & RINGS LTD



R. SRINIVASAN
Jt. Managing Director

May 10, 2018

To,
Board of Directors/ Audit Committee
Shriram Automotive Products Ltd. (SAPL) &
Shriram Pistons & Rings Ltd. (SPRL)

Sub: Valuation of 100% Equity of Shriram Automotive Products Limited

Dear Sir,

In accordance with the Engagement Letter we have completed a March 31, 2018 valuation of 100% Equity of Shriram Automotive Products Limited. The valuation is detailed in the attached report. The valuation has been undertaken in accordance with the DCF method of the income approach and trading multiples of market approach and Valuation Standards issued by the ICAI. This Valuation Report may be placed before the Audit Committee and Board of Directors of both SAPL and SPRL and may be produced before judicial, regulatory or government authorities in connection with the Scheme of Amalgamation.

The report details the methodology and component breakdown for the valuation.

Please contact me if you would like any clarification of the report contents.

Yours Sincerely,



Akhil Bhalla-Partner
Membership No:505002
For and on behalf of
JC Bhalla & Co.
Firm Regn No:001111N

Place: New Delhi
Date : May 10, 2018



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VALUATION REPORT

1. THE ASSIGNMENT

JC Bhalla & Co. (hereinafter "Valuer" or "We") have been appointed to prepare and deliver a valuation report on the fair market value of a 100% equity of SAPL as of March 31, 2018. Accordingly, we carried out the valuation which provides an independent opinion on the fair market value of the Subject Interest as of the valuation date.

| | |
|-----------------------------------|--|
| Client Name | Shriram Pistons & Rings Ltd. (SPRL) |
| Engagement Officer | Mr. R. Srinivasan |
| Subject Interest of valuation | 100% Equity of SAPL |
| Purpose of Assignment | <ul style="list-style-type: none"> - To assist the management in establishing the fair market value of a 100% equity of SAPL for the purpose of amalgamation of SAPL and SRPL - Arrive at basis for Discharge of Consideration |
| Standard of Value | Fair Market Value (CAS-1) |
| Premise of Value | Going concern |
| Level of value | Controlling, Marketable |
| Valuation Date (Measurement date) | March 31, 2018 |

2. INTENDED USE OF THE VALUATION REPORT

The intended use of the valuation report is to determine an estimate of the fair market value of a 100% equity of SAPL for the proposed amalgamation of SAPL and SRPL as of March 31, 2018.

3. INTENDED USER OF THE VALUATION REPORT

This Valuation Report may be placed before the Audit Committee and Board of Directors of both SAPL and SPRL and may be produced before judicial, regulatory or government authorities in connection with the Scheme of Amalgamation.



4. DATE OF THE VALUATION REPORT

The date of the valuation report for this assignment is May 10, 2018.

5. COMPANY DESCRIPTION

Incorporated in 1982, SAPL (erstwhile known as Canind Sales Pvt. Ltd) is a company having its registered office at New Delhi, India. It is an associate of Shriram Pistons & Rings Limited. The company has been in the business of sales & marketing of auto components like cylinder liners/blocks, crankshafts, clutch plates, lubricants etc.

6. VALUATION STANDARDS AND BEST PRACTICES

The fair value has been estimated in accordance with the business valuation practice standards issued by the ICAI (Institute of Chartered Accountants of India) referred to as CAS-1 (Corporate Affairs Standards).

CAS 1 issued by ICAI defines the term 'standard of value' as under:

"the identification of the type of value being utilized in a specific engagement; for example, fair market value (FMV), fair value, investment-value".

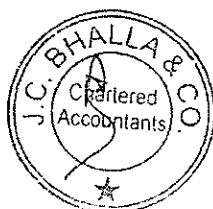
Considering the purpose of valuation, the 'standard of value' for the estimation of the FMV of a 100% equity stake on a standalone controlling marketable interest basis as on the valuation date is 'Fair Market Value'.

The term Fair Market Value is defined as under:

"the price, expressed in terms of cash equivalents, at which property would change hands between a hypothetical willing and able buyer and a hypothetical willing and able seller, acting at arm's length in an open and unrestricted market, when neither is under compulsion to buy or sell and when both have reasonable knowledge of the relevant facts".

7. VALUATION APPROACHES AND METHODS

The valuation process has been applied to develop a well-supported estimate of a defined value based on consideration of available and relevant information. For estimating fair market value of unquoted equity shares, three generally accepted valuation approaches are considered namely asset or cost, market and income. The selection and application of one or more of these generally accepted approaches depends upon the purpose of valuation, subject transaction, and the quality and quantity of information available for analysis.



Considering the purpose of valuation and based on the available information, we have used DCF (Discounted Cash Flow) method of income approach and trading multiples of market approach for estimating the value of equity stake. We have not considered asset approach of valuation as this is used less in the valuation of operating companies.

We reviewed financial projections provided by the management of SAPL. The valuation process included consideration of factors affecting the operations of SAPL and its ability to generate future cash flows through operations.

The factors considered in our analysis inter-alia included:

- The nature and historical background of SAPL.
- Financial and economic conditions affecting the business of SAPL and its industry.
- Historical financial results of SAPL
- Trends and outlook of auto component industry

8. VALUATION ANALYSIS

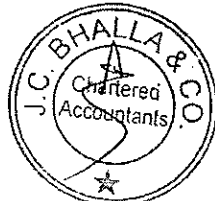
A valuation of a business, a business interest is performed 'as of' a specific date. This date generally, serves as a critical cut-off point, as the valuer considers what was known or foreseeable at this date. It is a settled principle in valuation that market conditions and evidence of values must reflect those available as on the valuation date. Accordingly, we reviewed the historical performance of SAPL and information available in public domain about auto component industry and companies.

9. COMPUTATION OF FAIR MARKET VALUE

9.1 Income Approach - Discounted Cash Flow Method

DCF is a method within the income approach whereby the present value of future expected net cash flows is calculated using a discount rate. The two key components in DCF model are "future expected cash flows" and "discount rate". The change in value is positively related to the cash flows and negatively related to the discount rate. The value of operating assets under DCF method is determined as under.

- Step I** Estimation of FCFF (Free Cash Flows to the Firm)
- Step II** Development of a discount rate or required rate of return consistent with FCFF
- Step III** Discounting of the explicit projection period FCFF
- Step IV** Estimation of the terminal value



Step V Summing up the present value of the explicit projection period FCFF and the terminal value

In order to determine value of the firm (i.e. value of operating assets and non-operating assets) value of non-operating asset, if any, as of the valuation date is added to the value of operating assets determined in Step V above. Further, Interest bearing liabilities are subtracted from the value of the firm in order to derive the value of equity.

Calculation of present value of FCFF and Terminal Value, and value of Operating Assets of SAPL

| Particulars | INR lacs |
|--|-----------------|
| Value of firm before mid-year adjustment | 4,106.75 |
| Value of firm after mid-year adjustment | 4,397.77 |

9.2 Market Approach – Trading Multiple Method

The market approach is defined in the International Glossary of Business Valuation Terms as "a general way of determining a value indication of a business, business ownership interest, security, or intangible asset by using one or more methods that compare the subject to similar businesses, business ownership interests, securities, or intangible assets that have been sold".

There are two methods of valuation under market approach namely guideline merged and acquired (transaction) method and guideline public company method. We have used the second method.

Considering the nature of business of the Subject Company and availability of reliable data, the most suitable multiple is identified below:

MVIC/ EBITDA

For the purpose of Subject Company valuation, we have used normalized MVIC (Market Value of Invested Capital) which is computed as under

MVIC=Number of shares x MPS + book value of debt + minority interest - CWIP- non operating investment.

Value estimation using multiples

The EBITDA multiple (MVIC/EBITDA) estimated for the valuation is 8.80 and the following steps were used for the computation of the same. The multiple based on data of comparable companies (comps) has been computed as under:



Step I MVIC/EBITDA for all the comps individually

Step II simple average of all the figures computed above

Step III Multiple = 1/ Average multiple computed in Step II above

Value under Market Approach:

On the basis of above analysis, we have estimated the following value:

| Particulars | INR lacs |
|---------------------------|----------|
| Value of Operating Assets | 3652.89 |

9.3 Value Conclusion

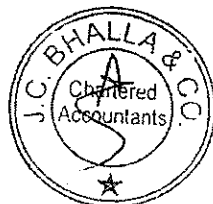
Under this process we attempt to estimate a single value by assigning weights under various methods. Weight assignment is a subjective process and it can vary based on judgement and analysis. We have given 80% weights to DCF and 20% to the value estimated under market approach. The lower weight to market approach is given because there is only one listed guideline company akin to the Subject Company. The FMV of 100% equity of SAPL is estimated as under:

| Particulars | Market Approach | Income Approach | INR Lacs |
|---|-----------------|-----------------|-----------------|
| Value of Operating Assets (INR lacs) | 3652.89 | 4,397.77 | |
| Weight | 20% | 80% | |
| Weighted value of Operating Assets (INR lacs) | 730.58 | 3,518.22 | 4,248.80 |
| Add: DTA | | | 51.26 |
| Add: Non-Current Assets | | | 12.79 |
| Add: Non-Operating Cash | | | 79.86 |
| Less: Non-current Liabilities | | | -124.04 |
| Less: Interest bearing debts | | | -264.88 |
| Value of Equity | | | 4,003.80 |

10. CERTIFICATION OF THE FAIR MARKET VALUE

We certify that, to the best of our knowledge and belief:

- The statements of fact contained in the valuation report are true and correct.
- The reported analyses, opinions and conclusions are limited by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions and conclusions.
- We have no present or prospective interest in SAPL and we have no personal interest with respect to the parties involved.
- We have no bias with respect to any matter that is the subject of the valuation report or to the parties involved with this assignment.



v. Our compensation for completing this assignment is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this valuation.

Summary of Our Opinion

Based on our analysis, we are of the opinion that the Fair Market Value of 100% equity of SAPL in accordance with CAS-1 is **INR 4003.80 Lakhs.**

We have been informed by the Management of SPRL that the consideration of Amalgamation of SAPL with SPRL would be discharged as under:

- 1. Allotment of 24 (Twenty Four) Nos. of 4.2% fully paid up Non-Participating, Redeemable, Non-Convertible, Cumulative Preference Shares of Rs. 100 each, of SPRL for every 1 (one) equity share of SAPL.**

AND

- 2. Balance consideration to be paid in Cash**

In our opinion, the consideration of Amalgamation of SAPL with SPRL be discharged as under:

- 1. Allotment of 24 (Twenty Four) Nos. of 4.2% fully paid up Non-Participating, Redeemable, Non-Convertible, Cumulative Preference Shares of Rs. 100 each, of SPRL at par for every 1 (one) equity share of SAPL.**
- 2. Payment of Cash consideration of Rs. 930/- (Rupees Nine Hundred Thirty only) for every 1 (one) equity share of SAPL by suitably rounding off the consideration value in cash per share.**

Akhil Bhalla-Partner
Membership No:505002
For and on behalf of
JC Bhalla & Co.
Firm Regn No:001111N

Place: New Delhi
Date : May 10, 2018



J. C. BHALLA & CO.
CHARTERED ACCOUNTANTS

BRANCH OFFICE : B-5, SECTOR-6, NOIDA - 201 301 (U.P.)
TEL. : +91 - 120 - 4241000, FAX : +91-120-4241007
E-MAIL : taxaid@vsni.com

12th June 2018

To,

Shriram Automotive Products Ltd. (SAPL) &
Shriram Pistons & Rings Ltd. (SPRL)

Sub: Valuation of 100% Equity of Shriram Automotive Products Limited

Dear Sir,

This has reference to our Valuation Report dated 10th May 2018, on valuation of 100% Equity of Shriram Automotive Products Ltd. and furtherance to letter from National Stock Exchange bearing reference: NSE/LIST/16836 dated 7th June 2018, advising Shriram Pistons & Rings Ltd. to provide Valuation Report as per format provided in NSE Circular bearing reference number NSE/CML/2017/12 dated 1st June 2017.

As advised the addendum to Valuation Report as per NSE format provided in above mentioned NSE circular is as under:

Computation of Fair Exchange Ratio:

| Valuation Approach | Shriram Pistons and Rings Ltd. (Transferee Company) | | Shriram Automotive Products Ltd. (Transferor Company) | |
|------------------------------|--|--------|--|--------|
| | Value Per Share | Weight | Value Per Share | Weight |
| Asset Approach* | Valuation of Transferee is not relevant as merger consideration is being discharged partly by issuance of fully paid up Non-participating, Redeemable, Non-Convertible, Cumulative Preference Shares and balance by payment of cash consideration to the equity shareholders of the Transferor Company | | Not used | - |
| Income Approach | | | 3453.73 | 80% |
| Market Approach | | | 2834.23 | 20% |
| Relative Value per Share | | | 3329.83 | |
| Exchange Ratio (Rounded off) | | | 3330.00 | - |

*Note: Asset approach has not been used as this is used infrequently for valuation of Operating Companies

Ratio:

Allotment of 24 Nos. (Twenty Four) of 4.2% fully paid up Non Participating, Redeemable, Non-Convertible, Cumulative Preference Shares of Rs. 100 each, of Shriram Pistons & Rings Ltd. (the Transferee Company) at par for every 1 (one) equity share of Rs. 100 each fully paid up of Shriram Automotive Products Ltd. (the Transferor Company).

AND

Payment of Cash consideration of Rs. 930/- (Rupees Nine Hundred Thirty only) for every 1 (one) equity share of Rs. 100 each fully paid up of Shriram Automotive Products Ltd. (the Transferor Company) by suitably rounding off the consideration value in cash per share.

This may be read as an integral part of our Valuation Report dated 10th May 2018.

Akhil Bhalla
Partner
Membership No:505002
For and on behalf of
JC Bhalla & Co.
Firm Regn No:001111N



Place: New Delhi
Date : June 12, 2018

Date- 14th May'2018

To,
The Board of Directors,
Shriram Automotive Products Ltd. (SAPL)
4th Floor, Himalaya House,
23 K.G. Marg,
New Delhi - 110001

The Board of Directors
Shriram Pistons & Rings Ltd. (SPRL)
3rd Floor, Himalaya House,
23 K.G. Marg,
New Delhi -110001

Sub: Opinion on Fair Market Value of 100% equity of Shriram Automotive Products Ltd. (SAPL) and Exchange Ratio on the proposed scheme of arrangement for amalgamation u/s 230-232 of the Companies Act, 2013 and other applicable provisions of the Act, of Shriram Automotive Products Ltd. (SAPL) with Shriram Pistons & Rings Ltd. (SPRL).

Dear Members of the Board:

We understand that Board of Directors of both Shriram Pistons & Rings Ltd. (SPRL) (hereinafter referred as "Transferee Company" or "SPRL") and Shriram Automotive Products Ltd. (SAPL) (hereinafter referred to as "SAPL" or "Transferor Company") are considering a scheme of arrangement for amalgamation of Shriram Automotive Products Ltd. (SAPL) with Shriram Pistons & Rings Ltd. (SPRL) (*Transferor Company and Transferee Company being hereinafter individually referred to as Company and collectively referred to as the Companies*) with effect from 1st April 2018 or such other date (hereinafter referred to as the "Appointed date") as may be fixed or Approved by Hon'ble National Company Law Tribunal (hereinafter referred to as "NCLT") through a scheme of arrangement for amalgamation (hereinafter referred to as "Proposed Scheme") under sections 230 - 232, and other applicable provisions of the Companies Act, 2013 (hereinafter referred to as "Act").

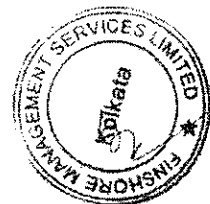
The proposed scheme of arrangement for amalgamation provides for -

- Amalgamation of SAPL with SPRL on going concern basis, thereby transfer and vesting of all the assets and liabilities of the Transferor Company with the Transferee Company w.e.f Appointed Date; and
- In consideration, issuance of preference shares of SPRL to the equity shareholders of SAPL and cash consideration

Valuation of 100% Equity of Shriram Automotive Products Ltd. (SAPL) has been determined by M/s. JC Bhalla & Co. (Independent Valuer), vide their valuation report dated May 10, 2018.

FINSHORE MANAGEMENT SERVICES LIMITED
(CIN : U74900WB2011PLC169377)
Registered Office : "Anandlok"
2nd Floor, Block-A, Room No. 207,
227, A. J. C. Bose Road, Kolkata-700 020 West Bengal, India
Ph. : 033 2289 5101
Website : www.finshoregroup.com

Page 1 of 5





In terms of Regulation 37 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 (LODR Regulations) read with SEBI Circular No. CFD/ DIL3/CIR/ 2017/21 dated March 10, 2017, the listed company undertaking a scheme of arrangement for amalgamation is required to submit to stock exchange, copy of fairness opinion obtained from the Merchant Banker on the valuation of shares / assets of the companies done by the independent valuer.

With reference to above, we Finshore Management Services Limited, a SEBI Registered (Cat-I) Merchant Banker have been appointed to provide our fairness opinion on the same.

Brief Background of the Companies, our opinion and basis for forming an opinion and caveats is as hereunder:

1. Background of companies:

- 1.1 SAPL is an unlisted public limited Company incorporated under the Companies Act, 1956 having CIN U34300DL1982PLC014285 and having its registered office at 4th Floor, Himalaya House, 23 K.G. Marg, New Delhi – 110001 and having as its main objects to carry on the business as dealers, merchants traders, commission agents, buying agents, import – export, etc. of all types of engineering goods, Cylinder Liners, Valve Guides, Pistons, Piston rings, Piston pins etc. The said Company was originally incorporated under the name of Canind Sales Private Ltd. on 2nd September, 1982 and vide fresh certificate of incorporation consequent to change of name the Company dated 11.11.1991 the name of the Company was changed to Shriram Automotive Products Ltd
- 1.2 SPRL is a public limited company incorporated under the Companies Act, 1956 having CIN L29112DL1963PLC004084 and having its registered office at 3rd Floor, Himalaya House, 23 K.G. Marg, New Delhi -110001. It is listed on National Stock Exchange (NSE) and is presently engaged in the business of manufacturing and selling interalia Piston Assembly, Piston Rings, Piston Pins, Engine Valves etc. The Company was originally incorporated on 9th December, 1963 under the name of Shama Pistons & Rings Ltd. and the name was subsequently changed vide Fresh Certificate of Incorporation consequent on change of name issued by the Assistant Registrar of Companies Delhi and Haryana on 25.10.1972.

2. Basis of our opinion

2.1 Rationale of the Proposed Scheme (as per extract of draft Proposed Scheme of arrangement for amalgamation)

It is proposed to consolidate the operations/ business of the Transferor Company and the Transferee Company into a single company by amalgamation of the Transferor Company with the Transferee Company pursuant to a Scheme of Amalgamation under Sections 230-232 and other applicable provisions, if any, of the Companies Act, 2013. The amalgamation of the Transferor Company with the Transferee Company would result, *inter-alia*, in the following benefits: -

- a. Help in increasing sales in both Domestic & Exports Market;
- b. Economize on administrative and other expenses;
- c. Increase the efficiency of combined business by pooling of resources and their optimum utilization, thereby availing synergies from combined resources;

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 Ph. : 033 2289 5101
 Website : www.finshoregroup.com

Page 2 of 5





- utilization, thereby availing synergies from combined resources;
- d. Facilitate expansion of business offerings by the Transferee;
- e. Improve management focus and facilitate the unified control over operations;
- f. Leverage the operational, capital and corporate synergies and help optimal utilization of resources viz. business promotion, managerial pool, etc.;
- g. Reduce overheads, administrative, managerial and other expenditure;
- h. Seamless availability of technical expertise and
- i. Facilitate greater integration, provide greater financial strength, which would result in maximizing overall shareholder value and will improve the competitive position of the combined entity.

2.2 For arriving at the opinion on the fairness of the valuation of shares / assets of the companies, we have relied upon the following information, as provided to us by the Management of the Companies:

- 2.2.1 Brief background of the business of SPRL and SAPL;
- 2.2.2 Valuation of 100 % equity of SAPL report dated May 10, 2018, issued by M/s.J C Bhalla & Co (Independent Valuer).
- 2.2.3 Audited financial statements of SPRL and SAPL for the financial years ended 31st March 2015, 31st March 2016, 31st March 2017 and Management Certified financial statements of SPRL and SAPL for the financial year 31st March'2018.
- 2.2.4 Draft Scheme of Arrangement of proposed amalgamation;
- 2.2.5 Discussions with the management of Companies including necessary information, explanations and representations provided by the management;

3. Valuer's Approach to Valuation

M/s. J C Bhalla & Co, in its valuation report recommending value of 100 % equity of SAPL for the proposed amalgamation have stated that they have used the following valuation methodologies and applied appropriate weights to arrive at the fair valuation.

- **Income Approach - Discounted Cash Flow Method (80%)**
- **Market Approach – Trading Multiple Method (20%)**

Valuer has assigned lower weightage of 20% to Market approach and 80% to Income Approach considering the fact that there is only one listed guideline company akin to the Transferor Company

Considering the above valuation methodologies, M/s. J C Bhalla & Co., in its valuation report have arrived at INR 4003.80 Lakhs as the Fair Market Value of 100% equity value of SAPL in accordance with CAS-1.

And as informed by the Management of SPRL that the consideration of Amalgamation of SAPL with SPRL would be discharged as under:

- Allotment of 24 (Twenty Four) Nos. of 4.2% fully paid up Non-Participating, Redeemable, Non-Convertible, Cumulative Preference Shares of Rs. 100 each, of SPRL for every 1 (one) equity share of SAPL.

&





- Balance consideration to be paid in Cash.

4. Conclusion and Our Opinion

- 4.1 With reference to above and based on information provided by Management and after discussions with the Valuer, we understand that the Proposed Scheme has been structured to consolidate the business of SAPL with SPRL. The proposed amalgamation is driven by motive to achieve synergies through focused business segments and leverage on its operations for future growth.
- 4.2 With reference to the valuation of the Companies, we are of opinion that the Valuer, to arrive at the fair valuation, has rightly opted the valuation methodologies considering the facts and circumstances of each company and has assigned appropriate weightages to arrive at the fair values .
- 4.3 *"Considering above and subject to our caveats as provided in annexure, we as a Merchant Banker hereby certify that we have reviewed the valuation report recommending the exchange ratio for the proposed scheme of arrangement for amalgamation of Transferor Company with Transferee Company and are of the opinion that following exchange ratio:-*
- ✓ 24 (Twenty Four) Nos. of 4.2% fully paid up Non-Participating, Redeemable, Non- Convertible, Cumulative Preference Shares of Rs. 100 each, of SPRL for every 1 (one) equity share of SAPL.

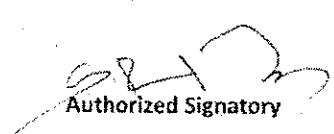
&

- ✓ Payment of Cash consideration of Rs. 930/- (Rupees Nine Hundred Thirty only) for every 1 (one) equity share of SAPL.

as fair and reasonable to the equity shareholders of Transferor Companies and Transferee Company"

Thanking You,

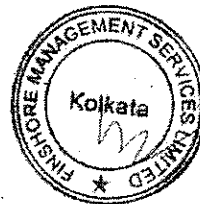
For Finshore Management Services Limited


Authorized Signatory



**Caveats**

1. Our opinion and analysis is limited to the extent of review of documents as provided to us by the Managements of respective companies including valuation report prepared by M/s. JC Bhalla & Co., and draft Proposed Scheme. We have relied on accuracy and completeness of all the information and explanations provided by the Managements. We have not carried out any due diligence or independent verification or validation to establish its accuracy or sufficiency. We have not conducted any independent valuation or appraisal of any of the assets or liabilities of Transferor Company or Transferee Company or their subsidiaries, if any.
2. The scope of our work has been limited both in terms of the areas of the business and operations which we have reviewed and the extent to which we have reviewed them. There may be matters, other than those noted in this Report, which might be relevant in the context of the transaction and which a wider scope might uncover.
3. We have no present or planned future interest in Shriram Automotive Private Ltd. (SAPL) and Shriram Pistons & Rings Ltd. (SRPL) and the fee payable for this opinion is not contingent upon the opinion reported herein. The company has been provided with an opportunity to review the draft opinion as a part of our standard practice to make sure that factual accuracy / omissions are avoided in our final opinion.
4. Our fairness opinion is not intended to and does not constitute a recommendation to any shareholder as to how such holder should vote or act in connection with the Proposed Scheme or any matter related thereto.
5. The Opinion contained herein is not intended to represent at any time other than the date that is specifically stated in this Report. This opinion is issued on the understanding that the Management of both the companies have drawn our attention to all matters of which they are aware, which may have an impact on our opinion up to the date of signature. We have no responsibility to update this report for events and circumstances occurring after the date of this Report.
6. Our report should not be construed as an opinion or certificate certifying the compliance of the Proposed Scheme of amalgamation with the provisions of any law including companies, taxation and capital market related laws or as regards any legal implication or issues arising from proposed amalgamation.





National Stock Exchange Of India Limited

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Annexure - 4

Ref: NSE/LIST/16836

August 31, 2018

The Company Secretary
Shriram Pistons & Rings Limited
3rd Floor, Himalaya House, 23,
Kasturbha Gandhi Marg,
New Delhi - 110001

Kind Attn.: Mr. R. Srinivasan

Dear Sir,

Sub: Observation Letter for Scheme of Amalgamation of Shriram Automotive Products Limited with Shriram Pistons & Rings Limited and their respective shareholders.

We are in receipt of the scheme of Amalgamation of Shriram Automotive Products Limited (Transferor Company) with Shriram Pistons & Rings Limited (Transferee Company) and their respective shareholders vide application dated June 05, 2018.

Based on our letter reference no Ref: NSE/LIST/16836 submitted to SEBI and pursuant to SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 ('Circular'), SEBI vide letter dated August 31, 2018, has given following comments:

- a. *The Company shall ensure that additional information, if any, submitted by the Company, after filing the scheme with the stock exchange, from the receipt of this letter is displayed on the website of the listed company.*
- b. *The Company shall duly comply with various provisions of the Circulars.*
- c. *The Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT.*
- d. *It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/ stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments/observations/ representations.*

Based on the draft scheme and other documents submitted by the Company, including undertaking given in terms of regulation 11 of SEBI (LODR) Regulation, 2015, we hereby convey our "No-objection" in terms of regulation 94 of SEBI (LODR) Regulation, 2015, so as to enable the Company to file the draft scheme with NCLT.

However, the Exchange reserves its rights to raise objections at any stage if the information submitted to the Exchange is found to be incomplete/ incorrect/ misleading/ false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Regulations, Guidelines / Regulations issued by statutory authorities.

The validity of this "Observation Letter" shall be six months from August 31, 2018, within which the scheme shall be submitted to NCLT.

Yours faithfully,
For National Stock Exchange of India Ltd.

Divya Poojari
Senior Manager

P.S. Checklist for all the Further Issues is available on website of the exchange at the following URL
http://www.nseindia.com/corporates/content/further_issues.htm

This Document is Digitally Signed

SHRIRAM PISTONS & RINGS LTD.REGD. / H. O. : 3rd FLOOR, HIMALAYA HOUSE, 23, KASTURBA GANDHI MARG, NEW DELHI - 110 001**SHRIRAM**

July 20, 2018

Ms. Ritu Farsaiya
 Listing Department
 National Stock Exchange of India Ltd,
 Exchange Plaza,
 Bandra Kurla Complex, Bandra (East),
Mumbai 400051

ISIN No. INE526E01018
Company Symbol: SHRIPISTON

**Sub: Submission of Report on Complaints' in compliance with SEBI Circular
 No. CFD/DIL3/CIR/2017/21 dated 10.03.2017**

**Ref: Application (Application No. 16836) under Regulation 37 of SEBI (LODR)
 Regulations, 2015 for the Scheme of Amalgamation of Shriram Automotive
 Products Ltd. (the Transferor Company) with Shriram Pistons and Rings Ltd.
 (the Transferee Company)**

Dear Madam,

We are in receipt of your letter dated 19.07.2018 in respect to our application bearing No. 16836 dated 05.06.2018 with respect to the Scheme of Amalgamation of Shriram Automotive Products Ltd., the Transferor Company with Shriram Pistons & Rings Ltd., the Transferee Company ("the Scheme") under Sections 230 to 232 of the Companies Act, 2013 (including any statutory modification or re-enactment thereof, for the time being in force) uploaded by the National Stock Exchange of India Ltd. on its website on 27.06.2018.

In this regard, we are enclosing herewith the Complaint Report indicating NIL Complaints in compliance with SEBI Circular No. CFD/DIL3/CIR/2017/21 dated 10.03.2017 for your kind perusal.

It is further submitted that we had seen a rework on NEAPS Platform regarding filing of Complaint Report. Accordingly, we had filed the Complaint Report as required under SEBI Circular dated 10.03.2018 on 30.06.2018, which was duly acknowledged by NSE through its e-mail dated 30.06.2018.

We request you to take the above on record and kindly give your no objection letter/observation letter for the Scheme at the earliest.

Thanking You,



Yours Faithfully,

R. Srinivasan

(R. Srinivasan)
 Company Secretary
 F- 4034

SHRIRAM PISTONS & RINGS LTD.REGD. / H. O. : 3rd FLOOR, HIMALAYA HOUSE, 23, KASTURBA GANDHI MARG, NEW DELHI - 110 001**SHRIRAM****Period of Complaints Report: 05.06.2018 to 19.07.2018**

Part A

| Sr. No. | Particulars | Number |
|---------|---|--------|
| 1 | Number of complaints received directly | NIL |
| 2 | Number of complaints forwarded by Stock Exchange/SEBI | NIL |
| 3 | Total Number of complaints/comments received (1+2) | NIL |
| 4 | Number of complaints resolved | NA |
| 5 | Number of complaints pending | NA |

Part B

| Sr. No. | Name of complainant | Date of complaint | Status (Resolved/ Pending) |
|---------|---------------------|-------------------|----------------------------|
| 1 | Not Applicable | | |
| 2 | | | |
| 3 | | | |

Date: 20.07.2018
Place: New Delhi



R. Srinivasan
(R. Srinivasan)
Company Secretary
F- 4034



SHRIRAM PISTONS & RINGS LTD.

REGD. / H. O. : 3rd FLOOR, HIMALAYA HOUSE, 23, KASTURBA GANDHI MARG, NEW DELHI - 110 001

EXTRACTS FROM MINUTES OF MEETING OF BOARD OF DIRECTORS HELD ON 22.05.2018

64. Agenda Item 'F' pertaining to "Amalgamation of Shriram Automotive Products Ltd." was considered.

It was noted that the Board of Directors in its Board Meeting held on 31.03.2018 has granted "in-principle" approval for Amalgamation of M/s Shriram Automotive Products Ltd. (SAPL) with Shriram Pistons & Rings Ltd. (SPRL). It was resolved that the Scheme of Amalgamation along with other related documents be placed at a subsequent Board Meeting.

The Board considered the proposal to Amalgamate SAPL with Company. It was noted that Amalgamation will help in leveraging marketing/distribution strength of both companies in domestic and exports Aftermarket to increase sales and realize significant synergies in operations and create competitive advantage leading to expansion of Product Range, Sales growth and improve profitability of the Company.

It was noted that the proposed Amalgamation shall be undertaken through a Scheme of Amalgamation under Section 230 to 232 of the Companies Act, 2013, with due approval of the National Company Law Tribunal (NCLT).

It was further noted that SAPL is a related party.

The proposed Scheme of Amalgamation was considered by the Audit Committee in its meeting held on 22.05.2018, on the basis of the valuation made by M/s. J.C. Bhalla & Co., Chartered Accountants, New Delhi, an Independent Valuer, including discharge of consideration (partly by way of issuance of Preference Shares and balance by payment in cash), and Fairness Opinion Certificate provided by M/s. Finshore Management Services Ltd., Kolkata, SEBI registered Merchant Banker, as tabled in the meeting, being price sensitive information. The Audit Committee has recommended the Scheme to the Board of Directors for their consideration.

It was further noted that SAPL have informed that the Scheme of Amalgamation was also placed in the meetings of their Audit Committee and Board of Directors held on 21.05.2018 and was duly approved.

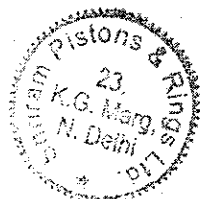
Shrii Vora



The Board deliberated the Amalgamation Scheme, Valuation Report by Independent Valuer, Fairness Opinion Certificate by SEBI registered Merchant Banker and the Report of Audit Committee recommending the draft Scheme of Amalgamation, and unanimously approved the scheme to amalgamate the entire business and undertaking of SAPL (as defined in the Scheme) with the Company under the provisions of Section 230 to 232 and other applicable provisions of the Companies Act, 2013 including any statutory modification(s) or re-enactment(s) thereof and subject to compliance of all applicable Securities Laws, Regulation and Circulars.

The Board resolved that pursuant to the provisions of Section 230 to 232 and other relevant provisions of the Companies Act, 2013 read with Rules made there under including any statutory modification(s) or re-enactments thereof and subject to all relevant Securities Laws, Regulations and Circulars, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR), Memorandum and Articles of Association (MOA and AOA) and subject to the necessary approvals of the Shareholders of the Company, sanction of the NCLT, Securities and Exchange Board of India (SEBI) and National Stock Exchange (NSE) as the Designated Stock Exchange and subject to compliance with all applicable laws and regulations and receipt of all relevant corporate, regulatory, governmental, judicial approvals and third party consents including creditors consent, the scheme of Amalgamation of Shriram Automotive Products Limited with Shriram Pistons and Rings Ltd in terms of the draft Scheme placed before the Board and duly initiated by the Chairman for the purpose of identification, be and is hereby considered and approved with effect from 01.04.2018, being the 'Appointed date' and the equity shareholders of SAPL as on Record Date, be paid an aggregate consideration of Rs. 40,03,99,200/- (Rupees Forty Crore Three Lac Ninety Nine Thousand Two Hundred Only), as per the terms and conditions mentioned in the Scheme, as under:

- a total of 28,85,760 (Twenty Eight Lac Eighty Five Thousand Seven Hundred and Sixty) 4.2% fully paid up Non-participating, Redeemable, Non- Convertible, Cumulative Preference Shares of Rs. 100/- each at par, aggregating to Rs. 28,85,76,000/- (Twenty Eight Crore Eighty Five Lac Seventy Six Thousand Only) and
- cash consideration of Rs. 11,18,23,200/- (Rupees Eleven Crore Eighteen Lac Twenty Three Thousand Two Hundred Only).



Shriram

The fully paid up Non-participating, Redeemable, Non- Convertible, Cumulative preference shares shall be allotted and the cash consideration shall be paid to the equity shareholders of SAPL in the proportion of equity shares held by them in SAPL, in the following exchange ratio:

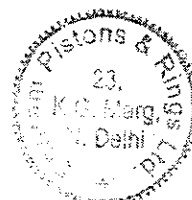
- a) 24 (Twenty Four) Nos. of 4.2% fully paid up Non-participating, Redeemable, Non- Convertible, Cumulative Preference Shares of Rs. 100/- each, of SPRL for every 1 (one) equity share of SAPL, redeemable at par on expiry of 5 years from the date of Allotment, not later than 30 Days from the scheme of Amalgamation becoming effective. SPRL shall have an option to redeem at par these preference shares on expiry of 6 months from the date of allotment or 30.06.2019, whichever is later.
- b) Payment of Cash consideration of Rs. 930/- (Rupees Nine Hundred Thirty only) for every 1 (one) equity share of SAPL, not later than 30 Days from the date of scheme of Amalgamation becoming effective.

The Board further resolved that any two of Shri Pradeep Dinodia, Chairman, Shri Inderdeep Singh, Director and Shri R Srinivasan, Joint Managing Director & Company Secretary of the Company, be and are hereby, authorized to make such alterations and changes in the Draft Scheme of Amalgamation as may be expedient or necessary.

The Board further resolved that Shri R. Srinivasan, Joint Managing Director & Company Secretary and Shri Naveen Agarwal, Alternate Company Secretary of the Company, be and are hereby, jointly or severally, authorized on behalf of the Company in relation/connection with the scheme of Amalgamation:

- i) To make, prepare, sign and file applications, affidavits, petitions, undertakings or any other documents or deeds or pleadings, with the NCLT, NSE, SEBI, Registrar of Companies, Regional Directors of the Ministry of Corporate Affairs, Tax Authorities or other government or judicial body/authorities.
- ii) To sign and issue public advertisements and notices in connection/relation with the Scheme.
- iii) To do all such acts, deeds and things for getting approval of Shareholders and Creditors.

Shri Ram



- iv) To engage, hire, appoint one or more counsel/advocate/pleader to represent and act on behalf of the Company in the proceeding before the NCLT and/or the other concerned authorities in any matter related/connected to the Scheme.
- v) To do all such things and to take all such steps as may be necessary for the purpose of ensuring compliance with the directions that may be given by the NCLT, NSE, SEBI, Registrar of Companies, Regional Directors of Ministry of Corporate Affairs, Tax Authorities and/or other concerned authorities.
- vi) To file the copy of the order of the NCLT, NSE, SEBI, Registrar of Companies, Tax Authorities and/or other concerned authorities approving/sanctioning the Scheme with the Registrar of Companies and such other authorities as may be required.
- vii) To issue/furnish the certified true copies of the foregoing resolutions to all concerned as may be necessary.
- viii) To do all such acts, deeds and things, as may be necessary and consequential thereto.

Smt. Meenakshi Dass, Shri Luv D. Shriram and Shri A.K. Taneja, being interested in the resolution, did not take part in the deliberations.

The above resolution was tabled in the meeting and after deliberations, was passed unanimously.

For Shriram Pistons & Rings Ltd.
Certified True Copy



R. Srinivasan

(R. Srinivasan)
Company Secretary
F-4034

3rd Floor, Himalaya House
23, K.G. Marg, New Delhi-110001

New Delhi
May 31, 2018



SHRIRAM AUTOMOTIVE PRODUCTS LTD.

CORPORATE OFFICE : 4th Floor, Himalaya House, 23 K. G. Marg, Connaught Place, New Delhi-110001
PHONES : 40433111, FAX : 23321879
E-MAIL : sapl@shriramautomotive.in INTERNET : http://www.shriramindia.com

Annexure - 7

86

EXTRACT OF MINUTES OF BOARD OF DIRECTORS' MEETING OF 21.5.18

ITEM NO. 8

"Agenda Item No. 8 pertaining to "Amalgamation of Shriram Automotive Products Ltd. with Shriram Pistons & Rings Ltd." was considered.

It was noted that the Board of Directors in its Board Meeting held on 9.4.18 has granted "in-principle" approval for Amalgamation of the Company with Shriram Pistons & Rings Ltd. (SPRL). It was resolved that the Scheme of Amalgamation along with other related documents be placed at a subsequent Board Meeting.

The Board considered the proposal to Amalgamate the Company with SPRL. It was noted that SPRL is engaged in manufacturing and marketing of IC Engine Components under Technical Collaboration Agreements with world leaders and is a leader in its products segment. Therefore, the combined business of both the companies shall be of greater advantage to the Stakeholders.

It was noted that the proposed Amalgamation shall be undertaken through a Scheme of Amalgamation under Section 230 to 232 of the Companies Act, 2013, with due approval of the National Company Law Tribunal (NCLT).

It was further noted that SPRL is a related party.

The proposed Scheme of Amalgamation was considered by the Audit Committee in its meeting held on 21.05.18, on the basis of the valuation made by M/s. J.C. Bhalla & Co., Chartered Accountants, New Delhi, an Independent Valuer and Fairness Opinion Certificate provided by SEBI registered Merchant Banker, as tabled in the meeting, being price sensitive information. The Audit Committee has recommended the Scheme to the Board of Directors for their consideration.

The Board deliberated the Amalgamation Scheme, Valuation Report by Independent Valuer & Fairness Opinion Certificate by SEBI Registered Merchant Banker and unanimously approved the scheme to amalgamate the entire business and undertaking of the Company (as defined in the Scheme) with SPRL under the provisions of Section 230 to 232 and other applicable provisions of the Companies Act, 2013 including any statutory modification(s) or re-enactment(s) thereof.





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The Board resolved that pursuant to the provisions of Section 230 to 232 and other relevant provisions of the Companies Act, 2013 read with Rules made there under including any statutory modification(s) or re-enactments thereof and subject to Memorandum and Articles of Association (MOA and AOA) and subject to the necessary approvals of the Shareholders of the Company, sanction of the NCLT, and subject to compliance with all applicable laws and regulations and receipt of all relevant corporate, regulatory, governmental, judicial approvals and third party consents including creditors' consent, the scheme of Amalgamation of Shriram Automotive Products Limited with Shriram Pistons and Rings Ltd in terms of the draft Scheme placed before the Board and duly initialed by the Secretary for the purpose of identification, be and is hereby considered and approved with effect from 1.4.18, being the 'Appointed date' and the equity shareholders of SAPL as on Record Date, be paid an aggregate consideration of Rs. 40,03,99,200/- (Rupees Forty Crores Three Lacs Ninety Nine Thousand & Two Hundred Only), as per the terms and conditions mentioned in the Scheme, as under:

- a total of 28,85,760 (Twenty Eight Lacs Eighty Five Thousand Seven Hundred & Sixty) 4.2% fully paid up Non-participating, Redeemable, Non- Convertible, Cumulative Preference Shares of Rs. 100/- each at par, aggregating to Rs. 28,85,76,000/- (Twenty Eight Crores Eighty Five Lacs Seventy Six Thousand Only) of Shriram Pistons & Rings Ltd. and
- cash consideration of Rs. 11,18,23,200/- (Rupees Eleven Crores Eighteen Lacs Twenty Three Thousand Two Hundred Only) by Shriram Pistons & Rings Ltd.

The fully paid up Non-participating, Redeemable, Non- Convertible, Cumulative preference shares shall be allotted and the cash consideration shall be paid to the equity shareholders of SAPL in the proportion of equity shares held by them in SAPL, in the following exchange ratio:

- a) 24 (Twenty Four) Nos. of 4.2% fully paid up Non-participating, Redeemable, Non- Convertible, Cumulative Preference Shares of Rs. 100/- each, of SPRL for every 1 (one) equity share of SAPL, redeemable at par on expiry of 5 years from the date of Allotment, not later than 30 days from the scheme of Amalgamation becoming effective. SPRL shall have an option to redeem at par these preference shares on expiry of 6 months from the date of allotment or 30.06.19, whichever is later.



AN ENTERPRISE OF THE SHRIRAM GROUP

REGD. OFFICE : 23, KASTURBA GANDHI MARG, CONNAUGHT PLACE, NEW DELHI-110001 PHONE # 40433111
CIN : U34300DL1982PLCO14285



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- b) Payment of Cash consideration of Rs. 930/- (Rupees Nine Hundred & Thirty Only) for every 1 (one) equity share of SAPL, not later than 30 days from the date of scheme of Amalgamation becoming effective.

The Board further resolved that Shri A. K. Taneja and Shri Luv D. Shriram, Directors of the Company, be and are hereby authorized to make such alterations and changes in the Draft Scheme of Amalgamation as may be expedient or necessary.

The Board further resolved that Shri A. K. Taneja and Shri Luv D. Shriram, Directors of the Company, be and are hereby, jointly or severally, authorized on behalf of the Company in relation/connection with the scheme of Amalgamation:

- i) To make, prepare, sign and file applications, affidavits, petitions, undertakings or any other documents or deeds or pleadings, with the NCLT, Registrar of Companies, Regional Directors of the Ministry of Corporate Affairs, Tax Authorities or other government or judicial body/authorities.
- ii) To do all such acts, deeds and things for getting approval of Shareholders and Creditors.
- iii) To engage, hire, appoint one or more counsel/advocate/pleader to represent and act on behalf of the Company in the proceeding before the NCLT and/or the other concerned authorities in any matter related/connected to the Scheme.
- iv) To do all such things and to take all such steps as may be necessary for the purpose of ensuring compliance with the directions that may be given by the NCLT, Registrar of Companies, Regional Directors of Ministry of Corporate Affairs, Tax Authorities and/or other concerned authorities.
- v) To file the copy of the order of the NCLT, Registrar of Companies, Tax Authorities and/or other concerned authorities approving/ sanctioning the Scheme with the Registrar of Companies and such other authorities as may be required.
- vi) To issue/furnish the certified true copies of the foregoing resolutions to all concerned as may be necessary.



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vii) To do all such acts, deeds and things, as may be necessary and consequential thereto.

Shri A.K. Taneja, Shri Luv D. Shriram and Shri Kush D. Shriram, being interested in the resolution, did not take part in the deliberations".

For Shriram Automotive Products Ltd.

RAMESH A. VASWANI
(DIRECTOR)

DIN NO. 00449428

M-155 (FF), GREATER KAILASH - 2
NEW DELHI - 110048

Date : 21.5.18



SHRIRAM

AN ENTERPRISE OF THE SHRIRAM GROUP

REGD. OFFICE : 23, KASTURBA GANDHI MARG, CONNAUGHT PLACE, NEW DELHI-110001 PHONE # 40433111
CIN : U34300DL1982PLCO14285

**INDEPENDENT AUDITOR'S REPORT
To The Members of Shriram Pistons & Rings Limited
Report on the Standalone Ind AS Financial Statements**

We have audited the accompanying standalone Ind AS financial statements of **Shriram Pistons & Rings Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2018 and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

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 standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

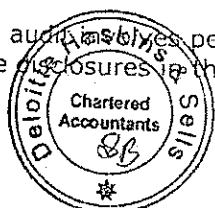
Auditor's Responsibility

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

In conducting 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 issued under section 143(11) of the Act.

We conducted our audit of the standalone Ind AS 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 standalone Ind AS financial statements are free from material misstatement.

An auditor is required to perform procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected



For SHRIRAM PISTONS & RINGS LTD

R. Srinivasan
R. SRINIVASAN
Company Secretary
FCS 4034

depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS 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 standalone Ind AS 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 standalone Ind AS financial statements.

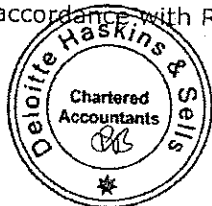
We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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 Ind AS and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2018, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit 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.
 - 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 including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
 - e) On the basis of the written representations received from the directors of the Company as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 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 as



For SRINIVASAN ACCOUNTANTS LLP

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R. Srinivasan

R. SRINIVASAN
Company Secretary
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amended, 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 standalone Ind AS financial statements- Refer Note 39 to the Standalone IND AS 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 45 to the Standalone IND AS 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 46 to the Standalone IND AS 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.

For SHRIRAM PISTONS & RINGS LTD
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R. Srinivasan
R. SRINIVASAN
Company Secretary
FCS 4034

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No.015125N)

Vijay Agarwal
Vijay Agarwal
(Partner)
(Membership No. 094468)

Place: WASHINGTON, D. C.
Date: May 22, 2018



**ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section 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, 2018 in conjunction with our audit of the standalone Ind AS 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 of the Company 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.

For SHRIRAM PISTONS & RINGS LTD
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R. Srinivasan
R. SRINIVASAN
Company Secretary
FCS 4034

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.

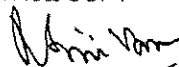
Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

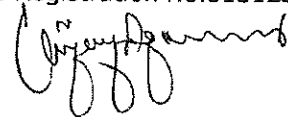
In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For SHRIRAM PISTONS & RINGS LTD
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R. SRINIVASAN
Company Secretary
FCS 4034

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No.015125N)



Vijay Agarwal
(Partner)
(Membership No. 094468)

Place: WASHINGTON, D.C.

Date: May 22, 2018



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 program 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) Based on the examination of confirmation received by us from "IDBI Bank" custodian on behalf of all the term loans and working capital loan lenders, in respect of immovable properties of land that have been taken on lease and disclosed as "Non-current asset" in the financial statements, whose title deeds have been pledged as security for loans, are held in the name of Company.
- (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 and no material discrepancies were noticed on physical verification.
- (iii) According to the information and explanations given to us, 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) According to the information and explanations given to us, the Company has not granted any loans, made investments or provided guarantees under Section 185 and 186 of the Companies Act, 2013 and hence reporting under clause (iv) of the Order 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 Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and 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.



For SHRIRAM PISTONS & RINGS LTD
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R. SRINIVASAN
Company Secretary
FCS 4034

- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended 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:
- 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, Goods and Service Tax, cess and other material statutory dues applicable to it to the appropriate authorities.
 - 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, Goods and Service Tax, cess other material statutory dues in arrears as at March 31, 2018 for a period of more than six months from the date they became payable.
 - There are no dues of Customs Duty which have not been deposited as on March 31, 2018. Details of dues of Income-tax, Sales Tax, Service Tax, Value Added Tax, Excise Duty which have not been deposited as on March 31, 2018 on account of disputes 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 Involved* (Rs. Million) | Amount Unpaid (Rs. Million) |
|--------------------------|--------------------|--|--|--------------------------------|-----------------------------|
| Income Tax Act, 1961 | Income tax | Appellate authority up to Commissioners' level | 2003-04, 2004-05, 2013-14 & 2015-16 | 10.58 | - |
| Central Excise Act, 1944 | Excise Duty | Custom, Excise & Service Tax Appellate Tribunal (CESTAT) | 2010-11 | 0.38 | 0.37 |

For SHRIRAM PISTONS & RINGS LTD
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R. SRINIVASAN
Company Secretary
FCS 4034

| | | | | | |
|-----------------------------|--|--|---|----------|----------|
| Central Excise Act, 1944 | Excise Duty | Commissioner (Appeals) | 2012-13, 2013-14 | 1.44 | 1.39 |
| Finance Act, 1994 | Service Tax | Asstt Commissioner CGST | 2011-12, 2012-13, 2013-14, 2014-15, 2015-16 & 2016-17 | 3.23 | 3.23 |
| Central Sales Tax Act, 1956 | Sales Tax | Appellate authority up to Commissioners' level | 2006-07, 2007-08, 2009-10, 2010-11, 2012-13, 2013-14 & 2014-15 | 42.07 | 40.24 |
| | | Appellate Tribunal | 2005-06, 2006-07, 2007-08, 2013-14 & 2014-15 | 1,605.55 | 1,503.87 |
| Sales Tax Laws | Sales Tax / Value Added Tax/ Entry Tax | Appellate authority up to Commissioners' level | 2006-07, 2007-08, 2008-09, 2009-10, 2010-11, 2011-12, 2012-13 & 2013-14 & 2014-15 | 478.29 | 416.32 |
| | | Appellate Tribunal | 2005-06, 2007-08 & 2008-09 | 8.99 | 6.99 |

* 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 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 | 2011-12, 2012-13 & 2014-15 | 16.41 |

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

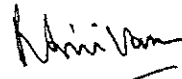


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R. SRINIVASAN
Company Secretary
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- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial 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 material 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 the Order 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 Section 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 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 the Order 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 directors of its holding company or persons connected with them and hence, provisions of section 192 of the Companies Act, 2013 are not applicable.

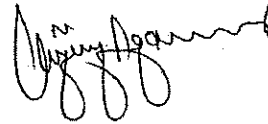
For SHRIRAM PISTONS & RINGS LTD
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R. SRINIVASAN
Company Secretary
FCS 4034



(xvi) The Company is not required to be registered under section 45-1A of the Reserve Bank of India Act, 1934.

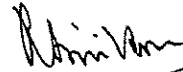
For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 015125N)



Vijay Agarwal
(Partner)
(Membership No. 094468)

Place: WASHINGTON, D.C.
Date: May 22, 2018

For SHRIRAM PISTONS & RINGS LTD
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R. SRINIVASAN
Company Secretary
FCS 4034



Shriram Pistons & Rings Limited
Standalone Balance Sheet as at March 31, 2018

100

| | Note No. | As at March 31, 2018 Rs. million | As at March 31, 2017 Rs. million |
|-------------------------------------|----------|--|--|
| ASSETS | | | |
| Non-current assets | | | |
| a) Property, plant and equipment | 3 | 5,511.95 | 5,735.03 |
| b) Capital work-in-progress | | 112.27 | 93.47 |
| c) Intangible assets | 4 | 41.96 | 32.44 |
| d) Financial assets | | | |
| (i) Investments | 5 | 0.50 | 0.50 |
| (ii) Other financial assets | 6 | 103.90 | 144.73 |
| e) Other non-current assets | 8 | 715.18 | 632.49 |
| | | <u>6,485.76</u> | <u>6,638.66</u> |
| Current assets | | | |
| a) Inventories | 9 | 2,810.37 | 2,403.82 |
| b) Financial assets | | | |
| (i) Investments | 5 | 200.36 | 80.05 |
| (ii) Trade receivables | 10 | 3,210.99 | 2,378.09 |
| (iii) Cash and cash equivalents | 11 | 23.18 | 20.60 |
| (iv) Other bank balances | 11 | 1,788.16 | 1,530.30 |
| (v) Other financial assets | 6 | 123.86 | 163.35 |
| c) Current tax assets (net) | 7 | - | 4.37 |
| d) Other current assets | 8 | 266.72 | 325.25 |
| | | <u>8,423.64</u> | <u>6,905.83</u> |
| TOTAL ASSETS | | <u><u>14,909.40</u></u> | <u><u>13,544.49</u></u> |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| a) Equity share capital | 12 | 223.75 | 223.75 |
| b) Other equity | | 8,908.94 | 7,720.09 |
| | | <u>9,132.69</u> | <u>7,943.84</u> |
| Liabilities | | | |
| Non-current liabilities | | | |
| a) Financial liabilities | | | |
| (i) Borrowings | 13 | 657.95 | 1,205.38 |
| b) Provisions | 14 | 315.04 | 308.46 |
| c) Deferred tax liabilities (net) | 16 | 323.89 | 340.33 |
| d) Other non-current liabilities | 15 | 2.33 | 1.88 |
| | | <u>1,299.21</u> | <u>1,856.05</u> |
| Current liabilities | | | |
| a) Financial liabilities | | | |
| (i) Borrowings | 17 | 414.93 | 348.46 |
| (ii) Trade payables | 18 | 2,629.57 | 2,093.20 |
| (iii) Other financial liabilities | 19 | 910.52 | 849.79 |
| b) Other Current Liabilities | 15 | 411.11 | 368.05 |
| c) Provisions | 14 | 89.04 | 85.10 |
| d) Current tax liabilities (net) | 7 | 22.33 | - |
| | | <u>4,477.50</u> | <u>3,744.60</u> |
| TOTAL EQUITY AND LIABILITIES | | <u><u>14,909.40</u></u> | <u><u>13,544.49</u></u> |

See accompanying notes to the standalone financial statements 1-48

In terms of our report attached For Deloitte Haskins & Sells Chartered Accountants

For SHRIRAM PISTONS & RINGS LTD
CERTIFIED TRUE COPY

For and on behalf of the Board of Directors

Vijay Agarwal
Vijay Agarwal
Partner



Abhinav
R. SRINIVASAN
Company Secretary
FCS 4034

Pradeep Dindia
Pradeep Dindia
Chairman

Inderdeep Singh
Inderdeep Singh
Director
A.K. Taneja
A.K. Taneja
Managing Director & CEO

Vinod Taneja
Vinod Taneja
Managing Director & Company Secretary
By: *Vinod Taneja*
Managing Director & CEO
FACE NEW DELHI

Lu M. Shriram
Lu M. Shriram
Whole Time Director

Place: WASHINGTON, D. C.
Date: May 22, 2018

Shriram Pistons & Rings Limited
Standalone Statement of Profit and Loss for the year ended March 31, 2018

101

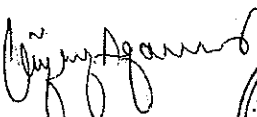
| | Note No. | For the Year ended March 31, 2018 Rs. million | For the Year ended March 31, 2017 Rs. million |
|---|----------|---|---|
| I Revenue from operations | 20 | 17,742.76 | 16,236.00 |
| II Other income | 21 | 250.07 | 260.47 |
| III Total income (I+II) | | <u>17,992.83</u> | <u>16,496.47</u> |
| IV Expenses | | | |
| Cost of materials consumed | 22 | 5,706.48 | 4,620.89 |
| (increase) / Decrease in inventories of finished goods and work-in-progress | 23 | (317.96) | (196.12) |
| Excise duty on sale of goods | | 448.61 | 1610.31 |
| Employee benefit expenses | 24 | 3,363.22 | 2,787.50 |
| Finance costs | 25 | 164.19 | 204.12 |
| Depreciation and amortisation expense | 26 | 903.34 | 899.43 |
| Other expenses | 27 | 5,616.58 | 4,861.54 |
| Total expenses | | <u>15,884.46</u> | <u>14,787.67</u> |
| V Profit before tax (III-IV) | | 2,108.37 | 1,708.80 |
| VI Tax expense: | | | |
| i) Current tax | 16 | 744.36 | 505.14 |
| ii) Deferred tax | | (24.81) | 22.68 |
| | | <u>719.55</u> | <u>527.82</u> |
| VII Profit for the year (V-VI) | | <u>1,388.82</u> | <u>1,180.98</u> |
| VIII Other comprehensive income | | | |
| A (i) Items that will not be reclassified to profit or loss | | | |
| a) Remeasurements of the post employment defined benefit plans | | 27.01 | (67.16) |
| (ii) Income tax relating to items that will not be reclassified to profit or loss | | (9.35) | 23.24 |
| B (i) Items that will be reclassified to profit or loss | | | |
| a) Fair value change of cash flow hedge | | (2.83) | (18.37) |
| (ii) Income tax relating to items that will be reclassified to profit or loss | | 0.98 | 6.36 |
| Total other comprehensive income | | <u>15.81</u> | <u>(55.93)</u> |
| Total Comprehensive income (VII+VIII) | | <u>1,404.63</u> | <u>1,125.05</u> |
| Earnings per share (of Rs. 10/- each) | 29 | | |
| Basic (Rs) | | 62.07 | 52.78 |
| Diluted (Rs) | | 62.07 | 52.78 |

See accompanying notes to the standalone financial statements

1-48

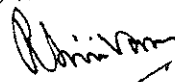
In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants



Vijay Agarwal
Partner




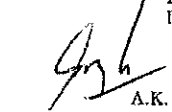
For SHRIRAM PISTONS & RINGS LTD
CERTIFIED TRUE COPY

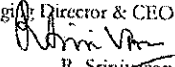

R. SRINIVASAN
Company Secretary
FCS 4034


For and on behalf of the Board of Directors



Pradeep Khosla
Chairman


Inderdeep Singh
Director


A.K. Taneja
Managing Director & CEO


R. Srinivasan
Jt. Managing Director & Company Secretary


Vinod Taneja
Dt. Executive Director & CFO
PLACE: NEW DELHI


Lav D. Shriram
Whole Time Director

Place: WASHINGTON, D.C.
Date: May 22, 2018

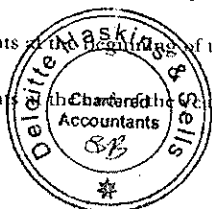
Shriram Pistons & Rings Limited
Standalone Cash flow statement for the year ended March 31, 2018

102

| | Year ended March 31, 2018 Rs. million | Year ended March 31, 2017 Rs. million |
|---|---|---|
| A. Cash flow from Operating Activities | | |
| Profit for the year | 1,388.82 | 1,180.98 |
| <i>Adjustments for:</i> | | |
| Tax expenses recognised in statement of profit and loss | 719.55 | 527.82 |
| Depreciation/amortisation | 903.34 | 899.43 |
| Finance costs | 164.19 | 204.12 |
| Bad debts/advances written off | 2.91 | 0.74 |
| Provision for doubtful debts (net) | 2.19 | (0.02) |
| Interest income | (120.86) | (125.05) |
| Net gain on sale/ fair valuation of current investment | (23.95) | (19.93) |
| Unrealised exchange rate variation (net) | (23.70) | (5.32) |
| Profit/loss on sale / retirement of property, plant and equipment | 7.71 | (3.14) |
| Fair value change in Cash flow hedges (net of tax) | (1.85) | (12.02) |
| Remeasurement of post employment defined benefit plans (net of tax) | 17.66 | (43.92) |
| Operating profit before working capital changes | 3,036.01 | 2,603.69 |
| Changes in Working Capital: | | |
| <i>Adjustments for (increase) / decrease in operating assets</i> | | |
| Inventories | (406.55) | (320.35) |
| Trade receivables | (808.25) | (159.57) |
| Loans and other financial assets (current and non current) | 14.27 | 274.48 |
| Other assets (current and non current) | (19.78) | (75.44) |
| <i>Adjustments for increase / (decrease) in operating liabilities</i> | | |
| Trade payables | 536.37 | 214.44 |
| Other financial liabilities (current and non current) | 84.34 | (176.50) |
| Other Liabilities and Provisions (current and non current) | 41.23 | (21.51) |
| Cash Generated from operations | 2,477.64 | 2,339.24 |
| Income tax paid | (717.66) | (511.17) |
| Net cash from operating activities | (A) 1,759.98 | 1,828.07 |
| B. Cash Flow from Investing Activities | | |
| Interest received | 119.25 | 87.85 |
| Sale of tangible assets | 10.02 | 15.28 |
| Purchase of tangible assets | (677.48) | (734.63) |
| Purchase of intangible assets | (44.53) | (32.14) |
| Purchase of Current Investment | (7,640.31) | (6,826.66) |
| Proceeds from sale of Current Investment | 7,543.95 | 6,941.75 |
| Increase/(Decrease) in margin money with banks | (3.08) | 0.09 |
| Increase / (Decrease) in Deposits more than 12 months | 39.55 | 0.05 |
| Net cash (used) in investing activities | (B) (652.63) | (548.41) |
| C. Cash Flow from Financing Activities | | |
| Interest paid | (150.52) | (200.62) |
| Dividend and dividend distribution tax | (215.44) | (134.65) |
| Repayment of long term borrowings | (614.58) | (847.63) |
| Net proceeds / (repayment) of short term borrowings | (11.49) | 223.96 |
| Proceeds from deposits | 229.89 | 215.56 |
| Payment of deposits | (133.03) | (147.47) |
| Net cash from/(used) in financing activities | (895.17) | (890.85) |
| Net Increase/(Decrease) in cash and cash equivalents | (A+B+C) 212.18 | 388.81 |
| Cash and cash equivalents at the beginning of the year | 1,219.26 | 830.45 |
| Cash and cash equivalents at the end of the year | 1,431.44 | 1,219.26 |

For SHRIRAM PISTONS & RINGS LTD
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R. SRINIVASAN
Company Secretary
FQS 4034



Shriram Pistons & Rings Limited
Standalone Cash flow statement for the year ended March 31, 2018

103

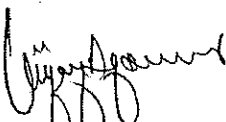
| | Year ended March 31, 2018 Rs. million | Year ended March 31, 2017 Rs. million |
|---|---|---|
| Components of cash and cash equivalents | | |
| Cash in hand | 0.34 | 0.73 |
| Balances with banks | 22.84 | 19.87 |
| - current accounts | 1,788.16 | 1,530.30 |
| - Other bank balances | | |
| Working Capital loan from banks (Secured / Unsecured) | (379.90) | (331.64) |
| | 1,431.44 | 1,219.26 |

Note:

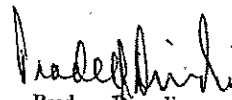
The Cash Flow Statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS)- 7.

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

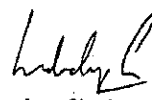
For and on behalf of the Board of Directors


Vijay Agarwal
Partner

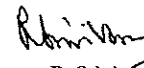




Pradeep Binodia
Chairman

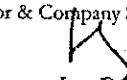



Inderdeep Singh
Director


A.K. Taneja
Managing Director & CEO

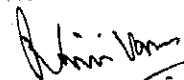

R. Srinivasan
Jt. Managing Director & Company Secretary


Vinod Ranjan
Dy. Executive Director & CFO
PLACE: NEW DELHI


Luy D. Shriram
Whole - Time Director

Place: WASHINGTON, D.C.
Date: May 22, 2018

For SHRIRAM PISTONS & RINGS LTD
CERTIFIED TRUE COPY


R. SRINIVASAN
Company Secretary
FCS 4034

Shriram Pistons & Rings Limited
Standalone Statement of Change in Equity as at March 31, 2018

104

a) Fully paid up equity shares
(face value of Rs 10/- each)

| | Nos of shares in Million | Rs. million |
|------------------------------|-----------------------------|-------------|
| Balance as at March 31, 2017 | 22.37 | 223.75 |
| Changes during the year | - | - |
| Balance as at March 31, 2018 | 22.37 | 223.75 |

(refer note 12)

(b) Other Equity

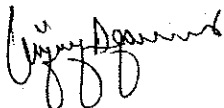
Rs. million

| Particulars | Reserves and surplus | | | | | Items of other comprehensive income | Total |
|---|--------------------------------------|----------------------|-------------------|-----------------|-----------|--|----------|
| | Preference share redemption reserve* | Revaluation reserve* | Retained earnings | General reserve | Sub Total | Effective portion of cash flow hedge reserve | |
| Balance as at April 01, 2016 | 100.00 | 98.52 | 353.86 | 6,171.82 | 6,724.20 | 5.49 | 6,729.69 |
| Profit for the year | | | 1,180.98 | | 1,180.98 | - | 1,180.98 |
| Dividends (including corporate dividend tax) | | | (134.65) | | (134.65) | - | (134.65) |
| Other comprehensive income for the year, net of tax | | | (43.92) | | (43.92) | (12.01) | (55.93) |
| Transfer to General reserve | | | (1,002.41) | 1,002.41 | | - | - |
| Balance as at March 31, 2017 | 100.00 | 98.52 | 353.86 | 7,174.23 | 7,726.61 | (6.52) | 7,720.09 |
| Profit for the year | | (0.36) | 1,388.84 | | 1,388.48 | - | 1,388.48 |
| Dividends (including corporate dividend tax) | | | (215.44) | | (215.44) | - | (215.44) |
| Other comprehensive income for the year, net of tax | | | 17.66 | | 17.66 | (1.85) | 15.81 |
| Transfer to General reserve | | | (750.00) | 750.00 | | - | - |
| Balance as at March 31, 2018 | 100.00 | 98.16 | 794.92 | 7,924.23 | 8,917.31 | (8.37) | 8,908.94 |

* The revaluation reserve and preference share redemption reserve are not "free Reserve" as per Companies Act 2013, hence not available for distribution of dividend.

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of the Board of Directors


Vijay Agarwal
Partner





Pradeep Dinodia
Chairman


Indrdeep Singh
Director

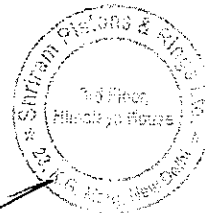

A.K. Taneja
Managing Director & CEO


R. Srinivasan
Jt. Managing Director & Company Secretary


Luv D. Shriram
Whole-Time Director

Place: WASHINGTON, D.C.
Date: May 22, 2018


Vinod Hanheja
Dy. Executive Director & CFO
PLACE: NEW DELHI



For SHRIRAM PISTONS & RINGS LTD
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R. SRINIVASAN
Company Secretary
FCS 4034

Notes to the standalone financial statements for the year ended March 31, 2018

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, applicable in India. Its equity share is listed on National Stock Exchange of India Ltd. The registered office of the Company is located at 3rd Floor, Himalaya House, 23, Kasturba Gandhi Marg, New Delhi 110001.

The Company's business activity falls under "automotive component". Primary products manufactured by the Company are pistons, piston pins, piston rings and engine valves.

The financial statements of the Company are approved for issuance by the Company's Board of Directors on May 22, 2018.

2. Significant accounting policies**2.1.1 Basis of accounting and preparation of financial statements**

The Standalone financial statements ("financial statements") have been prepared to comply with the Indian Accounting Standard (Ind AS) notified under section 133 of the Companies Act, 2013, read together with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, Companies (Indian Accounting Standards) Amendment Rules, 2016 and Companies (Indian Accounting Standards) Amendment Rules, 2017 issued by the Ministry of Corporate Affairs ('MCA').

The financial statements have been prepared under historical cost convention on accrual and going concern basis, except for the certain financial instruments which have been measured at fair value as required by relevant Ind ASs.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

Effective April 1, 2016, the Company has adopted Indian Accounting Standards (Ind AS) and the adoption was carried out in accordance with Ind AS 101 First time adoption of Indian Accounting Standards, with April 1, 2015 as the transition date. The transition was carried out from Indian GAAP as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.



For SHRIRAM PISTONS & RINGS LTD
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R. SRINIVASAN
Company Secretary
FCS 4034

Notes to the standalone financial statements for the year ended March 31, 2018

In addition for financial reporting purpose, fair value measurement are categorised into level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in the entirety, which are described as follows:

- Level 1: This level includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: This level includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: This level includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

2.1.2 Operating Cycle

Based on the nature of products/ activities of the Company and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

2.2. Use of estimates

The preparation of the financial statements is in conformity with Indian Accounting Standards (Ind AS), 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 the sale of goods is recognised when all the following conditions are satisfied:

- i) Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- ii) Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- iii) The amount of revenue can be measured reliably;
- iv) It is probable that the economic benefits associated with the transaction will flow to the Company; and
- v) The costs incurred or to be incurred in respect of the transaction can be measured reliably.



For SHRIRAM PISTONS & RINGS LTD
CERTIFIED TRUE COPY

R. Srinivasan
R. SRINIVASAN
Company Secretary
FCS 4034

Shriram Pistons & Rings Limited

Notes to the standalone financial statements for the year ended March 31, 2018

Revenue from sale of goods is measured at the fair value consideration received or receivable. Amount disclosed as revenue are inclusive of excise duty and net of returns, trade discount, rebates, value added taxes, Goods and Service Tax, wherever applicable.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to Company and the amount of income can be measured reliably. Interest income is accrued on time basis, by reference to the principal outstanding and at the interest rate as 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. Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

2.5.1. Property, plant and equipment

Property, plant and equipment held for use in production or supply of goods and services, or for administrative purpose, are stated at cost (net of cenvat / Input Tax Credits 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.

For this purpose, cost includes deemed cost which represents the carrying value of Property, plant and equipment recognised as at 1st April 2015 measured as per previous GAAP.

2.5.2. Intangible assets

Intangible assets held for use in production or supply of goods and services, or for administrative purpose, are stated at cost (net of cenvat / Input Tax Credits 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.

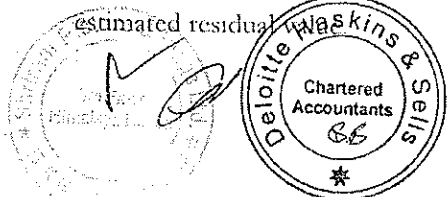
For this purpose, cost includes deemed cost which represents the carrying value of Intangible assets recognised as at 1st April 2015 measured as per previous GAAP.

2.5.3. Capital work-in-progress

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.

2.6. Depreciation and amortisation

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



FOR SHRIRAM PISTONS & RINGS LTD
CERTIFIED TRUE COPY

R. SRINIVASAN
Company Secretary

Notes to the standalone financial statements for the year ended March 31, 2018

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 property, plant and equipment 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 |
| Road | - | twenty years |
| Bore well | - | fifteen years |
| Vehicle | - | five years |
| Furniture and Fixture / Office Equipment | - | five years |

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

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

Depreciation on assets acquired/sold/discarded during the year is charged on pro-rata basis except for Furniture, Fixtures and Equipments where full year's depreciation is computed in the year of acquisition and no depreciation is provided in the year of sale.

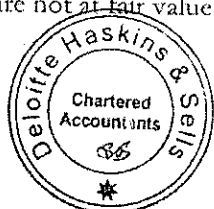
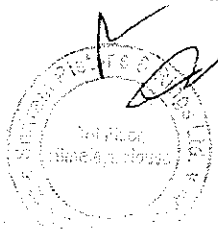
The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, and the effect of any changes in estimate is accounted for on a prospective basis.

An item of property, plant and equipment and intangible asset is derecognised on disposal, or when no future economic benefit are expected to arise from the continued use of assets. Any gain and loss arising on the disposal of or retirement is determined as the difference between the sale proceeds and the carrying amount of the assets and is recognised in the statement of profit and loss.

2.7. Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss are added to the fair value on initial recognition.



For SHRIRAM PISTONS & RINGS LTD
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R. Srinivasan
R. SRINIVASAN
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Notes to the standalone financial statements for the year ended March 31, 2018

Financial assets

Regular way purchases or sales of financial assets are accounted for at trade date basis. Regular way purchases or sales are purchase or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Classification of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost

- i) Asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- ii) The contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- i) The asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- ii) The contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit or loss

Financial asset which are not classified in any of the above categories are subsequently measured at fair value through profit or loss (FVTPL).

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost.

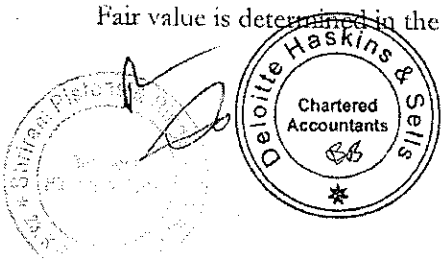
Investments

Non current investment is carried at cost less impairment. Any permanent diminution in the value of non current investments is provided for in the books of account.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost or at fair value through profit or loss (FVTPL). For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Fair value is determined in the manner described in note no 41.



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Notes to the standalone financial statements for the year ended March 31, 2018

2.8. Derivative financial instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts and cross currency interest rate swaps.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the statement of profit and loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in the statement of profit and loss depends on the nature of the hedging relationship and the nature of the hedged item.

(i) Financial assets or financial liabilities, at fair value through profit or loss.

This category has derivative financial assets or liabilities which are not designated as hedges. Although the Company believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments. Any derivative that is either not designated a hedge, or is so designated but is ineffective as per Ind AS 109, is categorized as a financial asset or financial liability, at fair value through profit or loss.

Derivatives not designated as hedges are recognized initially at fair value and attributable transaction costs are recognized in net profit in the statement of profit and loss when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through the statement of profit and loss and the resulting exchange gains or losses are included in the statement of profit and loss. Assets/liabilities in this category are presented as current assets/current liabilities if they are either held for trading or are expected to be realized within 12 months after the Balance sheet date.

(ii) Hedge accounting

The Company designates the derivatives as hedge of foreign exchange risk associated with the cash flows of highly probable forecast transaction, variable interest risk and foreign exchange risk associated with borrowings.

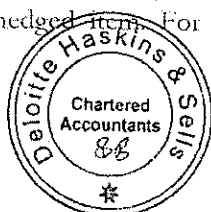
The Company documents at the inception of the hedging transaction the economic relationship between hedging instrument and hedge items. The Company documents its risk management objective and strategy for undertaking various hedge transactions at the inception of each hedge relationship.

When forward contracts are used to hedge forecast transactions, the Company generally designates related forward contract related as the hedging instruments.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges, is recognised in other comprehensive income and accumulated under the heading of cash flow hedge reserve. The gain or loss relating to the ineffective portion is recognised immediately in the statement of profit and loss. Amounts previously recognised in other comprehensive income and accumulated in equity relating to (effective portion as described above) are reclassified to the statement of profit and loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item. For the same, Company marks the financial statements of hedges with and hedge instruments.

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Company Secretary



Notes to the standalone financial statements for the year ended March 31, 2018

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction and cross currency interest rate swap transaction is ultimately recognised in the statement of profit and loss. When a forecast transaction and cross currency interest rate swap transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in the statement of profit and loss.

Fair value is determined in the manner described in note no 41.

2.9. 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, as applicable, or net realisable value.

Cost of raw materials includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

Cost of finished goods and work in progress includes cost of direct materials and labour and an appropriate proportion of manufacturing overheads based on the normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

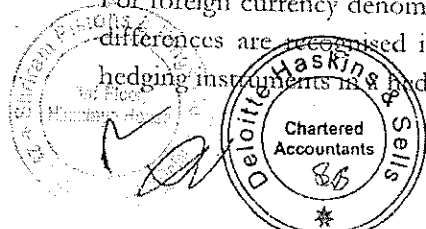
2.10. Foreign currency transactions and translations

Transactions in foreign currency are recorded on initial recognition at the exchange rate prevailing on or closely approximating to the date of transaction.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in the statement of profit and loss in the period in which they arise except exchange differences on transactions entered into in order to hedge certain foreign currency risks.

For foreign currency denominated financial assets measured at fair value, the exchange differences are recognised in statement of profit and loss except for those that are designated as hedging instruments in a hedging relationship.



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Notes to the standalone financial statements for the year ended March 31, 2018

2.11. Employee benefits**Retirement benefit costs and termination benefits:**

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Contribution towards Provident Fund and Superannuation Fund is paid as per the statutory provisions/Company's scheme. These benefits are charged to the statement of profit and loss of the year when they become due. For the provident fund trust administered 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. For defined post employment employee benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to the statement of profit and loss. Past service cost is recognised in the statement of profit and loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- i) service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- ii) net interest expense or income; and
- iii) remeasurement.

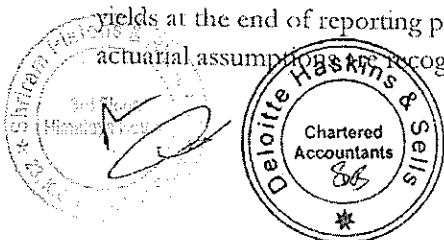
Short-term and other long-term employee benefits:

A liability is recognised for benefits accruing to employees in respect of wages and salaries in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Leave availment / encashment benefit is provided as per Company's scheme. Employee's are entitled to accumulate leaves subject to certain limit as per Company's scheme.

Liabilities for compensated absence that are not expected to be settled wholly within 12 months after the end of the period in which the employees rendered the related service, are measured at the present value of expected future payment to be made in respect of service provided by employees up to the end of reporting period using the projected unit credit method. The benefit are discounted using the market yields at the end of reporting period. Remeasurement as a result of expected future adjustments and change in actuarial assumptions is recognised in the statement of profit and loss.



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Notes to the standalone financial statements for the year ended March 31, 2018

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.

2.12. 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 Property, plant and equipment.

2.13. Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

At lessee, assets held under finance leases are initially recognised as assets of Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the Balance sheet as a finance lease obligation.

Rental expense from operating leases is recognised on a straight-line basis over the term of the relevant lease. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

2.14. Taxes on income

Income tax expense represents the sum of the tax currently payable and deferred taxation.

Current Tax

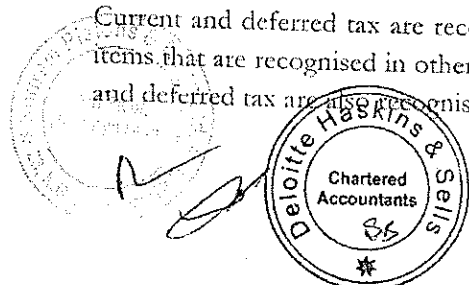
The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. Current tax is calculated using tax rates that have been enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Current and deferred tax are recognised in the statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.



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Notes to the standalone financial statements for the year ended March 31, 2018

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Minimum Alternate Tax

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.

2.15. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

2.16. Earnings per share

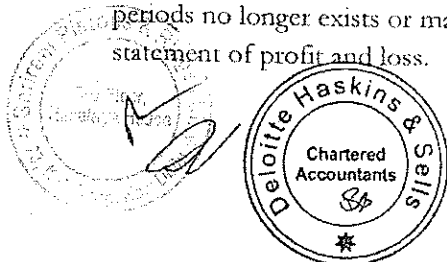
Basic earnings per share is calculated by dividing profit or loss attributable to the owners of the Company by weighted average number of equity shares outstanding during the financial year. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue,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

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

2.17. 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.

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Notes to the standalone financial statements for the year ended March 31, 2018

2.18. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2.19. Contingent liabilities

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.

2.20.1 Recent accounting pronouncement issued but not yet effective upto the date of issuance of financial statements

In March 2018, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) Amendment Rules, 2018, notifying Ind AS 115, 'Revenue from Contracts with Customers' (a new revenue standard) and Appendix B to Ind AS 21, 'Foreign Currency Transactions and Advance Consideration'. These amendments are applicable to the Company from April 1, 2018

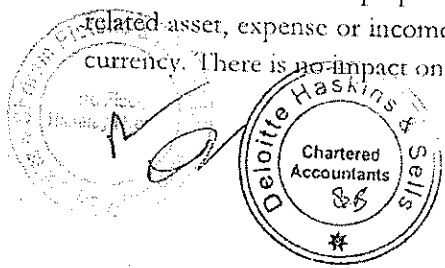
2.20.2 Ind AS 115, Revenue from Contracts with Customers

This standard requires an entity to recognise revenue on the basis of 5 step model given in the standard. The Standard focuses on identification of various performance obligations on the basis of promised goods and services to the customers as per contract, allocation of contract price on the various performance obligations and recognition of revenue when entity satisfies the performance obligation. The Standard Scopes out lease agreements from its scope.

There is no impact on transition of Ind AS 115 (new standard) from Ind AS 18 (old standard) on Revenue.

2.20.3 Appendix B to Ind AS 21, Foreign Currency Transactions and Advance Consideration

Appendix B to Ind AS 21, foreign currency transactions and advance consideration clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. There is no impact on the Company due to non-implementation of Ind AS 21.



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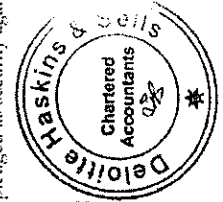
Shriram Pistons & Rings Limited
Notes to the standalone financial statements for the year ended March 31, 2018

3. Property, plant & equipment

| Particulars | Rs. million | | | | | |
|---|-----------------|---------------------|------------------------|---------------|------------------|-----------------|
| | Buildings | Plant and equipment | Furniture and fixtures | Vehicles | Office equipment | Total |
| Year ended 31 March 2017 | | | | | | |
| Gross carrying amount | | | | | | |
| Opening gross carrying amount | 1,234.10 | 5,298.41 | 16.85 | 84.11 | 69.99 | 6,768.90 |
| Additions | 27.27 | 551.02 | 8.66 | 43.55 | 33.50 | 683.85 |
| Disposals | - | 30.74 | 4.21 | 24.36 | 21.96 | 108.70 |
| Closing gross carrying amount as at March 31, 2017 | 1,261.37 | 5,818.69 | 21.30 | 103.30 | 81.53 | 7,344.05 |
| Accumulated depreciation and impairment | | | | | | |
| Opening accumulated depreciation and impairment | 59.43 | 723.83 | 0.63 | 0.31 | 23.41 | 825.18 |
| Depreciation charged during the year | 54.82 | 732.14 | 10.88 | 26.22 | 32.57 | 878.26 |
| Impairment Loss | | | | | | |
| Disposals | 0.01 | 25.77 | 3.81 | 18.96 | 20.04 | 94.42 |
| Closing accumulated depreciation and impairment as at March 31, 2017 | 114.24 | 1,430.20 | 7.70 | 7.57 | 35.94 | 1,609.02 |
| Net carrying amount as at March 31, 2017 | 1,147.13 | 4,388.49 | 13.60 | 95.73 | 45.59 | 5,735.03 |
| Year ended 31 March 2018 | | | | | | |
| Gross carrying amount | | | | | | |
| Opening gross carrying amount | 1,261.37 | 5,818.69 | 21.30 | 103.30 | 81.53 | 7,344.05 |
| Additions | 56.94 | 497.97 | 12.28 | 22.70 | 33.99 | 658.38 |
| Disposals | - | 16.56 | 0.66 | 11.42 | 3.58 | 41.08 |
| Closing gross carrying amount as at March 31, 2018 | 1,318.31 | 6,300.10 | 32.92 | 114.58 | 111.94 | 7,961.35 |
| Accumulated depreciation and impairment | | | | | | |
| Opening accumulated depreciation and impairment | 114.24 | 1,430.20 | 7.70 | 7.57 | 35.94 | 1,609.02 |
| Depreciation charged during the year | 55.95 | 717.50 | 11.61 | 28.68 | 31.83 | 868.33 |
| Impairment Loss | | | | | | |
| Disposals | - | 9.62 | 0.30 | 8.29 | 2.12 | 27.95 |
| Closing accumulated depreciation and impairment as at March 31, 2018 | 170.19 | 2,138.08 | 19.01 | 27.96 | 65.65 | 2,449.40 |
| Net carrying amount as at March 31, 2018 | 1,148.12 | 4,162.02 | 13.91 | 86.62 | 46.29 | 5,511.95 |

The above assets are pledged as security against borrowings, refer note no. 13 (i) and (ii) and note no. 17.

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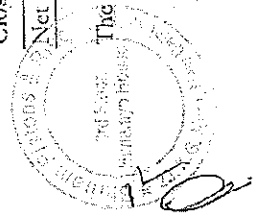
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Shriram Pistons & Rings Limited
Notes to the standalone financial statements for the year ended March 31, 2018

| Particulars | Rs. million | |
|--|-------------------|--------------------------------|
| | Computer software | Product design and development |
| 4. Intangible assets | | |
| Year ended 31 March 2017 | | |
| Gross carrying amount | | |
| Opening gross carrying amount | 21.02 | 15.56 |
| Additions | 11.86 | 20.28 |
| Disposals | - | - |
| Closing gross carrying amount as at March 31, 2017 | 32.88 | 35.84 |
| Accumulated amortization and impairment | | |
| Opening accumulated depreciation and impairment | 9.92 | 5.19 |
| Depreciation charged during the year | 9.23 | 11.94 |
| Impairment Loss | - | - |
| Disposals | - | - |
| Closing accumulated depreciation and impairment as at March 31, 2017 | 19.15 | 17.13 |
| Net carrying amount as at March 31, 2017 | 13.73 | 18.71 |
| Year ended 31 March 2018 | | |
| Gross carrying amount | | |
| Opening gross carrying amount | 32.88 | 35.84 |
| Additions | 21.99 | 22.54 |
| Disposals | - | - |
| Closing gross carrying amount as at March 31, 2018 | 54.87 | 58.38 |
| Accumulated amortization and impairment | | |
| Opening accumulated depreciation and impairment | 19.15 | 17.13 |
| Depreciation charged during the year | 15.55 | 19.46 |
| Impairment Loss | - | - |
| Disposals | - | - |
| Closing accumulated depreciation and impairment as at March 31, 2018 | 34.70 | 36.59 |
| Net carrying amount as at March 31, 2018 | 20.17 | 21.79 |

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Company Secretary
FCS-4034



The above assets are pledged as security against borrowings, refer note no. 13 (i) and (ii) and note no. 17.

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5. Investments

| | As at March 31, 2018 Rs. million | As at March 31, 2017 Rs. million |
|---|--|--|
| Non Current Investment (Unquoted) (At amortised cost) | | |
| Investment in equity instrument of subsidiary company 50,000 Equity shares (previous year 50,000) (fully paid up of Rs 10 each) of SPR International Auto Exports Limited | 0.50 | 0.50 |
| | <u>0.50</u> | <u>0.50</u> |
| Current Investment (Unquoted) Carried at fair value through Statement of Profit and loss | | |
| Investment in Mutual fund (Liquid fund) Units of Face value of Rs 1000 each | | |
| - 11030 units (Previous year: 9800 of SBI Premier Liquid Fund Growth Plan. | 30.05 | 25.01 |
| - 32293 units (previous year: 14366) of IDBI Liquid Fund Growth Plan - Direct. | 60.08 | 25.01 |
| - 20802 units (previous year: Nil) of Axis liquid Fund - Growth Direct. | 40.10 | - |
| - 272747 units (previous year: Nil) of ICICI Prudential liquid - Growth Direct. | 70.13 | - |
| - Nil units (previous year: 8843) of HDFC Cash Management Fund - Saving Growth Direct. | - | 30.03 |
| | <u>200.36</u> | <u>80.05</u> |
| Aggregate value of unquoted investments | <u>200.86</u> | <u>80.55</u> |

6. Other Financial Assets
(At amortised cost excluding derivative instrument)

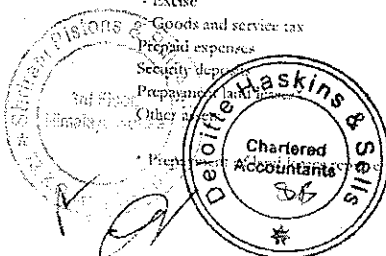
| | As at March 31, 2018 | | As at March 31, 2017 | |
|----------------------------------|-------------------------|----------------------------|-------------------------|----------------------------|
| | Current Rs. million | Non current Rs. million | Current Rs. million | Non current Rs. million |
| Bank Deposit more than 12 months | - | 39.60 | - | 0.05 |
| Interest accrued on deposits | 41.26 | - | 56.27 | - |
| Derivative instrument | 82.60 | 54.68 | 107.08 | 138.14 |
| Margin money | - | 9.62 | - | 6.54 |
| | <u>123.86</u> | <u>103.90</u> | <u>163.35</u> | <u>144.73</u> |

7. Tax assets/ (liabilities) net

| | As at March 31, 2018 Rs. million | | As at March 31, 2017 Rs. million | |
|--------------------------------|--|----------------|--|-------------|
| Advance income tax | - | 722.04 | - | 509.52 |
| less: Provision for income tax | - | (744.37) | - | (505.15) |
| Net | - | <u>(22.33)</u> | - | <u>4.37</u> |

8. Other assets
(Unsecured, considered good unless stated otherwise)

| | As at March 31, 2018 | | As at March 31, 2017 | |
|---|-------------------------|----------------------------|-------------------------|----------------------------|
| | Current Rs. million | Non-current Rs. million | Current Rs. million | Non-current Rs. million |
| Capital advances | - | 68.95 | - | 73.61 |
| Advances other than capital advances | | | | |
| Advances recoverable in cash or in kind or for value to be received Unsecured, considered good | 110.02 | - | 94.84 | - |
| Doubtful | 13.89 | - | 14.07 | - |
| Provision for doubtful advances | 123.91 | - | 108.91 | - |
| | (13.89) | - | (14.07) | - |
| Export incentive receivable | 110.02 | - | 94.84 | - |
| Centvat recovery | 43.14 | 54.50 | 17.48 | 60.96 |
| Balance with government authorities | - | - | 73.15 | - |
| - Excise | - | - | 31.30 | - |
| - Goods and service tax | 0.04 | - | - | - |
| Prepaid expenses | 4.55 | - | - | - |
| Security deposits | 48.43 | - | 43.95 | - |
| Prepayment made | 0.62 | 119.60 | 1.12 | 120.88 |
| Other | 3.45 | 291.15 | 3.43 | 294.61 |
| Prepaid interest | 56.27 | 184.98 | 59.96 | 82.43 |
| | <u>266.72</u> | <u>715.18</u> | <u>325.25</u> | <u>632.49</u> |



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Shriram Pistons & Rings Limited
Notes to the standalone financial statements for the year ended March 31, 2018

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9. Inventories

(valued at lower of cost or net realisable value)

| | As at March 31, 2018 Rs. million | As at March 31, 2017 Rs. million |
|---|--|--|
| Raw material and components (includes in transit Rs. 29.05 million (previous year: Rs. 10.52 million)) | 641.12 | 548.72 |
| Work-in-progress (includes in transit Rs. 0.09 million (previous year: Rs. 0.57 million)) | 874.64 | 675.94 |
| Finished goods (includes in transit Rs. 201.45 million (previous year: Rs.151.50 million)) | 915.13 | 909.38 |
| Stores and spares (includes in transit Rs. 9.91 million (previous year: Rs.16.70 million)) | 329.01 | 229.49 |
| Loose tools | 50.47 | 40.29 |
| | <u>2,810.37</u> | <u>2,403.82</u> |

The inventories are hypothecated as security against borrowings, refer note no 13 (i) and (ii) and note no 17. The finished goods stock as on March 31, 2017 was valued inclusive of excise duty, being a duty on manufacture of goods. However, with the implementation of Goods and Services Tax w.e.f. July 01 2017, Goods and Services Tax being a tax on supply of goods, is not required to be included in the value of finished goods. This has no impact on profits for the year.

10. Trade receivables

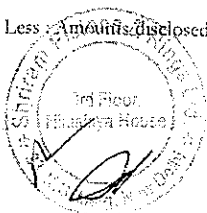
(Unsecured, considered good unless stated otherwise)
(At amortised cost)

| | As at March 31, 2018 Rs. million | As at March 31, 2017 Rs. million |
|--|--|--|
| Current | | |
| Considered good | 3,210.99 | 2,378.09 |
| Doubtful | 15.23 | 12.86 |
| | <u>3,226.22</u> | <u>2,390.95</u> |
| Provision for doubtful trade receivables | (15.23) | (12.86) |
| | <u>3,210.99</u> | <u>2,378.09</u> |

11. Cash and cash equivalents and other bank balances
(At amortised cost)

| | As at March 31, 2018 | | As at March 31, 2017 | |
|---|-------------------------|----------------------------|-------------------------|----------------------------|
| | Current Rs. million | Non-current Rs. million | Current Rs. million | Non-current Rs. million |
| i) Cash and cash equivalents | | | | |
| Cash on hand | 0.34 | - | 0.73 | - |
| Balances with banks - current accounts | 22.84 | - | 19.87 | - |
| | <u>23.18</u> | <u>-</u> | <u>20.60</u> | <u>-</u> |
| ii) Other bank balances | | | | |
| - Dividend account | 0.56 | - | 0.54 | - |
| - Deposits with banks | 1,698.66 | 39.60 | 1,458.36 | 0.05 |
| - Deposits with banks held as margin money | 88.94 | 9.62 | 71.40 | 6.54 |
| | <u>1,788.16</u> | <u>49.22</u> | <u>1,530.30</u> | <u>6.59</u> |
| | <u>1,811.34</u> | <u>49.22</u> | <u>1,550.90</u> | <u>6.59</u> |
| Less: Amounts disclosed under other financial assets (refer note 6) | | (49.22) | | (6.59) |
| | <u>1,811.34</u> | <u>-</u> | <u>1,550.90</u> | <u>-</u> |

Less: Amounts disclosed under other financial assets (refer note 6)



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Shriram Pistons & Rings Limited
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12. Share capital

| | As at March 31, 2018 Rs. million | As at March 31, 2017 Rs. million |
|---|--|--|
| Authorised Shares | | |
| 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 |
| a. Issued, subscribed and fully paid up shares | | |
| 22,374,912 (previous year 22,374,912) equity shares of Rs. 10 each | 223.75 | 223.75 |
| | 223.75 | 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. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amount, in proportion to their shareholding.

c. Reconciliation of numbers of share outstanding at the beginning and at the end of reporting year

| | As at March 31, 2018 | | As at March 31, 2017 | |
|------------------------|-------------------------|---------------|-------------------------|---------------|
| | No. of shares | Rs. million | No. of shares | Rs. million |
| Opening balance | 2,23,74,912 | 223.75 | 2,23,74,912 | 223.75 |
| Issued during the year | | | | |
| Closing balance | 2,23,74,912 | 223.75 | 2,23,74,912 | 223.75 |

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

| | March 31, 2018 | | March 31, 2017 | |
|--|----------------|----------------|----------------|----------------|
| | No. in million | % shareholding | No. in million | % shareholding |
| Equity shares of Rs. 10 each fully paid | | | | |
| 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 | 14.91 | 3.33 | 14.91 |
| Meenakshi Dass and Luv D. Shriram * | 3.33 | 14.91 | 3.33 | 14.91 |
| National Insurance Company Limited | 1.43 | 6.38 | 1.43 | 6.38 |
| Meenakshi Dass | 1.20 | 5.38 | 1.24 | 5.54 |

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

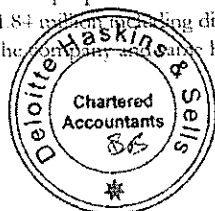
e. The dividend paid to equity shareholder is as under;

| | Year ended March 31, 2018 | | Year ended March 31, 2017 | |
|--|------------------------------|------------|------------------------------|------------|
| | Interim | Final | Interim | Final |
| Date of payment | 08.02.2018 | 12.07.2017 | 09.11.2016 | 12.07.2017 |
| Dividend (Rs) per equity share | 4.00 | 4.00 | 3.00 | 4.00 |
| Dividend amount (including corporate dividend tax)- Rs million | 107.72 | 107.72 | 80.79 | 107.72 |

The Board of director has proposed a final dividend of Rs. 6/- per equity share to equity shareholders for the year ended March 31, 2018 amounting to Rs. 161.84 million including dividend distribution tax. The final dividend is subject to the approval of shareholders in Annual General Meeting of the company and same has not been recognised as liability in financial statements.

For SHRIRAM PISTONS & RINGS LTD

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Shriram Pistons & Rings Limited
Notes to the standalone financial statements for the year ended March 31, 2018

13. Borrowings
(At amortised cost)

| | As at March 31, 2018 | | As at March 31, 2017 | |
|---|-------------------------|----------------------------|-------------------------|----------------------------|
| | Current Rs. million | Non Current Rs. million | Current Rs. million | Non Current Rs. million |
| Secured | | | | |
| Term loans from banks | 462.71 | 306.30 | 618.30 | 765.29 |
| Unsecured | | | | |
| Deposits | 216.65 | 340.08 | 89.09 | 375.48 |
| Deposits from related parties (refer note 33) | 42.23 | 11.57 | 2.71 | 64.61 |
| | 721.59 | 657.95 | 710.10 | 1,205.38 |
| Less : Current maturities of long term debt (refer note 19) | (721.59) | - | (710.10) | - |
| | - | 657.95 | - | 1,205.38 |

(i) Term loans from banks of Rs. 671.25 million (previous year: Rs. 1091.74 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.

| As at March 31, 2018 (Rs. million) | Amount outstanding | | Repayment period from origination (years) | Installments outstanding As at March 31, 2018 | | Effective rate of Interest per annum % |
|--|--|--|--|---|-------------|---|
| | As at March 31, 2017 (Rs. million) | | | No. | Periodicity | |
| - | 84.31 | | - | - | - | - |
| - | 80.00 | | - | - | - | - |
| - | 77.83 | | - | - | - | - |
| 671.25 | 849.60 | | 7 | 7 | Quarterly | 8.68 |
| 671.25 | 1,091.74 | | | | | |

(ii) Term loans from banks of Rs. 97.76 million (previous year: Rs.291.85 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.

| As at March 31, 2018 (Rs. million) | Amount outstanding | | Repayment period from origination (years) | Installments outstanding As at March 31, 2018 | | Effective rate of Interest per annum % |
|--|--|--|--|---|-------------|---|
| | As at March 31, 2017 (Rs. million) | | | No. | Periodicity | |
| - | 64.86 | | - | - | - | - |
| 16.30 | 81.07 | | 6 | 1 | Quarterly | 9.59 |
| 81.46 | 145.92 | | 7 | 3 | Quarterly | 8.74 |
| 97.76 | 291.85 | | | | | |

(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

| As at March 31, 2018 (Rs. million) | Amount outstanding | | Repayment period from origination (years) | Rate of Interest per annum % |
|--|--|--|--|------------------------------------|
| | As at March 31, 2017 (Rs. million) | | | |
| 24.07 | 22.99 | | 2 | 7.5 - 10.50 |
| 586.46 | 508.90 | | 3 | |
| 610.53 | 531.89 | | | |

14. Provisions

| | As at March 31, 2018 | | As at March 31, 2017 | |
|---------------------------------|-------------------------|----------------------------|-------------------------|----------------------------|
| | Current Rs. million | Non Current Rs. million | Current Rs. million | Non Current Rs. million |
| Provision for employee benefits | 89.04 | 315.04 | 85.10 | 308.46 |
| | 89.04 | 315.04 | 85.10 | 308.46 |



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Shriram Pistons & Rings Limited
Notes to the standalone financial statements for the year ended March 31, 2018

15. Other liabilities

| | As at March 31, 2018 | | As at March 31, 2017 | |
|-------------------------|-------------------------|----------------------------|-------------------------|----------------------------|
| | Current Rs. million | Non Current Rs. million | Current Rs. million | Non Current Rs. million |
| Security deposits | 76.18 | 2.33 | 69.70 | 1.88 |
| Advances from customers | 20.14 | - | 35.25 | - |
| Statutory dues | 255.32 | - | 203.99 | - |
| Others | 59.47 | - | 59.11 | - |
| | <u>411.11</u> | <u>2.33</u> | <u>368.05</u> | <u>1.88</u> |

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

16. a) Deferred tax liability (net)

| | As at March 31, 2018 Rs. million | As at March 31, 2017 Rs. million |
|---|--|--|
| Deferred tax liability | | |
| Impact of difference between tax depreciation and depreciation/ amortisation charged in books | 519.17 | 558.00 |
| | <u>519.17</u> | <u>558.00</u> |
| Deferred tax assets | | |
| Expenses deductible on payment basis | 166.79 | 181.66 |
| Provision for doubtful debts/advances | 10.17 | 9.32 |
| Others | - | - |
| Deferred tax assets on other comprehensive income | | |
| Fair value change in Cash flow hedges | 4.43 | 3.45 |
| Remeasurement of post employment defined benefit plans | 13.89 | 23.24 |
| | <u>195.28</u> | <u>217.67</u> |
| Net deferred tax liability | <u>323.89</u> | <u>340.33</u> |

b) Reconciliation of tax expenses and accounting profit

| | As at March 31, 2018 Rs. million | As at March 31, 2017 Rs. million |
|--|--|--|
| Profit before tax from continuing operation | 2108.37 | 1708.80 |
| Income tax expenses calculated at current tax rate | 729.67 | 580.26 |
| Less : Effect of Concession | | |
| (i) Weighted Deduction under section 35 (2AB) | 27.77 | 41.86 |
| (ii) Investment allowance under section 32 AC | - | 21.22 |
| (iii) Donation under section 35AC/80G | 1.03 | 1.73 |
| (iv) Deduction under section 80JJAA | 0.24 | - |
| Add : Effect of expenses that are not deductible in determining taxable profit. | | |
| (i) Corporate Social Responsibility Expenditure | 12.64 | 10.91 |
| (ii) Donation | 0.45 | 0.26 |
| (iii) Interest to MSME parties | 0.11 | - |
| (iv) Interest on Income Tax | 0.33 | - |
| (v) Amortisation of land | 1.19 | 1.20 |
| (vi) Effect of change in income tax rate | 4.20 | - |
| Income tax expenses recognised in statement of profit & loss | <u>719.55</u> | <u>527.82</u> |

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Shriram Pistons & Rings Limited
Notes to the standalone financial statements for the year ended March 31, 2018

17. Short term borrowings
(At amortised cost)

| | As at March 31, 2018 Rs. million | As at March 31, 2017 Rs. million |
|--|--|--|
| Secured | | |
| Working capital loans from banks# | 179.90 | 131.64 |
| Unsecured | | |
| Working capital loans from banks | 200.00 | 200.00 |
| Deposits* | 12.53 | 6.82 |
| Deposits from related parties (refer note 33)* | 22.50 | 10.00 |
| | <u>414.93</u> | <u>348.46</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.

*The short term deposits have been raised under Section 58A of the Companies Act, 1956 and Section 73 to 76 of the Companies Act, 2013.

18. Trade payables
(At amortised cost)

| | As at March 31, 2018 Rs. million | As at March 31, 2017 Rs. million |
|--|--|--|
| - Outstanding dues to Micro and Small enterprises (refer note no. 38) | 54.50 | 35.72 |
| - Outstanding dues to parties other than Micro and Small enterprises | 2,575.07 | 2,057.48 |
| | <u>2,629.57</u> | <u>2,093.20</u> |

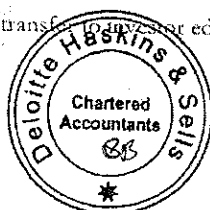
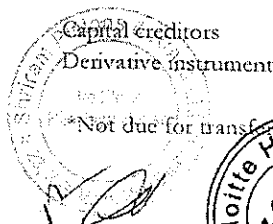
Trade payable includes Rs. 146.02 million (previous year: Rs. 119.07 million) due to related parties (refer note 33)

19. Other financial liabilities

(At amortised cost excluding derivative instrument)

| | As at March 31, 2018 Rs. million | As at March 31, 2017 Rs. million |
|--|--|--|
| Current maturities of long term borrowing (refer note 13) | 721.59 | 710.10 |
| Interest accrued but not due on borrowings | 79.02 | 65.35 |
| Unclaimed dividends* | 0.56 | 0.54 |
| Unclaimed matured deposits and interest accrued thereon* | 3.86 | 2.38 |
| Capital creditors | 94.82 | 71.42 |
| Derivative instrument | 10.67 | - |
| | <u>910.52</u> | <u>849.79</u> |

*Not due for transfer to the Government of India for education and protection fund



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20. Revenue from operations

| | Year ended March 31, 2018 Rs. Million | Year ended March 31, 2017 Rs. Million |
|---|---|---|
| Sale of products including excise duty, as applicable (refer note 31) | 17,413.19 | 15,995.86 |
| Other operating revenues | | |
| - sale of scrap | 193.89 | 122.08 |
| - export benefits* | 132.14 | 117.95 |
| - others | 3.54 | 0.11 |
| | <u>17,742.76</u> | <u>16,236.00</u> |

*Export benefits are in the nature of government grants covering following:

| | As at March 31, 2018 Rs. million | As at March 31, 2017 Rs. million |
|--|--|--|
| Merchandise Exports from India Scheme (MEIS) | 78.38 | 73.80 |
| Duty draw backs | 53.76 | 44.09 |
| Others | - | 0.06 |
| | <u>132.14</u> | <u>117.95</u> |

21. Other income

| | Year ended March 31, 2018 Rs. million | Year ended March 31, 2017 Rs. million |
|--|---|---|
| Interest income | | |
| - Bank deposits | 104.25 | 108.21 |
| - Others | 16.61 | 16.85 |
| Net gain on sale/fair valuation of current investment | 23.95 | 19.93 |
| Liabilities no longer required written back | 9.96 | 12.41 |
| Profit on disposal of property, plant and equipment | - | 3.14 |
| Foreign exchange gain (net) | 51.77 | 64.39 |
| Provision for doubtful debts and advances written back (net) | - | 0.02 |
| Other non-operating income* | 43.53 | 35.52 |
| | <u>250.07</u> | <u>260.47</u> |

* Includes government grant of Rs. 26.16 million (previous year Rs. 25.34 million) towards subsidy under Rajasthan Investment Promotion scheme 2010. There are no unfulfilled obligation under the scheme.

22. Cost of material consumed

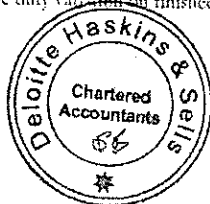
| | Year ended March 31, 2018 Rs. million | Year ended March 31, 2017 Rs. million |
|--|---|---|
| Cost of raw material and components consumed | 5,355.38 | 4,321.74 |
| Cost of packing material consumed | 351.10 | 299.15 |
| | <u>5,706.48</u> | <u>4,620.89</u> |

23. (Increase) / Decrease in inventories of finished goods and work-in-progress

| | Year ended March 31, 2018 Rs. million | Year ended March 31, 2017 Rs. million |
|--|---|---|
| Inventories at the end of the year | | |
| Work-in-progress | 874.64 | 675.93 |
| Finished goods | 915.13 | 909.38 |
| | <u>1,789.77</u> | <u>1,585.31</u> |
| Inventories at the beginning of the year | | |
| Work-in-progress | 675.93 | 493.50 |
| Finished goods | 909.38 | 878.89 |
| | <u>1,585.31</u> | <u>1,372.39</u> |
| Excise duty variation on finished goods | (113.50) | 16.80 |
| | <u>(317.96)</u> | <u>(196.12)</u> |

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24. Employee benefits expense

| | Year ended March 31, 2018 Rs. million | Year ended March 31, 2017 Rs. million |
|---|---|---|
| Salaries and wages | 2,849.67 | 2,333.49 |
| Contribution to provident and other funds | 249.99 | 218.08 |
| Staff welfare expenses | 263.56 | 235.93 |
| | <u>3,363.22</u> | <u>2,787.50</u> |

25. Finance costs

| | Year ended March 31, 2018 Rs. million | Year ended March 31, 2017 Rs. million |
|-----------------------|---|---|
| Interest expense | 162.21 | 200.99 |
| Other borrowing costs | 1.98 | 3.13 |
| | <u>164.19</u> | <u>204.12</u> |

26. Depreciation and amortisation expense

| | Year ended March 31, 2018 Rs. million | Year ended March 31, 2017 Rs. million |
|--|---|---|
| - Depreciation on Property, Plant and Equipment (refer note 3) | 868.33 | 878.26 |
| - Amortisation of Intangible Assets (refer note 4) | 35.01 | 21.17 |
| | <u>903.34</u> | <u>899.43</u> |

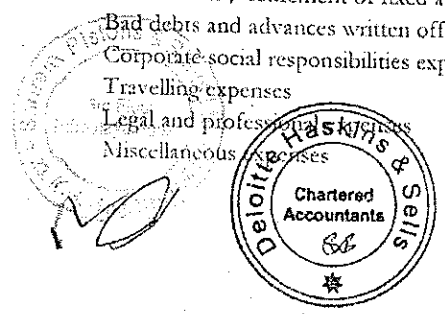
27. Other expenses

| | Year ended March 31, 2018 Rs. million | Year ended March 31, 2017 Rs. million |
|---|---|---|
| Stores and spares consumed | 1,678.39 | 1,394.17 |
| Power and fuel | 1,326.11 | 1,132.01 |
| Job work charges | 469.76 | 415.73 |
| Freight expenses | 257.63 | 206.97 |
| Royalty | 334.57 | 302.17 |
| Rent | 63.56 | 58.92 |
| Rates and taxes | 10.85 | 16.21 |
| Insurance | 19.00 | 17.80 |
| Repair and maintenance | | |
| - Plant and machinery | 139.53 | 120.75 |
| - Buildings | 125.94 | 106.64 |
| - Others | 32.01 | 27.14 |
| Auditor's remuneration (refer note 28) | 3.89 | 4.06 |
| Directors' fees | 3.22 | 3.13 |
| Provision for doubtful debts and advances (net) | 2.19 | - |
| Loss on sale / retirement of fixed assets (net) | 7.71 | - |
| Bad debts and advances written off | 2.91 | 0.73 |
| Corporate social responsibilities expenses | 36.51 | 31.52 |
| Travelling expenses | 106.77 | 90.61 |
| Legal and professional charges | 98.37 | 80.62 |
| Miscellaneous expenses | 817.66 | 852.36 |
| | <u>616.58</u> | <u>4,861.54</u> |

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Shriram Pistons & Rings Limited
Notes to the standalone financial statements for the year ended March 31, 2018

28. Payment to auditor

(excluding service tax / goods and service tax, as applicable)

| | Year ended March 31, 2018 Rs. million | Year ended March 31, 2017 Rs. million |
|-----------------------------|---|---|
| As auditor: | | |
| - Audit fee | 2.28 | 2.39 |
| - Limited review | 1.10 | 1.00 |
| - Other services | 0.37 | 0.39 |
| - Reimbursement of expenses | 0.14 | 0.28 |
| | 3.89 | 4.06 |

29. Earnings per share (EPS)

| | Year ended March 31, 2018 | Year ended March 31, 2017 |
|--|------------------------------|------------------------------|
| Profit attributable to equity shareholders (Rs. million) | 1,388.82 | 1,180.98 |
| Weighted average number of equity shares (Nos. million) | 22.37 | 22.37 |
| Earning per share | | |
| - Basic (Rs.) | 62.07 | 52.78 |
| - Diluted (Rs.) | 62.07 | 52.78 |

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:-

| | Year ended March 31, 2018 Rs. million | Year ended March 31, 2017 Rs. million |
|---------------------|---|---|
| Capital expenditure | 15.51 | 34.05 |
| Revenue expenditure | 177.69 | 143.35 |
| | 193.20 | 177.40 |

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

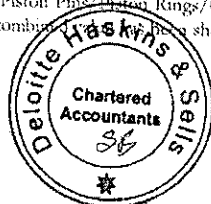
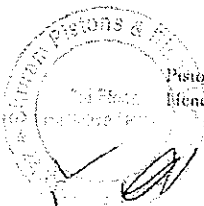
| | Year ended March 31, 2018 Rs. million | Year ended March 31, 2017 Rs. million |
|---|---|---|
| Stores and spares consumed | 54.63 | 36.74 |
| Salaries and wages | 68.75 | 61.05 |
| Contribution to provident and other funds | 5.45 | 5.97 |
| Staff welfare expenses | 1.27 | 1.70 |
| Power and fuel | 6.65 | 3.24 |
| Repair and maintenance | | |
| - Plant and Machinery | 10.80 | 10.78 |
| - Buildings | 0.04 | 0.05 |
| - Others | - | 0.02 |
| Loss on sale/retirement of fixed assets (net) | 0.10 | 0.02 |
| Travelling expenses | 5.14 | 5.70 |
| Miscellaneous expenses | 24.86 | 18.08 |
| | 177.69 | 143.35 |

31. Sale of products For SHRIRAM PISTONS & RINGS LTD
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| | Year ended March 31, 2018 Rs. million | Year ended March 31, 2017 Rs. million |
|---|---|---|
| Pistons, Piston Pins, Piston Rings etc. | 13,854.56 | 12,666.64 |
| Engine Valves | 3,558.63 | 3,329.22 |
| | 17,413.19 | 15,995.86 |

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Pistons/Piston Pins/Piston Rings/Cylinder liners/Connecting rod are sold as individual components as well as composite units. Hence, composite units are not shown.



32. 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:-

| | Year ended March 31, 2018 Rs. million | Year ended March 31, 2017 Rs. million |
|--|---|---|
| Employers' contribution to Provident fund | 148.49 | 135.11 |
| Employers' contribution to Superannuation fund | 21.75 | 20.89 |
| Employers' contribution to Employees' state insurance fund | 52.25 | 35.25 |
| | <u>222.49</u> | <u>191.25</u> |

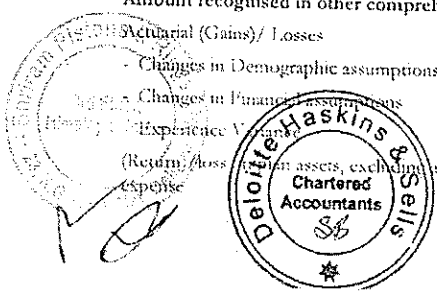
ii) **Defined benefit plans - Gratuity**

In accordance with Ind AS 19, actuarial valuation of defined benefit plans was done for Gratuity and details of the same are given below :

| Particulars | Year ended March 31, 2018 Rs. million | Year ended March 31, 2017 Rs. million |
|---|---|---|
| Amount recognised in statement of Profit & Loss A/c | | |
| Current service cost | 72.46 | 55.94 |
| Net Interest cost on defined benefit / liability | 3.28 | (1.87) |
| Total expense recognised in the Statement of Profit and Loss | 75.74 | 54.07 |
| Actual contribution and benefit payments for the year | | |
| Actual benefit payments | (28.73) | (26.70) |
| Actual contributions | 47.50 | 50.00 |
| | <u>18.77</u> | <u>23.30</u> |
| Net asset / (liability) recognised in the Balance Sheet | | |
| Present value of defined benefit obligation | 842.52 | 764.13 |
| Fair value of plan assets | 796.96 | 716.58 |
| Funded status [Surplus / (Deficit)] | (45.56) | (47.55) |
| Net asset / (liability) recognised in the Balance Sheet | (45.56) | (47.55) |
| Change in defined benefit obligations (DBO) during the year | | |
| Present value of defined benefit obligations at beginning of the year | 764.13 | 616.76 |
| Current service cost | 72.46 | 55.94 |
| Interest cost | 52.69 | 48.69 |
| Remeasurement of defined benefit obligations (Actuarial (gains)/losses) | | |
| - Changes in demographic assumptions | - | - |
| - Changes in financial assumptions | (53.73) | 69.66 |
| - Experience variance | 35.70 | (0.22) |
| Benefits paid | (28.73) | (26.70) |
| Present value of DBO at the end of the year | 842.52 | 764.13 |
| Change in fair value of plan assets during the year | | |
| Plan assets at beginning of the year | 716.58 | 640.43 |
| Expected return on plan assets | 49.41 | 50.56 |
| Contributions | 47.50 | 50.00 |
| Actuarial gain / (loss) | - | - |
| Return on Plan assets excluding amount recognised in net interest expenses | 8.99 | 2.28 |
| Benefits paid | (25.52) | (26.69) |
| Plan assets at the end of the year | 796.96 | 716.58 |
| Actual return on plan assets | 58.40 | 52.84 |
| Amount recognised in other comprehensive income | | |
| Actuarial (Gains) / Losses | - | - |
| - Changes in Demographic assumptions | - | - |
| - Changes in Financial assumptions | (53.72) | 69.66 |
| - Experience Variance | 35.70 | (0.22) |
| (Return) / loss on plan assets, excluding amount recognized in net interest expense | (8.99) | (2.28) |
| | <u>(27.01)</u> | <u>67.16</u> |

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| Actuarial assumptions for Gratuity | Year ended March 31, 2018 | Year ended March 31, 2017 |
|------------------------------------|------------------------------|------------------------------|
| Discount rate | 7.55% | 6.90% |
| Expected return on plan assets | 8.15% | 8.25% |
| Salary escalation | 11.00% | 11.00% |
| Attrition | 5 /30 % , p.a. | 5 /30 % , p.a. |
| Mortality table used | IAL 2006-08 Ultimate | IAL 2006-08 Ultimate |

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

| Sensitivity Analysis for significant actuarial assumptions Particulars | Year ended March 31, 2018 | | Year ended March 31, 2017 | |
|---|---------------------------|-------------------------|---------------------------|-------------------------|
| | Impact on Liability | | Impact on Liability | |
| | Increase Rs. million | Decrease Rs. million | Increase Rs. million | Decrease Rs. million |
| Discount Rate | +100 basis points | | | |
| | -100 basis points | 84.83 | 73.05 | 69.57 |
| Salary Growth Rate | +100 basis points | 81.21 | | 81.34 |
| | -100 basis points | | 77.34 | |
| Attrition Rate | +100 basis points | | 71.53 | 67.75 |
| | -100 basis points | 51.52 | 37.40 | 41.78 |
| Mortality Rate | +100 basis points | 0.56 | | 58.47 |
| | -100 basis points | | 0.56 | 0.62 |

The sensitivity analysis has been determined based on possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The sensitivity analysis present above may not be representative of the actual change in the defined obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be co-related.

Risk Factors in actuarial assumptions

Interest Rate Risk: The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability.

Liquidity Risk: This is the risk that the Company is not able to meet the short term gratuity payouts. This may arise due to non availability of enough cash/ cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

Salary escalation Risk: The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary use to determine the present value of obligation will have a bearing on the plan's liability.

Demographic Risk: The Company has used certain mortality and attrition assumption in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

Asset Liability Mismatching or Market Risk: The duration of the liability is longer compared to duration of assets, exposing the Company to market risk for volatilities/ fall in interest rate.

Investment Risk: The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

Regulatory framework/ Governance / Benefits under the plan:

The gratuity benefit is a post employment benefit. It is calculated at the terminal salary (Basic+VDA) at the time of retirement/ resignation of the employee according to the provisions of Payment of Gratuity Act, 1972. However, there is no restriction on the maximum amount of gratuity payable. The plan assets are managed by independent Board of Trustees, appointed by the Company. The trust is a separate legal entity and is recognised by the Commissioner of Income Tax, under the provisions of Schedule IV of the Income Tax Act, 1961. The Board of trustees manages the plan assets 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.

Asset Liability Matching Strategies

The Company has purchased insurance policy, which is a cash accumulation plan. Interest on the fund balances during the year is accumulated at the interest rate declared by insurance company at the end of the financial year. Gratuity claims are settled by the insurance company out of the fund, thus mitigating any liquidity risk. However, being a cash accumulation plan, the duration of assets is shorter compared to the duration of the liabilities. Thus, the Company is exposed to movement in interest rate.

Effect of plan on Entity's future cash flows

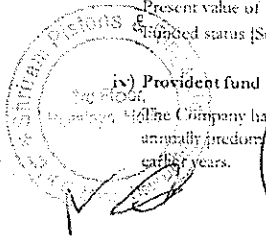
The company has purchased insurance policies to provide for payment of gratuity to the employees. The contribution to the funds are made on a quarterly basis based on estimated shortfall in plan assets from liabilities. Expected contribution during the next annual reporting period is Rs 115.12 million (Rs 114.41 million) Maturity profile of the defined benefit obligation based on weighted average duration is 10 Years.

iii) Compensated Absences

| | |
|---------------------------------------|----------|
| Present value of DBO | 390.69 |
| Unfunded status (Surplus / (Deficit)) | (390.69) |

| |
|------------------------------|
| Year ended 31 March, 2018 |
| 390.69 |
| (390.69) |

Year ended
31 March, 2017
For SHRI RAM PISTONS & RINGS LTD
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Company Secretary
FCS 4034

Shriram Pistons & Rings Limited
Notes to the standalone financial statements for the year ended March 31, 2018

33. Related party disclosure

As per Indian Accounting Standard – 24 the Company'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 Pradeep Dinodia, Chairman
Shri Hari S. Bhartia, Director
Smt Meenakshi Dass, Director
Shri Ravinder Narain, Director
Shri C.Y.Pal, Director
Dr. Alexander Sagel, Director
Shri M.Sekimoto, Director
Shri Inderdeep Singh, Director
Shri Toru Suzuki, Director
Shri A.K Taneja, Managing Director & CEO
Shri R. Srinivasan, Jt. Managing Director & Company Secretary
Shri Luv D. Shriram, Whole Time Director
Dr. Peter Neu, Director
Shri Noritada Okano, Director

Close members of the family of key management personnel

Shri A.K Taneja

Smt. Anita Taneja
Late Shri B.N.Taneja (till January 23, 2017)

Shri R. Srinivasan

Smt. Usha Srinivasan
Smt. R. Srirangam
Smt. R. Vijayalakshmi
Shri. R. Ramaswamy
Shri. R. Venkatesh

Shri Luv D. Shriram

Smt. Meenakshi Dass
Shri Arjun D. Shriram
Shri Kush D. Shriram
Smt Nandishi Shriram
Smt. Arati Shriram

Shri Ravinder Narain

Smt. Manju Narain
Smt. Rasika Dayal
Smt. Sarika Narain

Entity over which , Key management personnel and their Close members of the family has significant influence or control

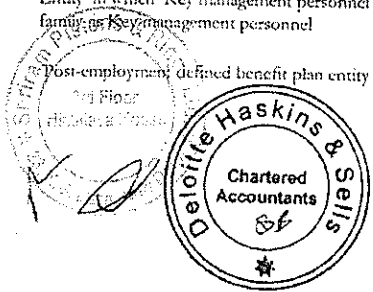
Shriram Automotive Products Ltd.
Shriram Veritech Solutions Pvt. Ltd.
Shriram Alpine Sales Pvt. Ltd. (till March 31, 2017)
Sera Com Pvt. Ltd.
Manisha Commercial Pvt. Ltd
Sarva Commercial Pvt. Ltd.
Charat Ram Shriram Pvt. Ltd.
Deepak C. Shriram & Sons HUF
Shabnam Commercial Pvt. Ltd.
Ravinder Narain HUF
Pradeep Dinodia HUF

Entity in which Key management personnel and their Close members of the family are Key management personnel

Shriram Automotive Products Ltd.
Shriram Alpine Sales Pvt. Ltd. (till March 31, 2017)

Post-employment defined benefit plan entity

Shriram Pistons & Rings Ltd Gratuity Fund Trust
Shriram Pistons & Rings Ltd Superannuation Fund Trust
Shriram Pistons & Rings Ltd Officers' Provident Fund Trust



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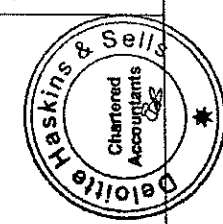
Notes to the standalone financial statements for the year ended March 31, 2018

B. Related party transactions

(i) Transactions during the year

Rs. million

| Particulars | Key management personnel (KMP) | | Close members of the family of key management personnel | | Entity over which, Key management personnel and their Close members of the family has significant influence or control | | Post-employment defined benefit plan entity | | Total | |
|-----------------------------------|--------------------------------|----------------|---|----------------|--|----------------|---|----------------|----------------|----------------|
| | March 31, 2018 | March 31, 2017 | March 31, 2018 | March 31, 2017 | March 31, 2018 | March 31, 2017 | March 31, 2018 | March 31, 2017 | March 31, 2018 | March 31, 2017 |
| | | | | | | | | | | |
| Remuneration | | | | | | | | | | |
| Short-term employees benefit | 106.45 | 93.52 | - | - | - | - | - | - | 106.45 | 93.52 |
| Post-employment benefit | 3.44 | 3.44 | - | - | - | - | - | - | 3.44 | 3.44 |
| Other long-term employees benefit | 0.74 | 0.33 | - | - | - | - | - | - | 0.74 | 0.33 |
| Commission to Directors | 22.43 | 17.06 | - | - | - | - | - | - | 22.43 | 17.06 |
| Rent | - | - | 0.48 | 0.48 | 3.80 | 4.06 | - | - | 4.28 | 4.54 |
| Interest on deposits | 1.49 | 0.41 | 5.74 | 5.72 | 0.36 | 0.57 | - | - | 7.59 | 6.70 |
| Directors sitting fees | 3.20 | 3.10 | - | - | - | - | - | - | 3.20 | 3.10 |
| Dividend paid | 63.14 | 39.56 | 0.03 | 0.02 | 22.23 | 13.89 | - | - | 85.40 | 53.47 |
| Contribution Paid | - | - | - | - | - | - | 93.77 | 90.70 | 93.77 | 90.70 |
| Deposits taken during the year | 25.00 | 12.50 | 0.94 | 18.82 | - | 4.20 | - | - | 25.94 | 35.52 |
| Deposits paid during the year | 13.07 | 5.83 | 9.00 | 13.52 | 4.90 | 8.40 | - | - | 26.97 | 27.75 |
| Purchase of material / stores | - | - | - | - | 5.79 | 6.94 | - | - | 5.79 | 6.94 |
| Purchase of components | - | - | - | - | 374.88 | 302.19 | - | - | 374.88 | 302.19 |
| Share of expenses recovered | - | - | - | - | 3.00 | 4.27 | - | - | 3.00 | 4.27 |



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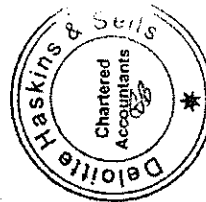
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Company Secretary
FCS 4034

(ii) Balances due from/to the related parties

Rs. million

| Particulars | Key management personnel (KMP) | | Close members of the family of key management personnel | | Entity over which, Key management personnel and their Close members of the family has significant influence or control | | Post-employment defined benefit plan entity | | Total | |
|------------------------------|--------------------------------|----------------|---|----------------|--|----------------|---|----------------|----------------|----------------|
| | March 31, 2018 | March 31, 2017 | March 31, 2018 | March 31, 2017 | March 31, 2018 | March 31, 2017 | March 31, 2018 | March 31, 2017 | March 31, 2018 | March 31, 2017 |
| | Deposits accepted | 22.50 | 10.57 | 53.80 | 61.86 | - | 4.90 | - | - | 76.30 |
| Interest accrued but not due | 0.86 | 0.36 | 0.29 | 0.55 | - | - | - | - | 1.15 | 0.91 |
| Amount payable | 101.40 | 82.78 | - | - | 44.62 | 36.29 | 57.81 | 59.29 | 203.83 | 178.36 |

Note : i) The deposit from related parties have been accepted on same rate of interest as applicable for other parties.
ii) The amount outstanding from related parties are unsecured and will be settled in cash.
iii) No guarantees have been given or received in respect of related parties.



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34. 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, 2018, 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 Involved* (Rs. Million) | Amount Unpaid (Rs. Million) |
|-----------------------------|--|--|---|--------------------------------|-----------------------------|
| Income Tax Act, 1961 | Income tax | Appellate authority up to Commissioners' level | 2003-04, 2004-05, 2013-14 & 2015-16 | 10.58 | 0.00 |
| Central Excise Act, 1944 | Excise Duty | Custom, Excise & Service Tax Appellate Tribunal (CESTAT) | 2010-11 | 0.38 | 0.37 |
| Central Excise Act, 1944 | Excise Duty | Commissioner (Appeals) | 2012-13 & 2013-14 | 1.44 | 1.39 |
| Finance Act, 1994 | Service Tax | Asstt Commissioner CGST | 2011-12, 2012-13, 2013-14, 2014-15, 2015-16 & 2016-17 | 3.23 | 3.23 |
| Central Sales Tax Act, 1956 | Sales Tax | Appellate authority up to Commissioners' level | 2006-07, 2007-08, 2009-10, 2010-11, 2012-13, 2013-14 & 2014-15 | 42.07 | 40.24 |
| | | Appellate Tribunal | 2005-06, 2006-07, 2007-08, 2013-14 & 2014-15 | 1,605.55 | 1,503.87 |
| Sales Tax Laws | Sales Tax / Value Added Tax/ Entry Tax | Appellate authority up to Commissioners' level | 2006-07, 2007-08, 2008-09, 2009-10, 2010-11, 2011-12, 2012-13 & 2013-14 & 2014-15 | 478.29 | 416.32 |
| | | Appellate Tribunal | 2005-06, 2007-08 & 2008-09 | 8.99 | 6.99 |

* 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 | 2011-12, 2012-13 & 2014-15 | 16.41 |

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

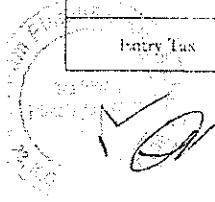
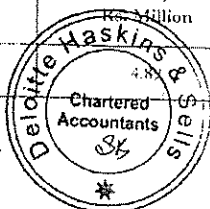
35. The Company has made provision for disputed/ pending litigation based on its assessment of the amount it estimates to incur to meet such obligations, details of which are given below:

| Particulars | As at March 31, 2017 (Rs. Million) | Addition during the year (Rs. Million) | As at March 31, 2018 (Rs. Million) |
|-------------|------------------------------------|--|------------------------------------|
| Entry Tax | 9.75 | | 9.75 |

| Particulars | As at March 31, 2016 (Rs. Million) | Addition during the year (Rs. Million) | As at March 31, 2017 (Rs. Million) |
|-------------|------------------------------------|--|------------------------------------|
| Entry Tax | 4.87 | 4.88 | 9.75 |

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36. Operating lease

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

| | Year ended March 31, 2018 Rs. million | Year ended March 31, 2017 Rs. million |
|--|---|---|
| The total of future minimum lease payments for remaining period of non- cancellable leases are as under: | | |
| Not later than one year | 8.33 | 7.43 |
| Later than one year but not later than five years | 13.81 | 13.81 |
| Later than five years | <u>277.35</u> | <u>280.80</u> |
| | <u>299.49</u> | <u>302.04</u> |

37. Segment reporting

The company is engaged in a single segment i.e. the business of "automotive components" from where it is earning its revenue and incurring expense. The operating results are regularly reviewed and performance is assessed by its Chief Operating Decision Maker (CODM). All the company's resources are dedicated to this single segment and all the discrete financial information is available for this segment.

Geographical information in respect of revenue from customer is given below

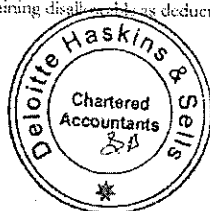
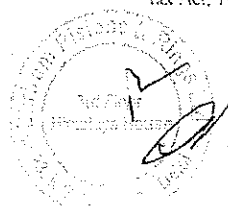
| | Year ended March 31, 2018 Rs. million | Year ended March 31, 2017 Rs. million |
|---------------|---|---|
| Domestic Sale | 14,419.54 | 13,172.64 |
| Export Sale | 2,993.65 | 2,823.22 |
| | <u>17,413.19</u> | <u>15,995.86</u> |

Revenue from one customer amounts to Rs 2098.58 million (previous year Rs 1945.41 million). No other single customer represents 10% or more to the Company revenue for financial year ended March 31, 2018 and March 31, 2017.

38. 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.

| | Year ended March 31, 2018 Rs. million | Year ended March 31, 2017 Rs. million |
|--|---|---|
| Amount remaining unpaid to suppliers under MSMED as at the end of year | | |
| - Principal amount | 54.50 | 35.72 |
| - Interest due thereon | | |
| Amount of payments made to suppliers beyond the appointed day during the year | | |
| - Principal amount | 40.88 | 36.62 |
| - Interest actually paid under section 16 of MSMED | 0.15 | 0.16 |
| 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 |
| Interest accrued and remaining unpaid at the end of the year | | |
| - Interest accrued during the year | 0.31 | 0.15 |
| - Interest remaining unpaid as at the end of the year | 0.31 | 0.18 |
| Interest remaining disallowed as deductible expenditure under the Income-tax Act, 1961 | 0.31 | 0.15 |



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39. Contingent liabilities

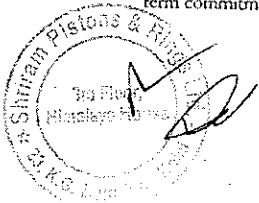
| | As at March 31, 2018 Rs. million | As at March 31, 2017 Rs. million |
|--|--|--|
| i) Disputed | | |
| - Excise duty | 1.82 | 5.07 |
| - Sales tax | 2,134.90 | 878.33 |
| - Service tax | 3.23 | 1.53 |
| - Income tax | 1.43 | 1.43 |
| - Employees' State Insurance | 28.83 | 28.83 |
| - Others | 8.65 | 8.65 |
| 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 | 23.30 | 8.16 |
| iv) Claims not acknowledged as debts | 112.97 | 89.70 |

40. Commitments

| | As at March 31, 2018 Rs. million | As at March 31, 2017 Rs. million |
|--|--|--|
| Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for | 539.65 | 366.69 |

Outstanding export obligation to be fulfilled over a period of maximum up to 5 years under the EPCG scheme against import of some machines is Rs. 4002.32 Millions (previous year Rs. 2982.71 Millions). Customs duty saved against outstanding export obligations is Rs. 51.55 million (previous year Rs. 10.73 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.



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41. Fair Value Measurement

i) The carrying value and fair value of financial instruments by categories as of March 31, 2018 are as under:

| Particulars | Financial assets/ (financial liabilities) at fair value through profit or loss (FVTPL) | (Rs. million) | |
|---|--|----------------------|------------------|
| | | Total carrying value | Total fair value |
| Financial assets/(financial liabilities) | | | |
| Investment in mutual fund | 200.36 | 200.36 | 200.36 |
| Derivatives instruments* | | | |
| - Forward contracts | (10.67) | (10.67) | (10.67) |
| - Cross currency interest rate swaps | 137.27 | 137.27 | 137.27 |
| Total | 326.96 | 326.96 | 326.96 |

The carrying value and fair value of financial instruments by categories as of March 31, 2017 are as under:

| Particulars | Financial assets/ (financial liabilities) at fair value through profit or loss (FVTPL) | (Rs. million) | |
|---|--|----------------------|------------------|
| | | Total carrying value | Total fair value |
| Financial assets/(financial liabilities) | | | |
| Investment in mutual fund | 80.05 | 80.05 | 80.05 |
| Derivatives instruments* | | | |
| - Forward contracts | (4.37) | (4.37) | (4.37) |
| - Cross currency interest rate swaps | 249.58 | 249.58 | 249.58 |
| Total | 325.26 | 325.26 | 325.26 |

*Change in fair value is recognised in other comprehensive income.

ii) Fair value hierarchy

The Company uses the following hierarchy for determining and/or disclosing the fair value of financial instruments by valuation techniques:

The following is the basis of categorising the financial instruments measured at fair value into Level 1 to Level 3.

Level 1 - This level includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - This level includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - This level includes financial assets and liabilities, measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

Fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2018

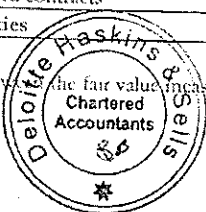
| Particulars | As at March 31, 2018 | (Rs. million) | | |
|------------------------------------|----------------------|--|----------------|----------|
| | | Fair value measurement at end of the reporting period/year using | | |
| | | Level 1 | Level 2 | Level 3 |
| Financial assets | | | | |
| Investment in mutual fund | 200.36 | 200.36 | - | - |
| Derivatives instrument | 137.27 | - | 137.27 | - |
| Total financial assets | 337.63 | 200.36 | 137.27 | - |
| Financial liabilities | | | | |
| Foreign currency forward contracts | (10.67) | - | (10.67) | - |
| Total financial liabilities | (10.67) | - | (10.67) | - |

For SHRIRAM PISTONS & RINGS LTD

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[Signature]

R. SRINIVASAN
Company Secretary



There is no transfer between the fair value measurement hierarchy amongst level 1, level 2 and level 3 during the year.

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Fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2017

| Particulars | As at March 31, 2017 | Fair value measurement at end of the reporting period/year using | | |
|------------------------------------|----------------------|--|---------------|----------|
| | | Level 1 | Level 2 | Level 3 |
| | | (Rs. million) | | |
| Financial assets | | | | |
| Investment in mutual fund | 80.05 | 80.05 | - | - |
| Derivatives instrument | 249.58 | - | 249.58 | - |
| Total financial assets | 329.63 | 80.05 | 249.58 | - |
| Financial liabilities | | | | |
| Foreign currency forward contracts | (4.37) | - | (4.37) | - |
| Interest rate swaps | - | - | - | - |
| Total financial liabilities | (4.37) | - | (4.37) | - |

There is no transfer between the fair value measurement hierarchy amongst level 1, level 2 and level 3 during the year.

iii). Financial assets and financial liabilities that are measured at amortised cost are :

| Particulars | As at March 31, 2018 | | As at March 31, 2017 | |
|---|----------------------|------------|----------------------|------------|
| | Carrying amount | Fair value | Carrying amount | Fair value |
| | (Rs. million) | | | |
| Financial assets | | | | |
| Investments in subsidiary | 0.50 | 0.50 | 0.50 | 0.50 |
| Trade and other receivables | 3,210.99 | 3,210.99 | 2,378.09 | 2,378.09 |
| Cash and cash equivalent | 1,811.34 | 1,811.34 | 1,550.90 | 1,550.90 |
| Loans | - | - | - | - |
| Bank deposit | 39.60 | 39.60 | 0.06 | 0.06 |
| Interest accrued on bank deposit | 41.26 | 41.26 | 56.27 | 56.27 |
| Margin money | 9.62 | 9.62 | 6.54 | 6.54 |
| Financial liabilities | | | | |
| Borrowings | 1,873.49 | 1,873.49 | 2,329.28 | 2,329.28 |
| Trade payables | 2,629.57 | 2,629.57 | 2,093.20 | 2,093.20 |
| Unclaimed dividends | 0.56 | 0.56 | 0.54 | 0.54 |
| Unclaimed matured deposits and interest accrued thereon | 3.86 | 3.86 | - | - |
| Capital creditors | 94.82 | 94.82 | 2.38 | 2.38 |
| | | | 71.42 | 71.42 |

The carrying value of above financial assets and financial liabilities approximate its fair value.

42. Capital management

The Company's objective for managing capital is to ensure as under:

- i) To ensure the company's ability to continue as a going concern
- ii) Maintaining a strong credit rating and debt equity ratio in order to support business and maximize the shareholders' value.
- iii) Maintain an optimal capital structure.
- iv) Compliance of financial covenants under the borrowing facilities.

For the purpose of capital management, capital includes issued equity capital, and all other equity reserves attributable to the equity holders of the Company.

The Company manages its capital structure keeping in view of:

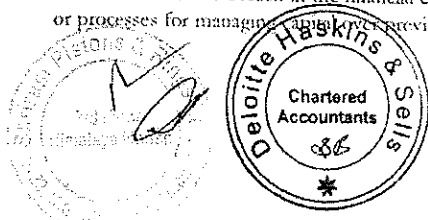
- i) Compliance of financial covenants under the borrowing facilities.
- ii) Changes in economic conditions

In order to achieve this overall objective of capital management, amongst other things, the Company aims to ensure that it meets financial covenants attached to the borrowings facilities defining capital structure requirements, where breach in meeting the financial covenants may permit the lender to call the borrowings.

There have been no breach in the financial covenants of any borrowing facilities in the current period. There is no change in the objectives, policies or processes for managing capital over previous year. To maintain the capital structure, the Company may vary the dividend payment to shareholders.

For SHRIRAM PISTONS & RINGS LTD.
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R. SRINIVASAN
Company Secretary
FCS 4034



43. Financial risk management

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that it derives directly from its operations. The Company also holds FVTPL current investments and enters into derivative transactions. The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks under appropriate policies and procedures.

i) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, FVTPL current investments and derivative financial instruments.

a) Foreign exchange risk

The Company is exposed to foreign exchange risk through its sales and purchases from overseas in foreign currencies mainly in USD, EURO and JPY. The Company holds derivative financial instruments such as foreign exchange forward and contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The exchange rate between the rupee and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Consequently, the results of the Company's operations are adversely affected as the rupee appreciates/ depreciates against these currencies.

Each percentage point change in the foreign exchange rates has an impact of 0.49% (previous year : 0.59%) on Company's operating margins.

The Company's foreign currency risk from financial instruments are as under

| Particulars | Currency | (Foreign currency million) | | | | | |
|--------------------|----------|----------------------------|--------|--------|----------------------|--------|--------|
| | | As at March 31, 2018 | | | As at March 31, 2017 | | |
| | | Total | Hedged | Net | Total | Hedged | Net |
| Trade Receivables | USD | 3.29 | 3.29 | 0.00 | 2.31 | 1.00 | 1.31 |
| | EUR | 6.10 | 5.95 | 0.15 | 5.29 | 3.32 | 1.98 |
| | JPY | 17.31 | 0.00 | 17.31 | 6.26 | 0.00 | 6.26 |
| | GBP | 0.17 | 0.15 | 0.02 | 0.12 | 0.00 | 0.12 |
| Trade Payables | USD | 0.15 | 0.00 | 0.15 | 0.28 | 0.00 | 0.28 |
| | EUR | 0.13 | 0.00 | 0.13 | 0.19 | 0.10 | 0.09 |
| | JPY | 450.12 | 230.00 | 220.12 | 441.39 | 336.37 | 105.02 |
| | GBP | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | CNY | 0.79 | 0.00 | 0.79 | 0.16 | 0.00 | 0.16 |
| Secured Bank Loans | USD | 11.80 | 11.80 | 0.00 | 20.10 | 20.10 | 0.00 |

b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates. The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. To manage this, the Company enters into cross currency interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount.

The Company is not exposed to any significant /material interest rate risk.

ii) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. Credit risk is managed by company's established policy, procedures and control relating to customer credit risk management. Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business. The Company uses expected credit loss model to assess the impairment loss and makes an allowance for doubtful debts using expected credit loss model on case to case basis.

Movement in the expected credit loss allowance of financial assets

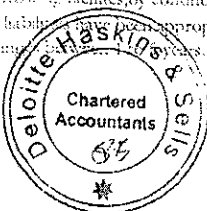
| Particulars | (Rs. million) | |
|----------------------------------|---------------------------|---------------------------|
| | Year ended March 31, 2018 | Year ended March 31, 2017 |
| Balance at beginning of the year | 26.93 | 26.93 |
| Add: Provided during the year | 6.23 | 1.53 |
| Less: Reversal of provision | (1.13) | (0.82) |
| Less: Amount written off | (2.91) | (0.73) |
| Balance at the end of the year | 29.12 | 26.93 |

For SHRIRAM PISTONS & RINGS LTD
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R. Srinivasan
R. SRINIVASAN
Company Secretary
FCS 4034

iii) Liquidity risk

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans. Liquidity risk is managed by company's established policy & procedures made under liquidity risk management framework. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and secure borrowing facilities by continuously forecast and actual cash flows, and by matching the maturity profile of financial assets and liabilities. The financial assets and liabilities are appropriately disclosed in financial statements as current and non current portion. The maturity period of non current financial assets and financial liabilities are as follows:



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44. Hedge Accounting

i) Forwards Contracts

The Company holds derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counter party for these contracts is generally a bank or a financial institution. These derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or in puts that are directly or indirectly observable in the market place.

Details of Forward Foreign Currency Contracts outstanding at the end of reporting period are as under:

| Outstanding Contracts | Currency | (Foreign currency million) | |
|--|----------|----------------------------|----------------------|
| | | As at March 31, 2018 | As at March 31, 2017 |
| Not later than one month | USD | 1.46 | 1.00 |
| | EUR | 1.40 | 0.80 |
| | JPY | 80.00 | 81.07 |
| | GBP | 0.08 | 0.00 |
| Later than one month and not later than three months | USD | 1.91 | 0.00 |
| | EUR | 2.55 | 2.60 |
| | JPY | 150.00 | 180.30 |
| | GBP | 0.07 | 0.00 |
| Later than three months and not later than one year | EUR | 2.00 | 0.00 |
| | JPY | 0.00 | 75.00 |

The Company has designated foreign exchange forward contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast cash transactions. The related hedge transactions for balance lying in cash flow hedging reserve are expected to occur and reclassified in the statement of profit or loss within 6 months. Hedge effectiveness is determined at the inception of the hedge relationship. To ensure that an economic relationship exists between the hedged item and hedging instrument, the Company matches the critical terms of the hedged items and hedging instruments.

ii) Cross currency Interest Rate Swaps

Under cross currency interest rate swap contracts, the Company agrees to exchange the principal and interest payment of its loans liabilities in foreign currency for equivalent amount in net present value terms in Indian rupees. Such contracts enable the Company to mitigate the risk of exchange rate and cash flow exposures on the issued variable rate debt in foreign currency.

Hedge effectiveness is determined at the inception of the hedge relationship. To ensure that an economic relationship exists between the hedged item and hedging instrument, the Company matches the critical terms of the hedged items and hedging instruments.

iii) Reconciliation of cash flow hedge reserve are as under:

| Particulars | (Rs million) | |
|--|----------------------|----------------------|
| | As at March 31, 2018 | As at March 31, 2017 |
| Assets / (liability) | | |
| Balance at the beginning of the year | (6.52) | 5.49 |
| Gain / (Loss) recognised in other comprehensive income during the year | (2.83) | (18.37) |
| Tax impact on above | 0.98 | 6.36 |
| Balance at the end of the year | (8.37) | (6.52) |

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

46. 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.



For SHRIRAM PISTONS & RINGS LTD
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R. Srinivasan

R. SRINIVASAN
Company Secretary
FCS 4034

47. The Board of Directors of the Company at its meeting held on May 22, 2018, granted its approval for the amalgamation of M/s. Shriram Automotive Products Ltd. (SAPL) ("Transferor") with M/s. Shriram Pistons & Rings Ltd (SPRL) ("Transferee") as per provisions of Companies Act, 2013 ("the Act"). The Company is in the process of seeking approvals as required under the provisions of the Act and other applicable laws and regulations. The accounting effect of amalgamation would be reflected in the financial statements of the Company with effect from appointed date of April 1, 2018, or any other date as may be approved by Honorable National Company Law Tribunal (NCLT), upon scheme becoming effective.

48. 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
Pradeep Dinodia
Chairman
Inderdeep Singh
Inderdeep Singh
Director

A.K. Taneja
A.K. Taneja
Managing Director & CEO



R. Srinivasan
R. Srinivasan
Jt. Managing Director & Company Secretary

Vikas Rastogi
Vikas Rastogi
Dy. Executive Director & CFO
PLACE: NEW DELHI

L.D. Shriram
L.D. Shriram
Whole - Time Director

Place :
Date: May 22, 2018



For SHRIRAM PISTONS & RINGS LTD
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R. Srinivasan
R. SRINIVASAN
Company Secretary
FCS 4034

Shriram Pistons & Rings Limited
Standalone Provisional Balance Sheet as at July 31, 2018

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| | As at July 31, 2018 Amount (Rs.) | As at March 31, 2018 Amount (Rs.) |
|-------------------------------------|--|---|
| ASSETS | | |
| Non-current assets | | |
| a) Property, plant and equipment | 5,342,616,538 | 5,511,951,897 |
| b) Capital work-in-progress | 473,708,247 | 112,272,649 |
| c) Intangible assets | 44,301,445 | 41,960,441 |
| d) Financial assets | | |
| (i) Investments | 500,000 | 500,000 |
| (ii) Other financial assets | 132,951,170 | 103,893,856 |
| e) Other non-current assets | 858,410,394 | 715,174,470 |
| | 6,852,487,794 | 6,485,753,311 |
| Current assets | | |
| a) Inventories | 3,071,244,551 | 2,810,373,072 |
| b) Financial assets | | |
| (i) Investments | 110,000,000 | 200,361,781 |
| (ii) Trade receivables | 3,102,702,343 | 3,210,989,574 |
| (iii) Cash and cash equivalents | 19,293,372 | 23,180,642 |
| (iv) Other bank balances | 1,538,834,575 | 1,788,159,073 |
| (v) Other financial assets | 131,530,683 | 123,861,581 |
| c) Other current assets | 312,040,224 | 266,718,085 |
| | 8,285,645,748 | 8,423,643,807 |
| TOTAL ASSETS | 15,138,133,541 | 14,909,397,118 |
| EQUITY AND LIABILITIES | | |
| Equity | | |
| a) Equity share capital | 223,749,120 | 223,749,120 |
| b) Other equity | 9,239,641,855 | 8,908,943,591 |
| | 9,463,390,975 | 9,132,692,711 |
| Liabilities | | |
| Non-current liabilities | | |
| a) Financial liabilities | | |
| (i) Borrowings | 493,697,189 | 657,950,486 |
| b) Provisions | 328,280,342 | 315,043,163 |
| c) Deferred tax liabilities (net) | 336,628,274 | 323,885,898 |
| d) Other non-current liabilities | 5,087,871 | 2,325,000 |
| | 1,163,693,675 | 1,299,204,547 |
| Current liabilities | | |
| a) Financial liabilities | | |
| (i) Borrowings | 365,556,586 | 414,927,175 |
| (ii) Trade payables | 2,720,827,564 | 2,629,569,011 |
| (iii) Other financial liabilities | 830,793,214 | 910,522,495 |
| b) Other Current Liabilities | 358,108,399 | 411,110,767 |
| c) Provisions | 92,455,395 | 89,042,404 |
| d) Current tax liabilities (net) | 143,307,733 | 22,328,008 |
| | 4,511,048,891 | 4,477,499,861 |
| TOTAL EQUITY AND LIABILITIES | 15,138,133,541 | 14,909,397,118 |

For SHRIRAM PISTONS & RINGS LTD.

NAVEEN AGARWAL
Alternate Company Secretary
ACS 10343

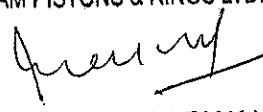
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Shriram Pistons & Rings Limited
Standalone Provisional Statement of Profit and Loss for the period ended July 31, 2018

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| | For the Period ended July 31, 2018 Amount (Rs.) | For the Year ended March 31, 2018 Amount (Rs.) |
|---|---|--|
| I Revenue from operations | 6,21,63,48,045 | 17,74,27,56,890 |
| II Other income | 8,02,89,710 | 25,00,70,537 |
| III Total income (I+II) | <u>6,29,66,37,755</u> | <u>17,99,28,27,427</u> |
| IV Expenses | | |
| Cost of materials consumed | 2,20,88,25,020 | 5,70,64,85,393 |
| (Increase) / Decrease in inventories of finished goods and work-in-progress | (16,72,34,346) | (31,79,61,817) |
| Excise duty on sale of goods | - | 44,86,05,591 |
| Employee benefit expenses | 1,21,15,26,368 | 3,36,32,21,686 |
| Finance costs | 4,58,44,947 | 16,41,90,116 |
| Depreciation and amortisation expense | 29,54,76,183 | 90,33,41,172 |
| Other expenses | 1,97,60,47,637 | 5,61,65,80,792 |
| Total expenses | <u>5,57,04,85,808</u> | <u>15,88,44,62,933</u> |
| V Profit before tax (III-IV) | 72,61,51,947 | 2,10,83,64,494 |
| VI Tax expense: | | |
| i) Current tax | 24,32,45,711 | 74,43,62,000 |
| ii) Deferred tax | 49,58,033 | (2,48,12,000) |
| | <u>24,82,03,744</u> | <u>71,95,50,000</u> |
| VII Profit for the year (V-VI) | <u>47,79,48,203</u> | <u>1,38,88,14,494</u> |
| VIII Other comprehensive income | | |
| A (i) Items that will not be reclassified to profit or loss | | |
| a) Remeasurements of the post employment defined benefit plans | 1,26,00,000 | 2,70,11,566 |
| (ii) Income tax relating to items that will not be reclassified to profit or loss | (44,02,944) | (93,48,163) |
| B (i) Items that will be reclassified to profit or loss | | |
| a) Fair value change of cash flow hedge | 97,79,250 | (28,31,322) |
| (ii) Income tax relating to items that will be reclassified to profit or loss | (33,81,399) | 9,79,864 |
| Total other comprehensive income | <u>1,45,94,907</u> | <u>1,58,11,945</u> |
| Total Comprehensive income (VII+VIII) | <u>49,25,43,109</u> | <u>1,40,46,26,439</u> |
| Earnings per share (of Rs. 10/- each) | | |
| Basic (Rs) | 21.36 | 62.07 |
| Diluted (Rs) | 21.36 | 62.07 |

For SHRIRAM PISTONS & RINGS LTD.


NAVEEN AGARWAL
 Alternate Company Secretary
 ACS 10343


TRUE COPY

V SAHAI TRIPATHI & CO
CHARTERED ACCOUNTANTS

C-593, LGF, Defence Colony
New Delhi - 110024
Tel. : +91-11- 46612531-33
Fax : +91-11- 46540520
E-Mail : vst@sahaitripathi.com

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF
SHRIRAM AUTOMOTIVE PRODUCTS LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying financial statements of SHRIRAM AUTOMOTIVE PRODUCTS LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, 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 preparation of these Ind AS 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 financial position, financial performance including other comprehensive income, cash flows and statement of changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act. The Board of Directors of the company are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company 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 Ind AS financial statements by the Directors of the Company.

Auditors' Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit. In conducting 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 there under.

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 Ind AS financial statements are free from material misstatement.

Certify true copy
For Shriram Automotive Products Ltd.


Director



An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the Ind AS 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 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 Ind AS 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 Ind AS 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,

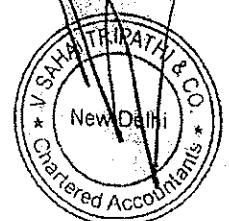
- (a) In the case of the Balance Sheet, of the State of Affairs of the Company as at March 31, 2018; and
- (b) In the case of Statement of Profit and Loss account, of the profit for the year ended on date March 31, 2018.
- (c) In the case of Cash Flow Statement for the year ended on date March 31, 2018.
- (d) In the case of Statement of changes in equity for the year ended on date March 31, 2018.

Emphasis of Matter

- (i) The Company M/Shriram Alpine Sales Private Limited (The Acquiree) merged with M/s Shriram Automotive Products Ltd (The Acquirer). The merger petitions were signed and submitted to the Hon'ble High Court of Delhi. Thereafter, final approval order of merger has been received from National Company Law Tribunal (NCLT) vide order Dated - 10th April, 2017. The merger's appointed date is 1st April, 2015 accordingly such order is effective from 1st April, 2015. The financials have been prepared on the basis of said merger order with effect from 01st April, 2015. As per the merger scheme, the shareholders of M/s Shriram Alpine Sales Private Limited will be issued six share of Shriram Automotive Products Limited against every ten shares of Shriram Alpine Sales Private Limited.

Certify true copy
For Shriram Automotive Products Ltd.

[Signature]
Director



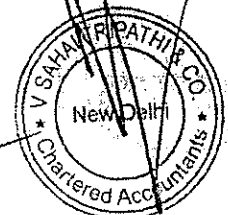
In the financials as at 31st March, 2017, Rs 25,20,000 representing 25,200 Equity Shares of Shriram Automotive Products Limited at face value of Rs 100, has been shown as share pending allotment as per the scheme of Amalgamation approved by National Company Law Tribunal (NCLT) vide order Dated - 10th April, 2017. The remaining amount of Rs 16,80,000 against which no shares have been allotted has been shown as Capital Reserve in the Schedule of Reserves and Surplus. During the year ended 31st March, 2018, Equity Shares were allotted on 28th June 2017 as per merger scheme against Share pending allotment account. Our opinion is not modified. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure-'A' statement on the matters specified in Order, to the extent applicable.
2. As required by Section 143 (3) of the Companies Act, 2013, 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, the cash flow statement and statement of changes in equity dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under section 133 of the Act.
 - e. On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, 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-'B'. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial control over financial reporting.

Certify true copy
For Shriram Automotive Products Ltd.

[Signature]
Director

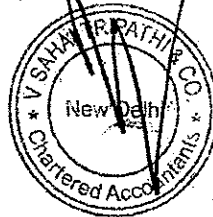


- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigation as on 31st March, 2018.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For & on behalf of
V Sahai Tripathi & CO.
Chartered Accountants
Firm's Registration Number 000262N

Manish Mohan
Partner
M.N.-091607

Place: New Delhi
Date: 21st May, 2018



Certify true copy
For Shriram Automotive Products Ltd.


Director

ANNEXURE-" A " TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph (1) of the report on other legal and regulatory requirements of Independent Auditor's Report to the members of Shriram Automotive Products Limited on the financial statements for the year ended March 31, 2018)


- 1) **In respect of Property, Plant and Equipment:-**
 - (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets;
 - (b) As per the information and explanation provided to us, Fixed Assets have been physically verified by the management during the year ended 31st March, 2018 at reasonable intervals. No material discrepancies were noticed on such verification. .
 - (c) The title deeds of all immovable properties are held in the name of Shriram Alpine Sales Private Limited, the erstwhile transferee (i.e. Acquiree) company. The name on the title deed are yet to be transferred in the name of company.

- 2) **In respect of Inventories:-**
 According to the information and explanations given to us, physical verification of inventories is conducted by the management at periodic intervals. These intervals are reasonable having regard to the size of the Company and the nature of its inventories. The company is maintaining proper records of inventories and discrepancies, which were not material, noticed on physical verification have been properly dealt with in the books of account

- 3) **In respect of Loans given by the Company:**
 The Company has not granted loans to Companies, Firms, Limited Liability Partnership or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, this clause is not applicable on the Company during the year ended 31st March, 2018.

- 4) **In respect to Loan to director and investment by the company :**
 The company has not granted any loans, investments, guarantees and securities during the year in terms of provisions of Section 185 and 186 of Companies Act, 2013

- 5) **In respect of Deposits:**
 The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regards to the deposits accepted from the public are not applicable.

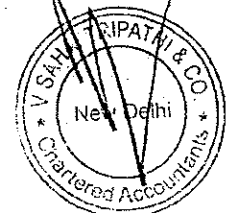
Certify true copy
 For Shriram Automotive Products Ltd.

 Director



- 6) **In respect of Cost records:**
According to information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013, in respect of business carried out by the company. Accordingly, this clause is not applicable on the Company during the year ended 31st March, 2018.
- 7) **In respect of statutory dues:**
- a) According to the information and explanations given to us and the records of the company examined by us, in our opinion, the company is regular in depositing the undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amount payable in respect of the aforesaid dues were outstanding as at 31st March, 2018 for a period of more than six months from the date of becoming payable.
- b) According to the information and explanations given to us and the records of the company produced before us, there were no disputed Statutory Dues pending before appropriate authorities.
- 8) **In respect of Repayment of Loan:**
In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks, financial institutions and government. The Company has taken loan from bank.
- 9) **In respect of utilization of IPO and further public offer**
The company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans. Accordingly, this clause is not applicable on the Company during the year ended 31st March, 2018.
- 10) **In respect of Reporting of fraud:**
According to the information and explanations given to us, no fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the year ended 31st March, 2018.
- 11) **In respect of managerial remuneration:**
According to the information and explanations given to us, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

Certify true copy
For Shriram Automotive Products Ltd.


Director



- 12) **In respect of Nidhi Company:**
The company is not a Nidhi Company and since this clause does not apply to the Company it is not required to maintain ten percent unencumbered term deposits as specified in the Nidhi Rules, 2014 to meet out the liability.

- 13) **In respect of Related Party Transactions:**
According to the information and explanations given to us and the records of the company examined by us, all transactions with the related parties are in compliance with Sections 177 and 188 of Companies Act, 2013 and details have been disclosed in the Financial Statements etc. as required by the applicable accounting standards.

- 14) **In respect of Private Placement of Preferential Issues:**
The Company M/s Shriram Alpine Sales Pvt Ltd. (The Acquiree) merged with M/s Shriram Automotive Products Ltd (The Acquirer). The merger petitions were signed and submitted to the Hon'ble High Court of Delhi. Thereafter, final approval order of merger has been received from National Company Law Tribunal (NCLT) vide order Dated - 10th April, 2017. The merger's appointed date is 1st April, 2015 accordingly such order is effective from 1st April, 2015. The financials have been prepared on the basis of said merger order with effect from 01st April, 2015. During the year ended 31st March, 2018, Equity Shares were allotted on 28th June 2017 as per merger scheme against Share pending allotment account.

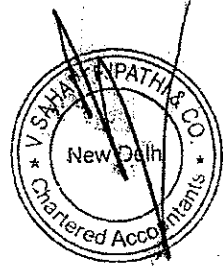
- 15) **In respect of Non-Cash Transactions:**
According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him and hence the provisions of Section 192 of Companies Act, 2013 are not applicable.

- 16) **In respect of registration under RBI Act, 1934:**
The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and hence this clause is not applicable.

For & on behalf of
V Sahai Tripathi & CO.
Chartered Accountants
Firm's Registration Number 000262N

(Signature)

Manish Mehan
Partner
M.N.-091607
Place: New Delhi
Date: 21st May, 2018



Certify true copy
For Shriram Automotive Products Ltd.

(Signature)
Director

ANNEXURE-"B" TO THE INDEPENDENT AUDITOR'S REPORT

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

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

In conjunction with our audit of the Ind As financial statements of the Company as of and for the year ended 31 March, 2018 we have audited the internal financial controls over financial reporting of SHRIRAM AUTOMOTIVE PRODUCTS LIMITED ("the Company") as of that date.

Management's Responsibility for Internal Financial Controls

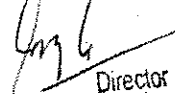
The respective Board of Directors of the company are responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note 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.

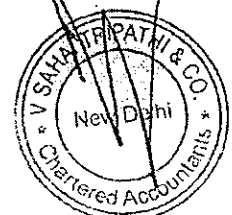
Auditors' Responsibility

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 ICAI 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

Certify true copy
For Shriram Automotive Products Ltd.


Director



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:

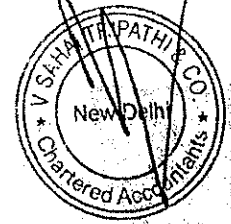
- a) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- b) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- c) Provide reasonable assurance regarding prevention and timely detection of unauthorized 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.

Certify true copy
For Shriram Automotive Products Ltd.

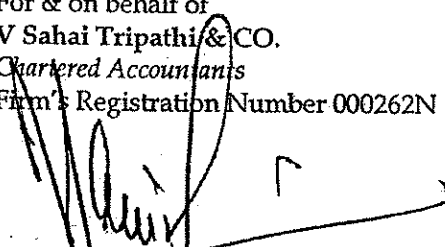

Director

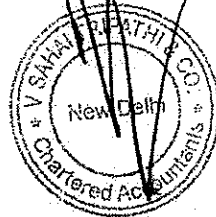


Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of March 31, 2018, 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.

For & on behalf of
V Sahai Tripathi & CO.
Chartered Accountants
Firm's Registration Number 000262N


Manish Mehan
Partner
M.N.-091607
Place: New Delhi
Date: 21st May, 2018



Certify true copy
For Shriram Automotive Products Ltd.


Director

SHRIRAM AUTOMOTIVE PRODUCTS LIMITED

Balance Sheet as at 31st March 2018

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| | | (Amount in Rupees) | | |
|-------------------------------------|----------|-----------------------|-----------------------|----------------------|
| Particulars | Note No. | As at 31st March 2018 | As at 31st March 2017 | As at 1st April 2016 |
| I ASSETS | | | | |
| 1 Non-current assets | | | | |
| (a) Property, Plant and Equipment | 1 | 14,976,853 | 18,286,774 | 19,174,909 |
| (b) Financial Assets | | | | |
| (i) Investments | 2 | 300,808 | 322,167 | 276,662 |
| (ii) Loans | 3 | 100,000 | 300,000 | 1,850,000 |
| (ii) Other Financial Assets | 4 | 3,184,796 | 3,284,666 | 2,541,660 |
| (b) Deferred Tax Asset (Net) | 5 | 7,945,555 | 8,673,630 | 7,755,637 |
| (d) Other Non-Current Assets | 6 | 62,547,320 | 3,416,513 | 3,979,999 |
| 2 Current assets | | | | |
| (a) Inventories | 7 | 75,841,975 | 85,695,055 | 74,599,352 |
| (b) Financial Assets | | | | |
| (i) Trade receivables | 8 | 278,507,431 | 190,357,599 | 240,006,707 |
| (ii) Cash and Cash Equivalents | 9 | 4,025,278 | 11,721,918 | 2,499,491 |
| (iii) Other Bank Balances | 10 | 52,314,619 | 66,358,048 | 60,051,099 |
| (iv) Loans | 11 | 200,000 | 577,531 | 287,899 |
| (v) Other Financial Assets | 12 | 16,673,093 | 16,360,421 | 21,953,507 |
| (c) Current Tax Assets (Net) | 13 | 1,206,432 | - | - |
| (d) Other Current Assets | 14 | 5,041,059 | 1,455,071 | 3,481,413 |
| TOTAL ASSETS | | 522,865,219 | 406,809,393 | 438,458,335 |
| II EQUITY AND LIABILITIES | | | | |
| 1 Equity | | | | |
| (a) Equity Share Capital | 15 | 12,024,000 | 9,504,000 | 9,504,000 |
| (b) Other Equity | | 143,617,229 | 133,896,543 | 121,042,307 |
| 2 Liabilities | | | | |
| Non-current liabilities | | | | |
| (a) Financial Liabilities | | | | |
| (i) Other Financial Liabilities | 16 | 26,483,099 | 25,899,514 | 29,608,164 |
| (b) Provisions | 17 | 9,376,528 | 9,574,308 | 9,021,758 |
| Current liabilities | | | | |
| (a) Financial Liabilities | | | | |
| (i) Borrowings | 18 | - | 10,047,034 | 5,996,576 |
| (ii) Trade Payables | 19 | 284,060,317 | 179,451,860 | 212,508,430 |
| (iii) Other Financial Liabilities | 20 | 3,842,546 | 7,763,954 | 13,891,182 |
| (b) Other Current Liabilities | 21 | 31,861,108 | 24,274,547 | 23,370,834 |
| (c) Provisions | 22 | 11,600,392 | 6,397,633 | 13,515,084 |
| TOTAL EQUITY AND LIABILITIES | | 522,865,219 | 406,809,393 | 438,458,335 |

Notes forming part of the financial statements

1 to 48

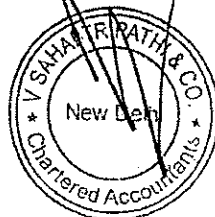
This is the Balance Sheet referred to in our report of even date

For V. Sahai Tripathi & Co.

Chartered Accountants
Firm Regn No. 000252N

Manish Mohan
(Partner)
Membership No. 091607

Place: New Delhi
Date: 21-5-2018



(Gen. Manager)

K. Shrivastava (DIN: 00050036) / A. Vaswani (DIN: 00049428)

(DIN: 00051065) (DIN: 00023760)
(Directors)

(Chairman) (DIN: 00124814)

Certify true copy
For Shriram Automotive Products Ltd.

Director

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SHRIRAM AUTOMOTIVE PRODUCTS LIMITED
Statement of Profit and Loss for the period ended 31st March 2018

| | | (Amount in Rupees) | |
|---|----------|-----------------------|-----------------------|
| Particulars | Note No. | As at 31st March 2018 | As at 31st March 2017 |
| I. Revenue From Operations | 23 | 1,268,327,443 | 1,212,656,835 |
| II. Other Income | 24 | 18,979,381 | 6,479,574 |
| III. Total Revenue (I + II) | | 1,287,306,824 | 1,219,136,409 |
| IV. Expenses: | | | |
| Cost of Material Consumed | 25 | 3,661,484 | 10,305,666 |
| Purchase of Stock-in Trade | 26 | 997,424,170 | 957,062,627 |
| Changes in Inventory | 27 | 6,191,596 | (14,163,647) |
| Excise duty on Sale of Goods | | 3,072,759 | 8,661,057 |
| Employee Benefits Expense | 28 | 68,036,536 | 67,029,040 |
| Finance Costs | 29 | 7,677,067 | 7,495,521 |
| Depreciation and Amortization Expense | 1 | ✓ 5,721,672 | 6,293,590 |
| Other Expenses | 30 | 154,369,393 | 153,876,850 |
| Total Expenses | | 1,246,154,676 | 1,196,560,705 |
| V. Profit before exceptional items and tax (III-IV) | | 41,152,148 | 22,575,705 |
| VI. Exceptional Item | | | |
| VII. Profit before tax (V - VI) | | ✓ 41,152,148 | 22,575,705 |
| VIII. Tax expense: | 31 | | |
| (1) Current Tax | | 13,982,906 | 7,844,000 |
| (2) Deferred Tax | 5 | (376,771) | (495,133) |
| (3) Prior Period Tax | | | |
| IX Profit (Loss) for the period | | 27,546,013 | 15,226,838 |
| X Other Comprehensive income | | | |
| A (i) Items that will not be reclassified to profit or loss - Remeasurements of the defined benefit plans | | ✓ 3,341,638 | (1,278,950) |
| (ii) Income tax relating to items that will not be reclassified to profit or loss | 5 | (1,104,846) | 422,859 |
| B (i) Items that will be reclassified to profit or loss | | - | - |
| (ii) Income tax relating to items that will be reclassified to profit or loss | | - | - |
| XI Total Comprehensive Income for the period (X+XI) (Comprising profit (loss) and other Comprehensive Income for the period) | | 29,782,805 | 14,370,747 |
| XII Earnings per equity share (for continuing operation): | 32 | | |
| - Basic | | 229.09 | 126.64 |
| - Diluted | | 229.09 | 126.64 |

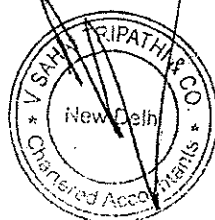
Notes forming part of the financial statements
This is the Balance Sheet referred to in our report of even date

1 to 48

For V. Saha, Tripathi & Co.
Chartered Accountants
Firm Regn No. 000262N

Manish Mohan
(Partner)
Membership No. 091607

Place: New Delhi
Date: 21-5-2018



Kshirani Vaswani
(DIN: 00050036) (DIN: 00114428)

(Gen. Manager)

(DIN: 00051065) (Directors)

(DIN: 0002376)

(Chairman)

Certify true copy
For Shriram Automotive Products Ltd.

Director

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SHRIRAM AUTOMOTIVE PRODUCTS LIMITED
Statement of Cash Flow for the period ended 31st March 2018

(Amount in Rupees)

| Particulars | 31.03.2018 | 31.03.2017 |
|---|---------------------|--------------------|
| (A) Cash flow from Operating Activities | | |
| Profit Before Tax | 41,152,148 | 22,575,705 |
| ded: (Profit)/Loss on sale of Assets - Net | (821,828) | (439,518) |
| Unrealised (Gains)/Loss on investments carried at fair value through statement of profit and loss | 21,359 | (45,505) |
| Depreciation | 5,721,672 | 6,293,590 |
| Interest Paid | 7,677,067 | 7,495,521 |
| Interest Received | (4,250,765) | (5,777,305) |
| Dividend Received | (1,368) | (1,920) |
| Movement in Earned leaves/Gratuity | (4,000,653) | 1,180,878 |
| Remeasurement of post employment defined benefit plans | 3,341,638 | (1,278,950) |
| Operating Profits before working Capital changes | 48,839,270 | 30,002,496 |
| Adjustment for: | | |
| Change in Trade Payable | 104,608,457 | (33,056,570) |
| Change in Other Liabilities | 4,248,738 | (8,932,165) |
| Change in Provisions | 4,680,944 | (6,498,112) |
| Change in Inventories | 9,853,080 | (11,095,703) |
| Change in Trade receivable | (88,149,832) | 49,649,108 |
| Change in Loans & Advances | (60,789,432) | 8,406,569 |
| Cash generation from Operating Activities | 23,291,226 | 28,475,622 |
| ess: Income Tax | 12,427,284 | 8,797,960 |
| Net Cash generation from Operating Activities | 10,863,941 | 19,677,662 |
| (B) Cash Flow from Investing Activities | | |
| Interest Income | 4,250,765 | 5,777,305 |
| Dividend Income | 1,368 | 1,920 |
| Purchase of Fixed Assets | (3,519,487) | (6,228,552) |
| Sale of Fixed Assets | 1,929,564 | 1,262,615 |
| Movement in Margin Money with banks | (2,731,151) | (5,066,650) |
| Movement in Deposits more than 12 months | 16,774,580 | (1,240,299) |
| Net Cash from Investing Activities | 16,705,639 | (5,493,661) |
| (C) Cash Flow from Financing Activities | | |
| Interest Paid | (7,677,067) | (7,495,521) |
| Proceeds/(Repayment) of Borrowing | (10,047,034) | 4,050,458 |
| Payment of Dividend including Corporate Dividend tax | (17,542,119) | (1,516,511) |
| Net Cash flow in Financing Activities | (35,266,220) | (4,961,574) |
| Net increase decrease in cash & cash equivalents | (7,696,640) | 9,222,427 |
| Cash and Cash equivalents (Opening Balance) | 11,721,918 | 2,499,491 |
| Cash and Cash equivalents (Closing Balance) | 4,025,278 | 11,721,918 |

Certify true copy
For Shriram Automotive Products Ltd.

[Signature]
Director



SHRIKAM AUTOMOTIVE PRODUCTS LIMITED
Statement of Change in Equity as at March 31, 2018

| Particulars | Equity Share Capital | |
|---|-----------------------|----------------------|
| | As at 31st March 2018 | As at 1st April 2016 |
| Balance at the beginning of the reporting period; | 9,504,000 | 9,504,000 |
| Changes in equity share capital during the year; | 2,520,000 | - |
| Balance at the end of the reporting period | 12,024,000 | 9,504,000 |

Other Equity

Other equity consist of following :

| Particulars | Reserves and Surplus | | | | Total |
|---|---------------------------|-----------------|-----------------|-------------------|--------------|
| | Share Application Pending | Capital Reserve | General Reserve | Retained Earnings | |
| <i>Balance as at April 1, 2016</i> | | | | | |
| Profit/ (loss) for the year | 2,520,000 | 1,680,000 | 18,535,600 | 98,306,707 | 121,042,307 |
| Other comprehensive income/ (loss) for the year | - | - | - | 15,226,838 | 15,226,838 |
| Dividends (including corporate dividend tax) | - | - | - | (856,091) | (856,091) |
| Transfer to General Reserve | - | - | - | (1,516,511) | (1,516,511) |
| Transfer to Capital Reserve | - | - | - | - | - |
| Balance at the end of the 31.03.2017 | 2,520,000 | 1,680,000 | 18,535,600 | 111,160,943 | 133,896,543 |
| Profit/ (loss) for the year | - | - | - | 27,546,013 | 27,546,013 |
| Other comprehensive income/ (loss) for the year | - | - | - | 2,236,792 | 2,236,792 |
| Dividends (including corporate dividend tax) | - | - | - | (17,542,119) | (17,542,119) |
| Transfer to General Reserve | - | - | - | - | - |
| Transfer to Capital Reserve | - | - | - | - | - |
| Issue of Equity Share Capital | (2,520,000) | - | - | - | (2,520,000) |
| Balance at the end of the 31.03.2018 | - | 1,680,000 | 18,535,600 | 123,401,629 | 143,617,229 |

Notes forming part of the financial statements
This is the Balance Sheet referred to in our report of even date

1 to 48

For V. Sahai Tripathi & Co.
Chartered Accountants
Firm Regn No. 000262N

Manish Mehta
(Partner)
Membership No. 091607

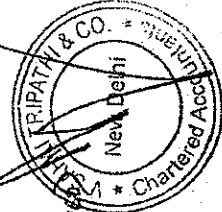
Place : New Delhi
Date : 21-5-2018

K Sharma
(DIN: 0050036)

(Director)
(DIN: 00023765)

(Chairman)
(DIN: 00124814)

Certify true copy
For Shrikam Automotive Products Ltd.
Director

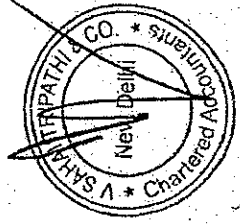


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1 Property, Plant and Equipment
Property, plant and equipment consist of the following :

| Particulars | Land & Building - Flat | Plant & Machinery | Furniture & Fixture | Electrical Installations | Equipment & Appliances | Office Equipment | Motor Vehicle | Computer | Total |
|---|------------------------|-------------------|---------------------|--------------------------|------------------------|------------------|---------------|-----------|------------|
| Year ended 31 March 2018 | | | | | | | | | |
| Opening gross carrying amount: | 2,925,636 | 2,495,472 | 3,911,456 | 1,203,518 | 1,012,495 | 256,755 | 9,059,805 | 761,471 | 21,626,608 |
| Additions | - | - | 202,474 | - | 622,106 | - | 2,059,786 | 635,151 | 3,519,487 |
| Disposals | - | 54,081 | 80,144 | 45,988 | 35,019 | 9,041 | 1,049,000 | 28,139 | 1,301,412 |
| Closing gross carrying amount as at March 31, 2018 | 2,925,636 | 2,441,391 | 4,033,786 | 1,157,530 | 1,599,582 | 247,714 | 10,070,561 | 1,368,483 | 23,846,683 |
| Opening accumulated depreciation | 224,933 | 432,501 | 930,787 | 235,346 | 284,979 | 80,158 | 1,049,557 | 101,573 | 3,339,834 |
| Depreciation charged during the year 2017-2018 | 207,639 | 524,313 | 789,261 | 251,234 | 361,529 | 75,805 | 2,915,016 | 596,875 | 5,721,672 |
| Depreciation on Disposals | - | 9,780 | 14,874 | 7,838 | 6,081 | 1,279 | 142,061 | 11,763 | 193,676 |
| Closing accumulated depreciation as at March 31, 2018 | 432,572 | 947,034 | 1,705,174 | 478,742 | 640,427 | 154,694 | 3,822,512 | 686,685 | 8,867,830 |
| Net carrying amount as at March 31, 2018 | 2,493,064 | 1,494,357 | 2,328,612 | 678,788 | 959,155 | 93,030 | 6,248,049 | 681,798 | 14,976,853 |
| Year ended 31 March 2017 | | | | | | | | | |
| Deemed cost as at 01.04.2016 | 2,925,636 | 1,734,252 | 3,645,146 | 1,105,209 | 889,524 | 248,105 | 9,202,357 | 424,680 | 19,174,909 |
| Additions | - | 761,220 | 360,294 | 243,149 | 308,687 | 50,900 | 3,710,169 | 794,133 | 6,228,552 |
| Disposals | - | - | 93,984 | 144,840 | 185,716 | 42,250 | 2,892,721 | 457,342 | 3,776,883 |
| Closing gross carrying amount as at March 31, 2017 | 2,925,636 | 2,495,472 | 3,911,456 | 1,203,518 | 1,012,495 | 256,755 | 9,059,805 | 761,471 | 21,626,608 |
| Depreciation charged during the year 2016-2017 | 224,933 | 432,501 | 990,473 | 309,372 | 419,469 | 119,496 | 3,271,940 | 525,506 | 6,293,590 |
| Depreciation on Disposals | - | - | 59,686 | 74,026 | 134,490 | 99,338 | 2,224,283 | 423,933 | 2,953,756 |
| Closing accumulated depreciation as at March 31, 2017 | 224,933 | 432,501 | 930,787 | 235,346 | 284,979 | 80,158 | 1,049,557 | 101,573 | 3,339,834 |
| Net carrying amount as at March 31, 2017 | 2,700,703 | 2,062,971 | 2,980,669 | 968,172 | 727,516 | 176,597 | 8,010,248 | 659,898 | 18,286,774 |
| Deemed cost as on 01.04.2016 | | | | | | | | | |
| Opening gross value as on 01.04.2015 | 4,402,128 | 8,483,519 | 8,220,394 | 2,451,183 | 4,519,930 | 778,475 | 27,473,452 | 3,256,298 | 59,585,379 |
| Additions | - | - | 493,018 | 246,171 | 393,435 | 123,089 | 2,684,724 | 336,800 | 4,277,237 |
| Disposals | - | - | 133,486 | 232,072 | 191,794 | 20,905 | 3,837,023 | 91,575 | 4,506,855 |
| Closing gross carrying amount as at March 31, 2016 | 4,402,128 | 8,483,519 | 8,579,926 | 2,465,282 | 4,721,571 | 880,659 | 26,321,153 | 3,501,523 | 59,355,761 |
| Opening acc Dep as on 01.04.2015 | 1,232,825 | 6,329,255 | 3,867,915 | 1,120,205 | 3,553,347 | 447,389 | 17,779,420 | 2,769,066 | 37,099,422 |
| Depreciation charged during the year | 243,667 | 420,012 | 1,156,441 | 376,896 | 436,147 | 201,612 | 3,488,016 | 391,617 | 6,714,408 |
| Depreciation on Disposals | - | - | 89,576 | 137,028 | 157,447 | 16,447 | 3,148,640 | 83,840 | 3,632,978 |
| Closing accumulated depreciation as at March 31, 2016 | 1,476,492 | 6,749,267 | 4,934,780 | 1,360,073 | 3,832,047 | 632,554 | 18,118,796 | 3,076,843 | 40,180,852 |
| Net carrying amount as at March 31, 2016 | 2,925,636 | 1,734,252 | 3,645,146 | 1,105,209 | 889,524 | 248,105 | 8,202,357 | 424,680 | 19,174,909 |

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2 Investments (Non-current)

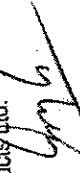
Investments consist of the following :

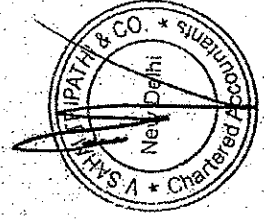
| Particulars | As at 31st March 2018 | As at 31st March 2017 | As at 1st April 2016 | Basis of Valuation |
|---|-----------------------|-----------------------|----------------------|--------------------|
| Carried at fair value through Profit & loss | | | | |
| - Investments in Equity Shares - Quoted (Refer Note 2A) | 260,783 | 282,142 | 236,637 | FVTPL |
| Carried at amortised cost | | | | |
| - Investments in National Savings Certificate - Unquoted* | 40,025 | 40,025 | 40,025 | Amortised Cost |
| *(Pledge with Sales Tax Department in Jaipur) | | | | |
| TOTAL | 300,808 | 322,167 | 276,662 | |

2A Investments in Equity Shares

| Particulars | No. of Shares | | | |
|--------------------------------|-----------------------|-----------------------|----------------------|--|
| | As at 31st March 2018 | As at 31st March 2017 | As at 1st April 2016 | |
| Investment in Equity Shares | | | | |
| Shares of BCSCH LTD | 10 | 10 | 10 | |
| Shares of RANE BRAKE LINING | 20 | 20 | 20 | |
| Shares of RANE HOLDINGS LTD | 15 | 15 | 15 | |
| Shares of SUNDRAM BRAKE LINING | 50 | 50 | 50 | |
| TOTAL | | | | |

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3 Loans (Non-current)

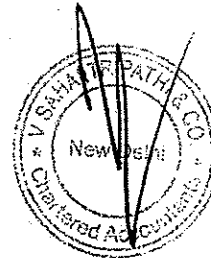
Loans consist of the following :

| Particulars | As at 31st March 2018 | As at 31st March 2017 | As at 1st April 2016 |
|---|--------------------------|--------------------------|-------------------------|
| Other Loans | | | |
| Unsecured, considered good | | | |
| - Loan to Suppliers <i>(Interest Bearing Loan at amortised cost)</i> | 100,000 | 300,000 | 1,850,000 |
| TOTAL | 100,000 | 300,000 | 1,850,000 |

4 Other Financial Assets (Non-current)

Other Financial Assets consist of the following :

| Particulars | As at 31st March 2018 | As at 31st March 2017 | As at 1st April 2016 |
|--|--------------------------|--------------------------|-------------------------|
| Security Deposits; | | | |
| - Deposits for Rented Premises | 3,111,596 | 3,211,466 | 2,478,460 |
| - Other deposits <i>(at amortised cost)</i> | 63,200 | 63,200 | 53,200 |
| - Fixed Deposit <i>(having remaining maturity of more than 12 months from reporting date)</i> | 10,000 | 10,000 | 10,000 |
| TOTAL | 3,184,796 | 3,284,666 | 2,541,660 |



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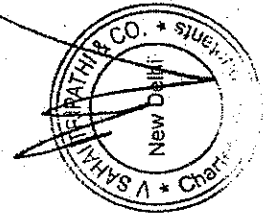
Note 5: Deferred Tax Assets (Net)

Major Components of the deferred tax balances

| Particulars | As at 1st April 2016 | As at 31st March 2017 | As at 31st March 2018 |
|---|----------------------|-----------------------|-----------------------|
| Remeasurement of Investment through Profit and Loss | (80,412) | (95,457) | (88,395) |
| Deferred Tax Assets: | | | |
| Property, Plant and Equipment | 3,721,922 | 3,950,488 | 3,965,085 |
| Post Employment Defined Benefit Plans | 3,715,697 | 4,106,130 | 2,783,393 |
| Allowance for Expected Credit Loss | 398,761 | 717,036 | 1,286,890 |
| Others | (331) | (4,567) | (1,418) |
| Total | 7,755,637 | 8,673,630 | 7,945,555 |

Movement in Deferred Tax Assets/(Liabilities)

| Particulars | Property, Plant and Equipment | Post Employment Defined Benefit Plans | Allowance for Expected Credit Loss | Remeasurement of Investment through Profit and Loss | Others | Total |
|-----------------------------------|-------------------------------|---------------------------------------|------------------------------------|---|---------|-------------|
| Particulars | | | | | | |
| At April 1, 2016 | 3,721,922 | 3,715,697 | 398,761 | (80,412) | (331) | 7,755,637 |
| (Charged) / credited | | | | | | |
| - to Statement of Profit and Loss | 228,566 | (32,426) | 318,275 | (15,045) | (4,237) | 495,133 |
| - to other comprehensive income | | 422,859 | - | - | | 422,859 |
| At 31st March, 2017 | 3,950,488 | 4,106,130 | 717,036 | (95,457) | (4,567) | 8,673,630 |
| (Charged) / credited | | | | | | |
| - to Statement of Profit and Loss | 14,596 | (217,891) | 569,854 | 7,062 | 3,150 | 376,771 |
| - to other comprehensive income | | (1,104,846) | - | - | | (1,104,846) |
| At 31st March, 2018 | 3,965,085 | 2,783,393 | 1,286,890 | (88,395) | (1,418) | 7,945,555 |



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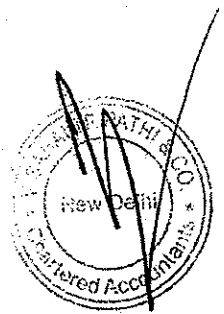
6 Other Non-Current Assets

Other Non-Current Assets consist of the following :

| Particulars | As at 31st March 2018 | As at 31st March 2017 | As at 1st April 2016 |
|--|--------------------------|--------------------------|-------------------------|
| Advances other than capital advances: | | | |
| - Balances with Government Authorities (Note 6A) | 62,547,320 | 3,416,513 | 3,979,999 |
| Total | 62,547,320 | 3,416,513 | 3,979,999 |

6A Balances with Government Authorities

| Particulars | As at 31st March 2018 | As at 31st March 2017 | As at 1st April 2016 |
|-------------------------------------|--------------------------|--------------------------|-------------------------|
| - Custom Duty Recoverable | 218,669 | 218,669 | 218,669 |
| - GST Recoverable - Output | 21,525,516 | - | - |
| - GST Recoverable - Input | 36,093,733 | - | - |
| - GST Recoverable - Stock | 3,606,654 | - | - |
| - Excise Recoverable | - | 1,126,764 | 1,838,485 |
| - CST Recoverable - Bhopal | - | - | 13,500 |
| - VAT Refund Receivable | 345,261 | 149,738 | 132,168 |
| - Income Tax/TDS Receivable | 3,787 | 1,921,342 | 1,777,177 |
| - Deposit With Sales Tax Department | 753,700 | - | - |
| Total | 62,547,320 | 3,416,513 | 3,979,999 |



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7 Inventories

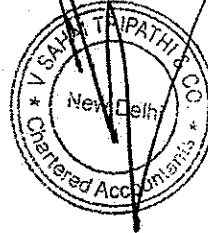
Inventories consist of the following:

| Particulars | As at 31st March 2018 | As at 31st March 2017 | As at 1st April 2016 |
|------------------------------|-----------------------|-----------------------|----------------------|
| (a) Raw Material/ Components | | | |
| Drive Chain | | | 1,409,729 |
| Others | | 3,661,484 | 5,319,700 |
| | | 3,661,484 | 6,729,429 |
| (b) Stock in Trade | | | |
| Auto Components/Spares | 68,090,497 | 79,763,904 | 64,661,492 |
| Lubricants | 7,751,478 | 2,269,667 | 3,208,431 |
| | 75,841,975 | 82,033,571 | 67,869,923 |
| Total | 75,841,975 | 85,695,055 | 74,599,352 |

- (a) The amount of inventory recognised as closing stock amounting to Rs.7,58,41,975 have been shown net of Rs 16,54,480 is in respect of in respect of write-downs of inventory to net realisable value.
- (b) Stock of manufactured finished goods are valued at cost or at market value, whichever is lower on First In First Out (FIFO) basis.

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8 Trade Receivables

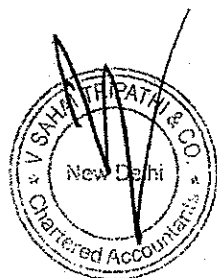
Trade receivables consist of the following:

| Particulars | As at 31st March 2018 | As at 31st March 2017 | As at 1st April 2016 |
|--|--------------------------|--------------------------|-------------------------|
| Unsecured, Considered good; Doubtful | 278,507,431 | 190,357,599 | 240,006,707 |
| | 3,892,235 | 2,168,695 | 1,206,064 |
| | 282,399,666 | 192,526,294 | 241,212,771 |
| Less: Allowance for expected credit loss | 3,892,235 | 2,168,695 | 1,206,064 |
| Total | 278,507,431 | 190,357,599 | 240,006,707 |

The company applies the simplified approach to provide for expected credit loss prescribed by Ind AS 109, which permits the use of the lifetime expected loss provision for all trade receivables. The company uses expected credit loss model to assess the impairment loss and make allowance on doubtful debts using expected credit loss model on case to case basis.

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11 Loans (Current)

Loans consist of the following at amortised cost :

| Particulars | As at 31st March 2018 | As at 31st March 2017 | As at 1st April 2016 |
|----------------------------|--------------------------|--------------------------|-------------------------|
| Other Loans | | | |
| Unsecured, considered good | | | |
| - Loan to Suppliers | 200,000 | 540,000 | 200,000 |
| - Loan To Staff | - | 37,531 | 87,899 |
| TOTAL | 200,000 | 577,531 | 287,899 |



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12 Other Financial Assets (Current)

Other Current Assets consist of the following at amortised cost:

| Particulars | As at 31st March 2018 | As at 31st March 2017 | As at 1st April 2016 |
|----------------------------------|--------------------------|--------------------------|-------------------------|
| (a) Claims Receivable; | 150,898 | 868,592 | 2,787,324 |
| (b) Interest Accrued | 1,026,820 | 2,968,615 | 8,266,010 |
| (c) Export Incentive Receivables | 15,495,375 | 12,523,214 | 10,900,173 |
| Total | 16,673,093 | 16,360,421 | 21,953,507 |



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Director

13 Current Tax Assets (Net)

Current Tax Assets (Net) consist of the following :

| Particulars | As at 31st March 2018 | As at 31st March 2017 | As at 1st April 2016 |
|--|--------------------------|--------------------------|-------------------------|
| Tax Recoverable (Net of Provision) (Note 13A) | 1,206,432 | - | - |
| TOTAL | 1,206,432 | - | - |

13A Details of Tax Receivable

| Particulars | For the year | For the year | For the year |
|-------------------|--------------------|------------------|------------------|
| Advance Tax | 12,000,000 | 8,490,000 | 17,641,260 |
| TDS | 427,284 | 560,432 | 587,779 |
| Provision for Tax | 13,982,906 | 7,844,000 | 19,183,000 |
| Net | (1,555,622) | 1,206,432 | (953,961) |

*Current year provision for tax have been shown net under the head Provisions .



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14 Other Current Assets

Other Current Assets consist of the following :

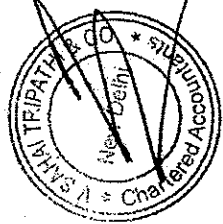
| Particulars | As at 31st March 2018 | As at 31st March 2017 | As at 1st April 2016 |
|---------------------------------------|--------------------------|--------------------------|-------------------------|
| Advances other than capital advances: | | | |
| (a) Advances to related parties; | - | - | - |
| (b) Other advances (Refer Note 14A) | 5,041,059 | 1,455,071 | 3,481,413 |
| Total | 5,041,059 | 1,455,071 | 3,481,413 |

14A Details of Other Advances

| Particulars | As at 31st March 2018 | As at 31st March 2017 | As at 1st April 2016 |
|-------------------------------|--------------------------|--------------------------|-------------------------|
| Prepaid Expenses | 619,994 | 720,789 | 794,757 |
| Advance to Suppliers | 2,733,381 | 1,815,664 | 3,474,331 |
| Gratuity Fund - Planned Asset | 1,687,684 | (1,081,382) | (787,675) |
| Total | 5,041,059 | 1,455,071 | 3,481,413 |

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15 Share Capital

The authorised, issued, subscribed and fully paid up share capital of equity shares having a par value of Rs100 each as follows:

| Share Capital | As at 31st March 2018 | | As at 31st March 2017 | | As at 1st April 2016 | |
|---|-----------------------|-------------------|-----------------------|------------------|----------------------|------------------|
| | | | | | | |
| Authorised Equity Shares of Rs 100 each | 250,000 | 25,000,000 | 2,50,000* | 2,50,00,000* | 2,50,000* | 2,50,00,000* |
| Issued, Subscribed & Fully Paid 95,040 Equity Shares of Rs 100 each | 120,240 | 12,024,000 | 95,040 | 9,504,000 | 95,040 | 9,504,000 |
| Total | 120,240 | 12,024,000 | 95,040 | 9,504,000 | 95,040 | 9,504,000 |

* Authorised Shares Capital revised as per NCLT order dated 10th April 2015, effective from 1st April 2015 of amalgamation of Shriram Alpines Sales Private Limited with the Company

(i) Equity Shares :- The company has one class of equity shares having a par value of Rs 100 each. Each share holder of equity is entitled to one vote per share.

(ii) The Company declares and pays dividend in Indian rupees. The proposed dividend by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

(iii) In the event of liquidation of the company, holders of equity shares will be entitled to receive remaining assets of the company after distributing of all preferential amounts.

15A Reconciliation of number of shares

| Particulars | Equity Shares | | | | | |
|---|-----------------------|------------|-----------------------|-----------|----------------------|-----------|
| | As at 31st March 2018 | | As at 31st March 2017 | | As at 1st April 2016 | |
| Shares outstanding at the beginning of the year | 95,040 | 9,504,000 | 95,040 | 9,504,000 | 95,040 | 9,504,000 |
| Shares Issued during the year ** | 25,200 | 2,520,000 | - | - | - | - |
| Shares bought back during the year | - | - | - | - | - | - |
| Any other movement (please specify) | - | - | - | - | - | - |
| Shares outstanding at the end of the year | 120,240 | 12,024,000 | 95,040 | 9,504,000 | 95,040 | 9,504,000 |

15B Details of shares held by shareholders holding more than 5% of aggregate shares in the Company

| Name of Shareholder | Equity Shares | | | | | |
|----------------------------------|-----------------------|---------------|-----------------------|---------------|----------------------|---------------|
| | As at 31st March 2018 | | As at 31st March 2017 | | As at 1st April 2016 | |
| | No. of Shares held | % of Holding | No. of Shares held | % of Holding | No. of Shares held | % of Holding |
| NAK Benefit Trust | 96,187 | 80.00 | 76,027 | 79.99 | - | - |
| Anita Taneja | 13,234 | 11.01 | 9,504 | 10.00 | 9,504 | 10.00 |
| Anjali Taneja | 10,814 | 8.99 | 9,504 | 10.00 | 9,504 | 10.00 |
| Kush D Shritam | 1 | 0.00 | 1 | 0.00 | 73,332 | 77.16 |
| Others (Less Than 5% of holding) | 4 | 0.00 | 4 | 0.00 | 2,700 | 2.84 |
| Total | 120,240 | 100.00 | 95,040 | 100.00 | 95,040 | 100.00 |

*The Company M/s Shriram Alpine Sales Private Limited. (The Acquiree) merged with M/s Shriram Automotive Products Ltd (The Acquirer). The merger petitions were signed and submitted to the Hon'ble High Court of Delhi. Thereafter, final approval order of merger has been received from National Company Law Tribunal (NCLT) vide order Dated - 10th April, 2017. The merger's appointed date is 1st April, 2015 accordingly such order is effective from 1st April, 2015. The financials have been prepared on the basis of said merger order with effect from 01st April, 2015. The previous year's figure's has prepared by merging the audited financials after taking effect of Inter-Company's transactions. (Refer Note No-39)

** During the year ended 31 March 2018 Equity Shares were allotted on 28th June 2017 as per merger scheme against Share pending allotment account.

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16 Other Financial Liabilities (Non Current)

Other Financial Liabilities consist of the following at amortised cost:-

| Particulars | As at 31st March 2018 | As at 31st March 2017 | As at 1st April 2016 |
|-----------------------|--------------------------|--------------------------|-------------------------|
| (a) Others | | | |
| - Dealers Securities* | 26,483,099 | 25,899,514 | 29,608,164 |
| Total | 26,483,099 | 25,899,514 | 29,608,164 |

*Denotes mainly Interest Bearing Securities received from distributors against supply of goods. These are not expected to be paid/refunded in next 12 months period from balance sheet date.

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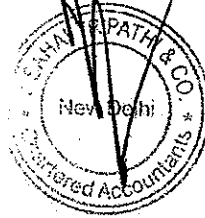

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17 Provisions (Non Current)

Provisions consist of the following :

| Particulars | As at 31st March 2018 | As at 31st March 2017 | As at 1st April 2016 |
|--|--------------------------|--------------------------|-------------------------|
| (a) Provision for employee benefits - Compensated Absences (Unfunded) | 9,376,528 | 9,574,308 | 9,021,758 |
| (b) Others | - | - | - |
| Total | 9,376,528 | 9,574,308 | 9,021,758 |

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18 Borrowings

Borrowings consist of the following :

| Particulars | As at 31st March 2018 | As at 31st March 2017 | As at 1st April 2016 |
|---|--------------------------|--------------------------|-------------------------|
| <u>Secured</u> | | | |
| (a) Loans repayable on demand | | | |
| - From Banks (Refer Note 18A) | - | 10,047,034 | 5,681,591 |
| From Other's | | | |
| - BMW Financial Services Ltd (Refer Note 18B) | - | - | 314,985 |
| Total | - | 10,047,034 | 5,996,576 |

18A Borrowings from Bank :

| Particulars | As at 31st March 2018 | As at 31st March 2017 | As at 1st April 2016 |
|----------------------|--------------------------|--------------------------|-------------------------|
| <u>Secured</u> | | | |
| Borrowings from Bank | | | |
| - Overdraft Secured | - | 6,167,413 | 5,681,591 |
| - Loan Secured | - | 3,879,621 | - |
| Total | - | 10,047,034 | 5,681,591 |

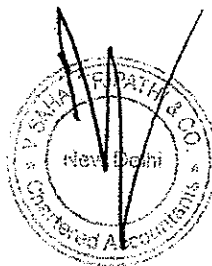
* Borrowing from bank were secured against FDR's

18B BMW Financial Services Ltd.

| Terms of Repayment (During the Reporting Period) | As at 31st March 2018 | As at 31st March 2017 | As at 1st April 2016 |
|--|--------------------------|--------------------------|-------------------------|
| <u>Secured</u> | | | |
| - Rate of Interest | - | 10.93% | 10.93% |
| - No. of Installments (Monthly) | - | 4 | 12 |
| - Total amount of installments | - | 314,985 | 880,666 |

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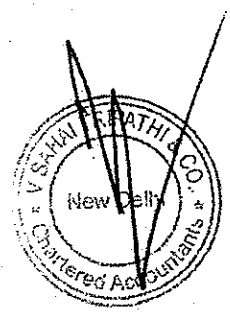
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19 Trade payables consist of the following :

Trade payables consist of the following :

| Particulars | As at 31st March 2018 | As at 31st March 2017 | As at 1st April 2016 |
|--------------------|--------------------------|--------------------------|-------------------------|
| (a) Trade Payables | | | |
| - Due to MSMED | - | - | - |
| - Due to others | 284,060,317 | 179,451,860 | 212,508,430 |
| Total | 284,060,317 | 179,451,860 | 212,508,430 |

For year ended 31st March, 2018, Company has no dues from any party that it is covered under the Micro, Small & Medium Enterprises Development Act, 2006



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Director

20. Other Financial Liabilities (Current)

Other Financial Liabilities consist of the following at amortised cost:-

| Particulars | As at 31st March 2018 | As at 31st March 2017 | As at 1st April 2016 |
|-----------------|--------------------------|--------------------------|-------------------------|
| (a) Others | | | |
| Expense Payable | 3,842,546 | 7,763,954 | 13,891,182 |
| Total | 3,842,546 | 7,763,954 | 13,891,182 |

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21 Other Current Liabilities (Non-Financial)

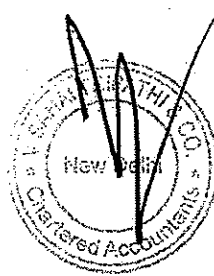
Other current liabilities consist of the following :-

| Particulars | As at 31st March 2018 | As at 31st March 2017 | As at 1st April 2016 |
|-------------------------------------|--------------------------|--------------------------|-------------------------|
| (a) Statutory Liabilities | 3,038,262 | 4,782,471 | 4,845,880 |
| (b) Other Payables (Refer Note 21A) | 28,822,846 | 19,492,076 | 18,524,955 |
| Total | 31,861,108 | 24,274,547 | 23,370,834 |

21A Other Payables :

| Particulars | As at 31st March 2018 | As at 31st March 2017 | As at 1st April 2016 |
|-----------------------|--------------------------|--------------------------|-------------------------|
| Other Liabilities | 26,358,329 | 17,880,180 | 16,402,264 |
| C Forms Liabilities * | 1,961,582 | 1,357,392 | 1,035,891 |
| Salary Payable | 502,935 | 254,504 | 1,086,800 |
| Total | 28,822,846 | 19,492,076 | 18,524,955 |

* Amount recovered from distributors against C Forms payable to VAT department.



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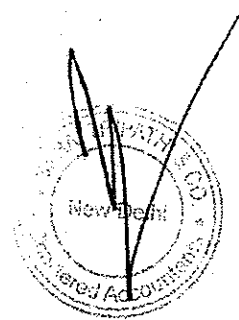
22 Provision (Current)

Provisions consist of the following :

| Particulars | As at 31st March 2018 | As at 31st March 2017 | As at 1st April 2016 |
|---|--------------------------|--------------------------|-------------------------|
| (a) Provision for employee benefits | | | |
| - Sales Incentive | 4,710,195 | 3,922,336 | 4,830,000 |
| - Profit based Incentive | 4,046,949 | - | 5,089,720 |
| - Bonus | 558,013 | 711,877 | 1,212,605 |
| - Leave Encashment | 729,613 | 1,763,420 | 1,428,799 |
| (b) Provision for tax (Refer Note 22A) | 1,555,622 | - | 953,960 |
| Total | 11,600,392 | 6,397,633 | 13,515,084 |

22A Details of Tax Payable

| Particulars | For the year | For the year | For the year |
|-------------------|--------------|--------------|--------------|
| Advance Tax | 12,000,000 | 8,490,000 | 17,641,260 |
| TDS | 427,284 | 560,432 | 587,779 |
| Provision for Tax | 13,982,906 | 7,844,000 | 19,183,000 |
| Net | 1,555,622 | (1,206,432) | 953,961 |



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23 Revenue from Operations

Revenue from operations consist of revenues from

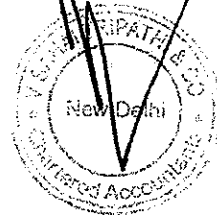
| Particulars | For the year ended 31 March 2018 | For the year ended 31 March 2017 |
|---|----------------------------------|----------------------------------|
| Sale of products (Including Excise Duty) | 1,247,920,511 | 1,193,070,934 |
| Other operating revenues (Refer Note 23A) | 20,406,932 | 19,585,901 |
| TOTAL | 1,268,327,443 | 1,212,656,835 |

23A Detail of other operating income

| Particulars | For the year ended 31 March 2018 | For the year ended 31 March 2017 |
|--------------------|----------------------------------|----------------------------------|
| Export Incentive** | 20,240,529 | 19,108,079 |
| Discount Received | 166,403 | 477,822 |
| Total | 20,406,932 | 19,585,901 |

*Dealer Incentives are paid to distributors, which are directly related to sales and have been shown as net off revenue from operations by following Offsetting policy under IND-AS.

**Export incentives comprises of Incentives receivable under MEIS Scheme and Duty Draw Back . Under MEIS, the grant is received in the form of licences which can be used for payment of customs duty on import of goods & excise duty on domestic procurement of goods. Duty Draw Back is cash incentive and is granted at the rates notified by government.



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24 Other Income

Other income (net) consist of the following:

| Particulars | For the year ended 31 March 2018 | For the year ended 31 March 2017 |
|--|-------------------------------------|-------------------------------------|
| Interest Income from bank deposits | 4,250,765 | 5,777,305 |
| Gain on exchange fluctuation | 12,683,463 | (607,918) |
| Sundry Balance written back | 994,104 | - |
| Dividend Income | 1,368 | 1,920 |
| Profit on sale of property, plant and equipment | 821,828 | 439,518 |
| Miscellaneous income | 278,115 | 380,783 |
| Excess Provision written back | (28,903) | 442,461 |
| Unrealised gain on account of fair valuation of Investments | (21,359) | 45,505 |
| Total | 18,979,381 | 6,479,574 |



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25 Cost of Material Consumed

Cost of Material Consumed consist of the following:

| Particulars | For the year ended 31 March 2018 | For the year ended 31 March 2017 |
|------------------------------|-------------------------------------|-------------------------------------|
| Raw Material Consumed | | |
| Opening Stock | 2,976,737 | 5,375,665 |
| Add : Purchase | - | 6,150,206 |
| Less : Closing Stock | - | 2,976,737 |
| (A) | 2,976,737 | 8,549,134 |
| Packing material | | |
| Opening Stock | 684,747 | 1,353,764 |
| Add Purchase | - | 1,087,515 |
| Less : Closing Stock | - | 684,747 |
| (B) | 684,747 | 1,756,532 |
| (A+B) | 3,661,484 | 10,305,666 |

*Pawanoo Unit has closed during the year ended 31-March-2017. There is no material left at Parwanoo unit as at 31-March-2017



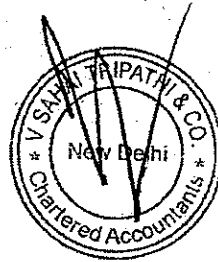
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26 Purchase of Stock-in Trade

Purchase of Stock-in Trade consist of the following:

| Particulars | For the year ended 31 March 2018 | For the year ended 31 March 2017 |
|-------------------------------------|-------------------------------------|-------------------------------------|
| Trading goods (Purchase of Product) | 997,424,170 | 957,062,627 |
| Total | 997,424,170 | 957,062,627 |



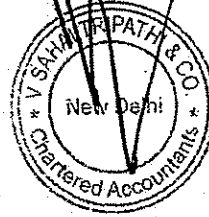
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2018

27 Changes in Inventories

Changes in Inventories consist of the following:

| Particulars | For the year ended 31 March 2018 | For the year ended 31 March 2017 |
|--|-------------------------------------|-------------------------------------|
| Opening Stock Stock- in- trade | 82,033,571 | 67,869,924 |
| Closing Stock Stock- in- trade | 75,841,975 | 82,033,571 |
| Net (Increase)/Decrease in opening and closing stock | 6,191,596 | (14,163,647) |



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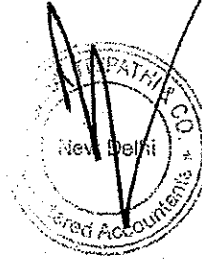
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Director

28 Employee Benefit Expense

Employee benefits expenses consist of the following

| Particulars | For the year ended 31 March 2018 | For the year ended 31 March 2017 |
|---|-------------------------------------|-------------------------------------|
| (a) Salaries & Wages | 59,973,564 | 55,855,161 |
| (b) Bonus | 556,755 | 711,877 |
| (c) Compensated Absences | (341,561) | 1,917,612 |
| (d) Contributions to Provident and other funds :- | | |
| (i) Provident Fund Contribution | 3,625,760 | 3,753,616 |
| (ii) Provident Fund Administrative Expense | 255,066 | 274,608 |
| (iii) Gratuity Fund Contribution | 1,190,299 | 1,377,885 |
| (iv) Other Gratuity Expense | (283,122) | - |
| (v) Employee State Insurance (ESI) | 390,121 | 414,792 |
| (vi) EDLI Expenses | 226,641 | 177,193 |
| (e) Employees Welfare expenses | 568,309 | 591,496 |
| (f) Medical Subsidy | 1,874,704 | 1,954,800 |
| Total | 68,036,536 | 67,029,040 |

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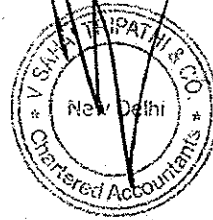
29 Finance Cost

Finance costs consist of the following:

| Particulars | For the year ended 31 March 2018 | For the year ended 31 March 2017 |
|---|----------------------------------|----------------------------------|
| Interest expense (Refer Note 29A) | 4,125,312 | 4,058,007 |
| Interest on Discounting of Export Bills | 3,551,754 | 3,437,514 |
| Total | 7,677,067 | 7,495,521 |

29A Interest expenses consist of the following:

| Particulars | For the year ended 31 March 2018 | For the year ended 31 March 2017 |
|---|----------------------------------|----------------------------------|
| Interest paid on Loan for Vehicles | - | 7,715 |
| Interest paid to Suppliers | 2,140,406 | 1,350,147 |
| Interest paid on Distributorship Security | 1,882,627 | 1,946,848 |
| Interest paid to others | - | 8,348 |
| Interest - Banks | 102,279 | 744,949 |
| Total | 4,125,312 | 4,058,007 |



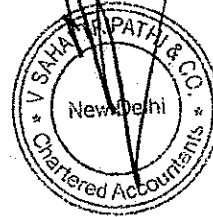
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30 Other Expenses

Other expenses consist of the following

| Particulars | For the year ended 31 March 2018 | For the year ended 31 March 2017 |
|--|-------------------------------------|-------------------------------------|
| a) Selling & Distribution Expenses | 84,731,956 | 77,042,979 |
| b) Debts & Advances - written off | 29,523 | - |
| c) Allowance for Expected Credit Loss | 1,723,540 | 962,631 |
| d) Export Claim Settlement | 1,299,833 | 2,120,568 |
| e) Sales Commission | 3,727,584 | 3,869,700 |
| f) Bank Charges | 1,988,429 | 2,414,436 |
| g) Travelling Expenses | 18,587,009 | 20,320,965 |
| h) Rates & Taxes | 276,187 | 1,635,451 |
| i) Forwarding & Clearing Expenses | 13,722,928 | 11,779,761 |
| j) Repair & Maintenance | 1,010,237 | 885,359 |
| k) Rent Paid | 10,184,889 | 12,121,693 |
| l) Insurance | 1,440,672 | 1,877,885 |
| m) Office & Administrative Expenses | 8,046,065 | 9,585,082 |
| n) Conveyance & Car Running Exp. | 4,836,819 | 4,536,419 |
| o) Legal & Professional Expenses | 2,491,548 | 4,008,707 |
| p) Director's Remuneration- Sitting Fees | 110,000 | 195,000 |
| q) <u>Auditors Remuneration:</u> | | |
| -Statutory/Tax Audit | 96,000 | 176,275 |
| -Internal Audit | 66,175 | 322,875 |
| r) Miscellaneous Expenses | - | 21,064 |
| Total | 154,369,393 | 153,876,850 |



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Director

30 Tax Expenses

Tax Expenses consist of following:

| Particulars | For the year ended 31 March 2018 | For the year ended 31 March 2017 |
|-----------------------|-------------------------------------|-------------------------------------|
| a) Deferred Tax - P&L | (376,771) | (495,133) |
| b) Deferred Tax - OCI | (1,104,846) | 422,859 |
| c) Income Tax | 13,982,906 | 7,844,000 |
| Total | 12,501,290 | 7,771,726 |



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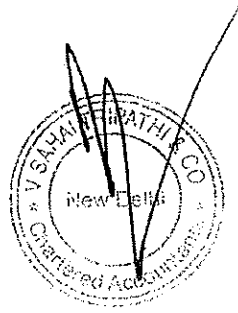
31 Income tax expenses

| Particular | For the year ended 31 March 2018 | For the year ended 31 March 2017 |
|---|----------------------------------|----------------------------------|
| A. Amount recognised in profit or loss | | |
| Current tax | | |
| Income tax for the year | | |
| Current tax | 13,982,906 | 7,844,000 |
| Adjustments/(credits) related to previous years - Net | - | - |
| Total current tax | 13,982,906 | 7,844,000 |
| Deferred tax | | |
| Deferred tax for the year | (376,771) | (495,133) |
| Adjustments/(credits) related to previous years - Net | - | - |
| Total deferred tax | (376,771) | (495,133) |
| TOTAL | 13,606,136 | 7,348,867 |
| B. Amount recognised in other comprehensive income | | |
| The tax (charge)/credit arising on income and expenses recognised in other comprehensive income is as follows | | |
| Deferred tax | | |
| On items that will not be reclassified to profit or loss | | |
| - Remeasurement gains/(losses) on defined benefit plans | (1,104,846) | 422,859 |
| TOTAL | (1,104,846) | 422,859 |
| C. Reconciliation of effective tax rate | | |
| Profit before tax | 41,152,148 | 22,575,705 |
| Income tax expense calculated @ 33.063% | 13,606,135 | 7,464,205 |
| Other differences | - | (115,339) |
| Total | 13,606,135 | 7,348,866 |

The tax rate used for the year 2016-17 and 2017-18 reconciliations above is the corporate tax rate of 33.063% (30% + surcharge @ 7% and education cess @ 3%) payable on taxable profits under the Income Tax Act, 1961.

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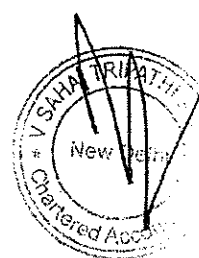
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Reconciliation of Equity as at date of Transition Date and Subsequent Financial Year

| | | (Amount in Rupees) | | | | | |
|-------------------------------------|----------|-----------------------|--------------------|-----------------------|----------------------|------------------|----------------------|
| Particulars | Note No. | IGAAP | Adjustments as | Ind AS | IGAAP | Adjustments | Ind AS |
| | | As at 31st March 2017 | per Ind AS | As at 31st March 2017 | As at 1st April 2016 | as per Ind AS | As at 1st April 2016 |
| I ASSETS | | | | | | | |
| 1 Non-current assets | | | | | | | |
| (a) Property, Plant and Equipment | 1 | 18,286,774 | - | 18,286,774 | 19,174,909 | - | 19,174,909 |
| (b) Financial Assets | | | | | | | |
| (i) Investments | 2 | 33,454 | 288,713 | 322,167 | 33,454 | 243,208 | 276,662 |
| (ii) Loans | 3 | 6,991,179 | (6,691,179) | 300,000 | 8,361,600 | (6,511,600) | 1,850,000 |
| (iii) Other Financial Assets | 4 | - | 3,284,666 | 3,284,666 | - | 2,541,660 | 2,541,660 |
| (b) Deferred Tax Asset (Net) | 5 | 8,221,824 | 451,807 | 8,673,630 | 7,439,170 | 316,467 | 7,755,637 |
| (d) Other Non-Current Assets | 6 | 591,821 | 2,824,692 | 3,416,513 | 3,739,333 | 240,666 | 3,979,999 |
| 2 Current assets | | | | | | | |
| (a) Inventories | 7 | 85,695,055 | - | 85,695,055 | 74,599,352 | - | 74,599,352 |
| (b) Financial Assets | | | | | | | |
| (i) Trade receivables | 8 | 192,526,294 | (2,168,695) | 190,357,599 | 241,212,771 | (1,206,064) | 240,006,707 |
| (ii) Cash and Cash Equivalents | 9 | 77,498,145 | (65,776,227) | 11,721,918 | 58,821,257 | (56,321,766) | 2,499,491 |
| (iii) Other Bank Balances | 10 | - | 66,358,048 | 66,358,048 | - | 60,051,099 | 60,051,099 |
| (iv) Loans | 11 | 2,890,300 | (2,312,769) | 577,531 | 6,556,696 | (6,268,797) | 287,899 |
| (v) Other Financial Assets | 12 | - | 16,360,421 | 16,360,421 | - | 21,953,507 | 21,953,507 |
| (c) Current Tax Assets (Net) | 13 | - | - | - | - | - | - |
| (d) Other Current Assets | 14 | 15,491,829 | (14,036,758) | 1,455,071 | 19,166,183 | (15,684,770) | 3,481,413 |
| TOTAL ASSETS | | 408,226,675 | (1,417,282) | 406,809,393 | 439,104,725 | (646,390) | 438,458,335 |
| II EQUITY AND LIABILITIES | | | | | | | |
| 1 Equity | | | | | | | |
| (a) Equity Share Capital | 15 | 9,504,000 | - | 9,504,000 | 9,504,000 | - | 9,504,000 |
| (b) Other Equity | | 135,313,825 | (1,417,282) | 133,896,543 | 120,172,184 | 870,123 | 121,042,307 |
| 2 Liabilities | | | | | | | |
| Non-current liabilities | | | | | | | |
| (a) Financial Liabilities | | | | | | | |
| (i) Other Financial Liabilities | 16 | 25,899,514 | - | 25,899,514 | 29,608,164 | - | 29,608,164 |
| (b) Provisions | 17 | 9,574,308 | - | 9,574,308 | 9,021,758 | - | 9,021,758 |
| Current liabilities | | | | | | | |
| (a) Financial Liabilities | | | | | | | |
| (i) Borrowings | 18 | 10,047,034 | - | 10,047,034 | 5,996,576 | - | 5,996,576 |
| (ii) Trade Payables | 19 | 179,451,860 | - | 179,451,860 | 212,508,430 | - | 212,508,430 |
| (iii) Other Financial Liabilities | 20 | - | 7,763,954 | 7,763,954 | - | 13,891,182 | 13,891,182 |
| (b) Other Current Liabilities | 21 | 32,038,501 | (7,763,954) | 24,274,547 | 36,883,392 | (13,512,558) | 23,370,834 |
| (c) Provisions | 22 | 6,397,633 | - | 6,397,633 | 15,410,221 | (1,895,137) | 13,515,084 |
| TOTAL EQUITY AND LIABILITIES | | 408,226,675 | (1,417,282) | 406,809,393 | 439,104,725 | (646,390) | 438,458,335 |

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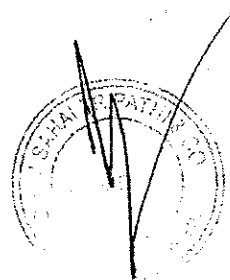
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Director



Reconciliation of Total Comprehensive Income for the year ended March 31, 2017

(Amount in Rupees)

| Particulars | Note No. | IGAAP | Adjustments | Ind AS |
|--|----------|-----------------------|--|-----------------------|
| | | As at 31st March 2017 | as per Ind AS As at 31st March 2017 | As at 31st March 2017 |
| I. Revenue From Operations | 23 | 1,241,650,780 | (28,993,945) | 1,212,656,835 |
| II. Other Income | 24 | 5,991,608 | 487,966 | 6,479,574 |
| III. Total Revenue (I + II) | | 1,247,642,388 | (28,505,979) | 1,219,136,409 |
| IV. Expenses: | | | | |
| Cost of Material Consumed | 25 | 10,305,666 | - | 10,305,666 |
| Purchase of Stock-in Trade | 26 | 957,062,627 | - | 957,062,627 |
| Changes in Inventory | 27 | (14,163,647) | - | (14,163,647) |
| Excise duty on Sale of Goods | | - | 8,661,057 | 8,661,057 |
| Employee Benefits Expense | 28 | 68,318,884 | (1,289,844) | 67,029,040 |
| Finance Costs | 29 | 7,495,521 | - | 7,495,521 |
| Depreciation and Amortization Expense | 1 | 6,293,590 | - | 6,293,590 |
| Other Expenses | 30 | 190,569,221 | (36,692,371) | 153,876,850 |
| Total Expenses | | 1,225,881,862 | (29,321,158) | 1,196,560,705 |
| V. Profit before exceptional items and tax (III-IV) | | 21,760,526 | 815,179 | 22,575,705 |
| VI. Exceptional Item | | - | - | - |
| VII. Profit before tax (V - VI) | | 21,760,526 | 815,179 | 22,575,705 |
| VIII. Tax expense: | | | | |
| (1) Current Tax | 31 | 7,844,000 | - | 7,844,000 |
| (2) Deferred Tax | 5 | (782,654) | 287,521 | (495,133) |
| (3) Prior Period Tax | | (442,461) | 442,461 | - |
| IX. Profit (Loss) for the period | | 15,141,641 | 85,197 | 15,226,838 |
| X. Other Comprehensive income | | | | |
| A (i) Items that will not be reclassified to profit or loss - Remeasurements of the defined benefit plans | | - | (1,278,950) | (1,278,950) |
| (ii) Income tax relating to items that will not be reclassified to profit or loss | 5 | - | 422,859 | 422,859 |
| B (i) Items that will be reclassified to profit or loss | | - | - | - |
| (ii) Income tax relating to items that will be reclassified to profit or loss | | - | - | - |
| XI. Total Comprehensive Income for the period (X+XI) (Comprising profit (loss) and other Comprehensive Income for the period) | | 15,141,641 | (770,894) | 14,370,747 |
| XII. Earnings per equity share (for continuing operation): | 32 | | | |
| - Basic | | 125.93 | | 126.64 |
| - Diluted | | 125.93 | | 126.64 |



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Director

*Reconciliation of Retained Earnings for 1st April, 2016 is summarised as follows:

| | Particulars | Notes to First Time Adoption | 1st April 2016 |
|---|--|------------------------------|----------------|
| 1 | Opening Retained Earnings | | 97,436,584 |
| 2 | Impact of measuring investments at Fair Value through Profit or Loss (FVTPL) | 34(g) | 243,208 |
| 3 | Allowance for Expected Credit Loss | 34(f) | (1,206,064) |
| 4 | Reversal of Proposed Dividend Including Tax thereon | 34(h) | 1,516,511 |
| 5 | Tax Adjustments | 34(d) | 316,468 |
| 6 | Opening Retained Earnings Under IND AS | | 98,306,707 |

* As required under Paragraph (10C) of Ind AS 101, the Company has reclassified items that it recognised in accordance with previous GAAP as one type of asset, liability or component of equity, but are a different type of asset, liability or component of equity in accordance with Ind ASs.

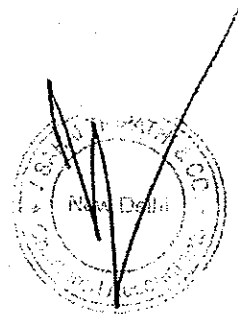


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Reconciliation of Total Tax for the year ended 31st March 2018 is summarised as follows:

| Particulars | 31st March 2018 | Tax Rate | Amount |
|--|-------------------|----------|-------------------|
| Profit Before Tax as reported under Ind AS | 41,152,148 | 33.063% | 13,606,135 |
| Impact of measuring of investments at Fair Value through Profit | 21,359 | 33.063% | 7,062 |
| Rectification of Errors | 10,894 | 33.063% | 3,602 |
| Allowance for Expected Credit Loss | - | 33.063% | - |
| Impact of Unwinding of discount on security deposits | - | 33.063% | - |
| Reclassification of actuarial gains/ (losses), arising in respect of employee benefit schemes, to Other Comprehensive Income (OCI) | 3,341,638 | 33.063% | 1,104,846 |
| Profit Before Tax as reported under previous GAAP | 44,526,039 | | 14,721,644 |
| ADD | | | |
| - Depreciation considered separately | 5,721,672 | 33.063% | 1,891,756 |
| - Provision for Bad Debts | 1,723,540 | 33.063% | 569,854 |
| Short Provision | | | |
| | 7,445,212 | | 2,461,610 |
| LESS: | | | |
| - Depreciation as per Income Tax Rules/ Act. | 4,855,698 | 33.063% | 1,605,439 |
| - Expenses (allowable U/s 43 B) | | | |
| LEAVE ENCASHMENT BANEFITS PAID | 890,026 | 33.063% | 294,269 |
| LEAVE ENCASHMENT | 341,561 | 33.063% | 112,930 |
| GRATUITY | 2,434,461 | 33.063% | 804,906 |
| GRATUITY ACTUAL PAID TRO LIC | 334,605 | 33.063% | 110,630 |
| - Dividend U/s 14 A (8454 @ 1%) | 1,368 | 33.063% | 452 |
| - Profit on Sales of Assets | 821,828 | 33.063% | 271,721 |
| | 9,679,547 | | 3,200,348 |
| | | 33.063% | |
| | 42,291,705 | | 13,982,906 |



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[Signature]
Director

33. Significant Accounting Policies

A. Statement of Compliance with Ind AS

These financial statements have been prepared voluntarily in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013. The financial statements have also been prepared in accordance with the relevant presentation requirements of the Companies Act, 2013. The Company adopted Ind AS from 1st April, 2017 voluntarily.

Up to the year ended 31st March, 2017, the Company prepared its financial statements in accordance with the requirements of previous Generally Accepted Accounting Principles (GAAP), which includes Standards notified under the Companies (Accounting Standards) Rules, 2006.

These are the Company's first financial statements prepared in accordance with Indian Accounting Standards (Ind AS). The date of transition to Ind AS is 1st April, 2016. Details of the exceptions and optional exemptions availed by the Company and principal adjustments along with related reconciliations are detailed in Note 34 (First-time Adoption).

B. Basis of Preparation

The financial statements are prepared in accordance with the historical cost convention, except for certain items that are measured at fair values, as explained in the accounting policies.

Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the following fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole:

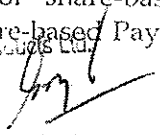
Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

Fair value for measurement and / or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102 - Share-based Payment, leasing

For Shriram Automotive Products Ltd.

Director

transactions that are within the scope of Ind AS 17 – Leases, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 – Inventories or value in use in Ind AS 36 – Impairment of Assets.

All the amounts included in the financial statements are reported in Indian Rupees ('Rupees' or 'Rs.'), except per share data and unless stated otherwise and rounded off to nearest Rupees.

C. Basis of classification of Current and Non-Current

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is classified as current when it is:

- a) Expected to be realized or intended to be sold or consumed in normal operating cycle
- b) Held primarily for the purpose of trading
- c) Expected to be realized within twelve months after the reporting period, or
- d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is classified as current when:

- a) It is expected to be settled in normal operating cycle
- b) It is held primarily for the purpose of trading
- c) It is due to be settled within twelve months after the reporting period, or
- d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

D. Operating Cycle

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 and Ind AS 1 – Presentation of Financial Statements.

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

E. Use of Estimates

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period; they are recognised in the period of the revision and future periods if the revision affects both current and future periods.

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F. Property, Plant and Equipment - Tangible Assets

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation and impairment, if any. For this purpose, cost includes deemed cost which represents the carrying value of property, plant and equipment recognised as at 1st April, 2016 measured as per the previous GAAP.

Cost is inclusive of inward freight, duties and taxes and incidental expenses related to acquisition. In respect of major projects involving construction, related pre-operational expenses form part of the value of assets capitalized. Expenses capitalized also include applicable borrowing costs for qualifying assets, if any. All up-gradation/enhancements are charged off as revenue expenditure unless they bring similar significant additional benefits.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

Depreciation of these assets commences when the assets are ready for their intended use which is generally on commissioning. Items of property, plant and equipment are depreciated in a manner that amortizes the cost (or other amount substituted for cost) of the assets after commissioning, less its residual value, over their useful lives as specified in Schedule II of the Companies Act, 2013 on a straight-line basis. Land is not depreciated.

The estimated useful lives of property, plant and equipment of the Company are as follows:

| Asset | Life of Asset |
|-------------------------|---------------|
| Buildings | 30 Years |
| Computers & Peripherals | 3 - 6 Years |
| Furniture and Fixtures | 10 Years |
| Vehicles | 8 Years |
| Office Equipment | 5 Years |

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease. Property, plant and equipment's residual values and useful lives are reviewed at each Balance Sheet date and changes, if any, are treated as changes in accounting estimate.

G. Impairment of Assets

Impairment loss, if any, is provided to the extent, the carrying amount of assets or cash generating units exceed their recoverable amount.

Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset or cash generating unit and from its disposal at the end of its useful life.

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Director



Impairment losses recognised in prior years are reversed when there is an indication that the impairment losses recognised no longer exist or have decreased. Such reversals are recognised as an increase in carrying amounts of assets to the extent that it does not exceed the carrying amounts that would have been determined (net of amortization or depreciation) had no impairment loss been recognised in previous years.

H. Inventories

Inventories are stated at lower of cost and net realizable value. The cost is calculated on First in First Out method. Cost comprises expenditure incurred in the normal course of business in bringing such inventories to its present location and condition and includes, where applicable, appropriate overheads based on normal level of activity. Net realizable value is the estimated selling price less estimated costs for completion and sale.

I. Foreign Currency Transactions

The functional and presentation currency of the Company is Indian Rupee. Transactions in foreign currency are accounted for at the exchange rate prevailing on the transaction date. Gains/ losses arising on settlement as also on translation of monetary items are recognised in the Statement of Profit and Loss.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences arising on monetary items that, in substance, form part of the Company's net investment in a foreign operation (having a functional currency other than Indian Rupee) are accumulated in Foreign Currency Translation Reserve.

J. Financial Assets

Recognition: Financial assets include Investments, Trade receivables, Advances, Security Deposits, Cash and cash equivalents. Such assets are initially recognised at transaction price when the Company becomes party to contractual obligations. The transaction price includes transaction costs unless the asset is being fair valued through the Statement of Profit and Loss.

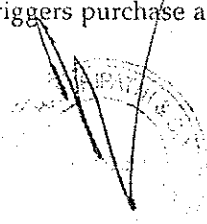
Classification: Management determines the classification of an asset at initial recognition depending on the purpose for which the assets were acquired. The subsequent measurement of financial assets depends on such classification.

Financial assets are classified as those measured at:

- a) Amortised cost, where the financial assets are held solely for collection of cash flows arising from payments of principal and/ or interest.
- b) Fair value through other comprehensive income (FVTOCI), where the financial assets are held not only for collection of cash flows arising from payments of principal and interest but also from the sale of such assets. Such assets are subsequently measured at fair value, with unrealized gains and losses arising from changes in the fair value being recognised in other comprehensive income.
- c) Fair value through profit or loss (FVTPL), where the assets are managed in accordance with an approved investment strategy that triggers purchase and

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Director



sale decisions based on the fair value of such assets. Such assets are subsequently measured at fair value, with unrealized gains and losses arising from changes in the fair value being recognised in the Statement of Profit and Loss in the period in which they arise. Trade receivables, Advances, Security Deposits, Cash and cash equivalents etc. are classified for measurement at amortised cost while investments may fall under any of the aforesaid classes. However, in respect of particular investments in equity instruments that would otherwise be measured at fair value through profit or loss, an irrevocable election at initial recognition may be made to present subsequent changes in fair value through other comprehensive income.

Impairment: The Company assesses at each reporting date whether a financial asset (or a group of financial assets) such as investments, trade receivables, advances and security deposits held at amortised cost and financial assets that are measured at fair value through other comprehensive income are tested for impairment based on evidence or information that is available without undue cost or effort. Expected credit losses are assessed and loss allowances recognised if the credit quality of the financial asset has deteriorated significantly since initial recognition.

Reclassification: When and only when the business model is changed, the Company shall reclassify all affected financial assets prospectively from the reclassification date as subsequently measured at amortised cost, fair value through other comprehensive income, fair value through profit or loss without restating the previously recognised gains, losses or interest and in terms of the reclassification principles laid down in the Ind AS relating to Financial Instruments.

De-recognition: Financial assets are de-recognised when the right to receive cash flows from the assets has expired, or has been transferred, and the Company has transferred substantially all of the risks and rewards of ownership.

Concomitantly, if the asset is one that is measured at:

- a) Amortised cost, the gain or loss is recognised in the Statement of Profit and Loss;
- b) Fair value through other comprehensive income, the cumulative fair value adjustments previously taken to reserves are reclassified to the Statement of Profit and Loss unless the asset represents an equity investment in which case the cumulative fair value adjustments previously taken to reserves is reclassified within equity.

Income Recognition: Interest income is recognised in the Statement of Profit and Loss using the effective interest method. Dividend income is recognised in the Statement of Profit and Loss when the right to receive dividend is established.

K. Financial Liabilities

Borrowings, trade payables and other financial liabilities are initially recognised at the value of the respective contractual obligations. They are subsequently measured at amortised cost. Any discount or premium on redemption/ settlement is recognised in the Statement of Profit and Loss as finance cost over the life of the liability using the effective interest method and adjusted to the liability figure disclosed in the Balance Sheet.

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Director



Financial liabilities are de-recognised when the liability is extinguished, that is, when the contractual obligation is discharged, cancelled and on expiry.

L. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

M. Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is included in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

N. Equity Instruments

Equity instruments are recognised at the value of the proceeds, net of direct costs of the capital issue.

O. Revenue

Revenue from the sale of goods is recognised when all the following conditions are satisfied:

- Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Company; and

a) Sale of goods: Revenue is measured at the fair value of the consideration received or receivable for goods supplied, net of returns and discounts to customers. Revenue from the sale of goods includes excise and other duties which the Company pays as a principal but excludes amounts collected on behalf of third parties, such as sales tax, value added tax and goods and services tax.

b) Interest income: Income from a financial asset is recognised when it is probable that the economic benefits will flow to Company and the amount of income can be measured reliably. Interest income is accrued on time basis, by reference to the principal outstanding and at the interest rate as applicable.

c) Dividend income: dividend is recognised when the right to receive the payment is established (generally on shareholder's approval by the reporting date).

d) 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.

P. Dividend Distribution

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Dividends paid (including income tax thereon) is recognized in the period in which the interim dividends are approved by the Board of Directors, or in respect of the final dividend when approved by shareholders.

Q. Employee Benefits

a) Retirement benefit costs and termination benefits :

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Contribution towards Provident Fund is paid as per the statutory provisions. These benefits are charged to the Statement of profit and loss of the year when they become due. For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period.

Re-measurement, comprising actuarial gains and losses, the effect of the changes to the return on plan assets(excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to the statement of profit and loss. Past service cost is recognised in the statement of profit and loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- re-measurement.

b) Short-term and other long-term employee benefits:

A liability is recognised for benefits accruing to employees in respect of wages and salaries in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service. Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Leave availment / encashment benefit is provided as per Company Scheme. Employee's are entitled to accumulate leaves subject to certain limit as per Company scheme. Liabilities for compensated absence that are not expected to be settled wholly within 12 months after the end of the period in which the employees rendered the related service, are measured at the present value of expected future payment to be made in respect of service provided by employees up to the end of reporting period using the projected unit credit

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Director



method. The benefits are discounted using the market yields at the end of reporting period. Re-measurement as a result of experience adjustments and change in actuarial assumptions are recognised in the statement of profit and loss. The liability is determined through actuarial valuation using projected unit credit method.

R. Leases

Leases are recognised as a finance lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

a) Company as a Lessee

Assets used under finance leases are recognised as property, plant and equipment in the Balance Sheet for an amount that corresponds to the lower of fair value and the present value of minimum lease payments determined at the inception of the lease and a liability is recognised for an equivalent amount.

The minimum lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in the Statement of Profit and Loss.

Rentals payable under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the term of the relevant lease unless the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

b) Company as a Lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Where the Company is a lessor under an operating lease, the asset is capitalized within property, plant and equipment and depreciated over its useful economic life. Payments received under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis over the term of the lease.

S. Taxes on Income

Income tax expense represents the sum of the tax currently payable and deferred taxation.

a) Current Tax

Current tax in the Statement of Profit and Loss is provided as the amount of tax payable in respect of taxable income for the period using tax rates and tax laws enacted during the period, together with any adjustment to tax payable in respect of previous years. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

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b) **Deferred tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised in the statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the deferred tax is also recognised in other comprehensive income or directly in equity respectively.

c) **Minimum Alternate Tax**

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 Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Group. Current and deferred tax are recognised in the statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

T. **Claims**

Claims against the Company not acknowledged as debts are disclosed after a careful evaluation of the facts and legal aspects of the matter involved.

U. **Provisions**

Provisions are recognised when, as a result of a past event, the Company has a legal or constructive obligation; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated. The amount so recognised is a best estimate of the consideration required to settle the obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation.

In an event when the time value of money is material, the provision is carried at the present value of the cash flows estimated to settle the obligation.

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V. Operating Segment

The Company operates only in one is engaged in a single segment i.e. the business of "automotive components" from where it is earning its revenue and incurring expense. The operating results are regularly reviewed and performance is assessed by its Chief Operating Decision Maker (CODM). All the company's resources are dedicated to this single segment and all the discrete financial information is available for this segment.

W. Earnings per share

Basic earnings per share is calculated by dividing profit or loss attributable to the owners of the company by weighted average number of equity shares outstanding during the financial 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, profit or loss attributable to the owners of the Company and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

X. Contingent liabilities

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.

Y. Financial and Management Information Systems

The Company's Accounting System is designed to unify the Financial Records and also to comply with the relevant provisions of the Companies Act, 2013, to provide financial and cost information appropriate to the businesses and facilitate Internal Control.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Z. Standards issued but not effective:**Ind - AS 115 "Revenue from Contract with Customers**

Ind AS 115 was issued in February 2015. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to the customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further, the new standard requires

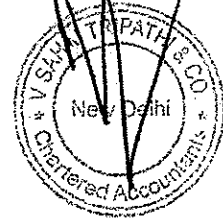
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Director

enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

This standard will come into force from accounting period commencing on or after 1st April, 2018. The company will adopt the new standard on the required effective date. The Company is in the process of making an assessment of the impact of Ind - AS 115 upon initial application, which is subject to changes arising from a more detailed ongoing analysis.

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34. First-time adoption of Ind-AS

These Separate financial statements have been prepared voluntarily by the company for the year ended March 31, 2018 in accordance with Ind AS. For the purposes of transition to Ind AS, the company has followed the guidance prescribed in Ind AS101-First Time adoption of Indian Accounting Standard, with April 1, 2016 as the transition date and IGAAP as the previous GAAP. The company has prepared the opening balance sheet as per Ind AS as April 01, 2016 (the transition date by recognizing all assets and liabilities whose recognition is required by Ind AS, not recognizing items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. The transition to Ind AS has resulted in changes in the presentation of the financial statements, disclosures in the notes thereto and accounting policies and principles. The accounting policies set out have been applied in preparing the financial statements for the year ended March 31, 2018 and the comparative information.

A. Notes to the Reconciliations

a) Re-measurements of post-employment benefit obligations

Under Ind AS, re-measurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognized in other comprehensive income instead of the Statement of Profit and Loss. Under the IGAAP, these re-measurements were forming part of the Statement of Profit and Loss for the year.

b) Property, Plant and Equipment - Tangible Assets

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation and impairment, if any. For this purpose, cost includes deemed cost which represents the carrying value of property, plant and equipment recognised as at 1st April, 2016 measured as per the previous GAAP

c) Excise Duty

Under the IGAAP, revenue from sale of products was presented inclusive of excise duty. Under Ind AS, revenue from sale of goods is presented exclusive of excise duty. The excise duty paid is presented on the face of the Statement of Profit and Loss as part of expenses.

d) Deferred Tax

Under Ind AS deferred tax has been recognised on the adjustments made on transition to Ind AS. Leasehold land is a non-depreciable asset, Management is expecting that its carrying value will be recovered through sale and the indexation benefit at the time of disposal will be available, accordingly deferred tax asset on the difference between carrying value and indexed value has been created.

e) Retained Earnings

Retained earnings as at April 1, 2016 have been adjusted consequent to the above Ind AS transition adjustments.

f) Other comprehensive income

Under Ind AS, all items of income and expense recognized in a period should be included in the Statement of Profit and Loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognized in the

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Statement of Profit and Loss but are shown in the Statement of Profit and Loss as 'Other comprehensive income' includes re-measurements of defined benefit plan. The concept of other comprehensive income did not exist under IGAAP.

g) Investments

Under Previous GAAP, investments were classified into current and long term investments. Current investments were carried at the lower of cost or market value, while long term investments were carried at cost less any impairment that was other than temporary.

Under Ind AS, equity investments have been classified as Fair Value through Profit and Loss (FVTPL). The Company has made an irrevocable election of present it in Profit and Loss statement (FVTPL). Fair value movements are recognized directly in Profit and Loss statement on such investments.

h) Dividends

Under Ind AS, dividends payable are recorded as a liability in the year in which these are declared and approved and obligation to pay is established. Under Previous GAAP, dividends payable were recorded as a liability in the year to which they relate. Accordingly dividend proposed in Financial Year 2015-2016 having carrying value of Rs 15,16,511 (including corporate dividend tax of Rs 2,56,511) have been adjusted in opening retained earnings of 1st April 2016 and have been shown in the year in which it was paid that is in Financial Year 2016-2017.

i) Provision for expected credit losses

Financial guarantees issued by the Company are accounted in Ind AS initially at fair value and subsequently measured at the higher of the loss allowance based on Ind AS 109; and the amount initially recognized, reduced by the amount of income recorded as per Ind AS 18. On the transition date, such contracts are measured based on the expected credit losses.

Under Previous GAAP, such estimates were determined based on experience of historic losses on such contracts.

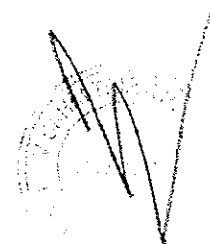
Impairment for trade receivable is measured in Ind AS based on life time expected credit losses. Expected credit loss allowance is measured based on historical credit loss experience, defaults, bankruptcy and forward looking information where relevant adjusted for probability of recovery. Under Previous GAAP, provision for trade receivable is measured based on factors such as age of receivables, defaults etc. adjusted for probability of recovery.

j) Revenue related Adjustments

Company runs various promotional programmes for dealers. The Company estimates the fair value of those incentives/benefits given to the dealers and reduced it from total sales consideration to record revenue on net basis. This change has resulted in a decrease in total revenue and decrease in total expenses for the year ended March 31, 2018 by Rs. 4,04,96,143. There is no impact on the total equity and profit.

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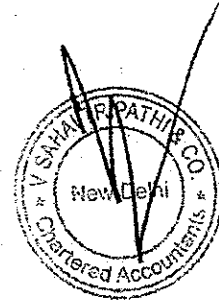

Director



B. Reconciliations between IGAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from IGAAP to Ind AS.

The presentation requirements under IGAAP differ from Ind AS and hence the IGAAP information has been reclassified for ease of reconciliation with Ind AS. The reclassified IGAAP information is derived based on the audited financial statements of the Company for the year ended March 31, 2016 and March 31, 2017.



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Director

Additional Notes to Accounts

| 35) Earnings Per Share (EPS) : | (Post Merger Effect)** | |
|---|-------------------------|-------------------------|
| | Year ended 31-Mar-18 | Year Ended 31-Mar-17 |
| (a) Calculation of Weighted Average | | |
| Number of Equity Shares of 100 each | | |
| Number of Shares at the beginning of the period** | 120,240 | 120,240 |
| Number of Shares at the close of the period** | 120,240 | 120,240 |
| Weighted Average number of Equity Shares** | | |
| During the period | 120,240 | 120,240 |
| (b) Net Profit/(Loss) for the period attributable to Equity Shares (in Rs.) | 2,75,46,013 | 1,52,26,838 |
| (c) Earning per share - Basic** | 229.09 | 126.64 |
| (d) Earning per share - Diluted** | 229.09 | 126.64 |

** For computing earning per shares in last year, the prospective allotment of 25,200 Equity Shares have been considered and accordingly the number of equity shares have been increased by 25,200 Equity Shares which are to be issued as per the merger scheme. Post such increase, the total weighted number of shares comes to 120,240 Equity Shares. As per the scheme, the shareholders of M/s Shriram Alpine Sales Private Limited will be issued six share of Shriram Automotive Products Limited against every ten shares of Shriram Alpine Sales Private Limited. In the financials as at 31st March, 2017, Rs 25,20,000 representing 25,200 Equity Shares of Shriram Automotive Products Limited at face value of Rs 100, has been shown as shares pending allotment as per the scheme of Amalgamation approved by National Company Law Tribunal (NCLT) vide order Dated - 10th April, 2017. The remaining amount of Rs 16,80,000 against which no shares have been allotted has been shown as Capital Reserve in the Schedule of Reserves and Surplus. The aforesaid scheme is effective with effect from 01st April, 2015. The Earning Per Share and Diluted Earning Per Share has been determined after considering the effect of aforesaid Merger Scheme with effect from 1 April 2015. During the year ended 31 March 2018 Equity Shares were allotted on 28th June 2017 as per merger scheme against Share pending allotment account.

36) Contingent Liabilities and Commitments

A) Contingent Liabilities

- Bills Discounted against Export Invoices worth Rs. 3,24,43,000 stands unrealized to bank from the parties as at 31st March, 2018 (Previous Year - Rs.2,32,34,000).
- Contingent liability against C Forms stands at Rs 62,80,000 as at 31st March, 2018 (Previous Year Rs 1,37,80,000).

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Director

B) Commitments

There are no non- cancelable capital commitments.

37) Defined Benefit Plans/Long Term Compensated Absences :-

Description of Plans

The Company makes contributions to both Defined Benefit and Defined Contribution Plans for qualifying employees. Gratuity Benefits are funded and Leave Encashment Benefits are unfunded in nature. The Defined Benefit Plans are based on employees' length of service.

The liabilities arising in the Defined Benefit Schemes are determined in accordance with the advice of independent, professionally qualified actuaries, using the projected unit credit method at the year end. The Company makes regular contributions to these Employee Benefit Plans. The net Defined benefit cost is recognised by the companies in Financial Statements.

Risk Management

The Defined Benefit Plans expose the Company to risk of actuarial deficit arising out of, interest rate risk and salary cost inflation risk and other factors.

Interest Rate Risk: The present value of Defined Benefit Plans liability is determined using the discount rate based on the market yields prevailing at the end of reporting period on Government bonds. A decrease in yields will increase the fund liabilities and vice-versa.

Salary Cost Inflation Risk: The present value of the Defined Benefit Plan liability is calculated with reference to the future salaries of participants under the Plan. Increase in salary due to adverse inflationary pressures might lead to higher liabilities. These Plans have a relatively balanced mix of investments in order to manage the above risks.

Mortality & disability: Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.

Withdrawals: Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

a) Net Assets/(Liability) recognised in Balance sheet:

| Particulars | As at 31 st March 2018 | As at 31 st March 2017 | As at 31 st March 2018 | As at 31 st March 2017 |
|-------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| Present value of obligation | 1,80,06,740 | 1,91,82,475 | 1,01,06,141 | 1,13,37,728 |
| Fair value of plan assets | 1,96,94,424 | 1,79,99,286 | - | - |
| Net assets / (liability) recognized | 16,87,684 | (11,84,189) | (1,01,06,141) | (1,13,37,728) |

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Director



b) Components of Employer Expense

| Particulars | As at 31 st March 2018 | As at 31 st March 2017 | As at 31 st March 2018 | As at 31 st March 2017 |
|--|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| | Gratuity | | Leave encashment | |
| Recognised in Profit or Loss: | | | | |
| Current Service Cost | 11,03,024 | 13,55,777 | 9,23,341 | 12,01,286 |
| Net Interest Cost | 87,275 | 22,108 | 8,35,591 | 8,36,045 |
| Total expense recognised in the Statement of Profit and Loss | 11,90,299 | 13,77,885 | 17,58,932 | 20,37,331 |
| Re measurements recognised in Other Comprehensive Income | | | | |
| Net Actuarial (Gain)/Loss | (33,41,638) | 12,78,950 | (21,00,493) | (1,19,719) |
| Total defined benefit cost recognised in Profit and Loss and Other Comprehensive Income | (21,51,339) | 26,56,835 | (3,41,561) | 19,17,612 |

c) Classification in Balance sheet

| Net Assets/(Liability) | Gratuity | | Leave Encashment | |
|-----------------------------------|-------------|-------------|------------------|-------------|
| | Current | Non-current | Current | Non-current |
| As at 31 st March 2018 | 16,87,684 | - | (7,29,613) | (93,76,528) |
| As at 31 st March 2017 | (11,84,189) | - | (17,63,420) | (95,74,308) |
| As at 31 st March 2016 | (27,63,41) | - | (14,28,799) | (90,21,758) |

d) Changes in Defined Benefit Obligation (DBO)

| Particulars | As at 31 st March 2018 | As at 31 st March 2017 | As at 31 st March 2018 | As at 31 st March 2017 |
|--|---|--------------------------------------|--------------------------------------|--------------------------------------|
| | Gratuity | | Leave Encashment | |
| A Net defined benefit liability at the start of the period | 11,84,189 | 2,76,341 | 1,13,37,728 | 1,04,50,557 |

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Director

| | | | | | |
|---|--|-------------|-------------|-------------|-------------|
| B | Current service cost | 11,03,024 | 13,55,777 | 9,23,341 | 12,01,286 |
| C | Interest cost | 87,275 | 22,108 | 8,35,591 | 8,36,045 |
| D | Re-measurements | (33,41,638) | 12,78,950 | (21,00,493) | (1,19,719) |
| E | Contribution paid to the fund | (7,20,534) | (17,48,987) | - | - |
| F | Benefit paid directly by the enterprise | - | - | (8,90,026) | (10,30,441) |
| G | Net defined benefit liability/(Asset) at the end of the period | (16,87,684) | 11,84,189 | 1,01,06,141 | 1,13,37,728 |

| Actuarial Assumptions | | Gratuity | | Leave Encashment | |
|-----------------------|-----------------------------------|-------------------|---------------------------|-------------------|----------------------------|
| | | Discount Rate (%) | Future salary increase(%) | Discount Rate (%) | Future salary increase (%) |
| A | As at 31 st March,2018 | 7.73 | 6.00 | 7.73 | 6.00 |
| B | As at 31 st March,2017 | 7.37 | 6.00 | 7.37 | 6.00 |
| C | As at 31 st March,2016 | 8.00 | 6.00 | 8.00 | 6.00 |

| Changes in Fair Value of Assets | | As at 31 st March 2018 | As at 31 st March 2017 | As at 31 st March 2018 | As at 31 st March 2017 |
|---------------------------------|--|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| | | Gratuity | | Leave Encashment | |
| 1 | Fair value of plan assets at the beginning of the period | 1,79,99,286 | 1,57,78,967 | - | - |
| 2 | Actual return on plan assets | 15,08,661 | 12,79,024 | - | - |
| 3 | Employer contribution | 7,33,377 | 17,48,987 | - | - |
| | Less- Charges | (12,843) | - | - | - |
| 4 | Benefits paid | (5,34,057) | (8,07,692) | - | - |
| 5 | Fair value of plan assets at the end of the period | 1,96,94,424 | 1,79,99,286 | - | - |

e) Sensitivity analysis

| For year ending 31 st March, 2018 | | Gratuity | Leave encashment |
|---|---------------------------------|-------------|------------------|
| A. Impact of change in Discount rate | | | |
| Present value obligation at end of the period | | 1,80,06,740 | 1,01,06,141 |
| 1 | Impact due to increase of 0.50% | (6,38,706) | (4,09,454) |

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Director

| | | | |
|---|----------------------------------|-------------|-------------|
| 2 | Impact due to decrease of 0.50% | 6,80,125 | 4,38,560 |
| B. Impact of change in Salary increase | | | |
| Present value obligation at end of the period | | 1,80,06,740 | 1,01,06,141 |
| 1 | Impact due to increase of 0.50% | 6,88,239 | 4,43,808 |
| 2 | Impact due to decrease of 0.50 % | (6,51,780) | (4,17,815) |

| For year ending 31 st March, 2017 | | Gratuity | Leave encashment |
|---|----------------------------------|-------------|------------------|
| A. Impact of change in Discount rate | | | |
| Present value obligation at end of the period | | 1,91,83,475 | 1,13,37,728 |
| 1 | Impact due to increase of 0.50% | (6,07,977) | 7,45,811 |
| 2 | Impact due to decrease of 0.50% | 5,99,826 | 13,06,521 |
| B. Impact of change in Salary increase | | | |
| Present value obligation at end of the period | | 1,91,83,475 | 1,13,37,728 |
| 1 | Impact due to increase of 0.50% | 6,02,346 | 13,03,475 |
| 2 | Impact due to decrease of 0.50 % | (6,15,528) | 7,46,138 |

- 38) For year ended 31st March, 2018, Company has no dues from any party that it is covered under the Micro, Small & Medium Enterprises Development Act, 2006 (MSMED).
- 39) The Company M/Shriram Alpine Sales Private Limited (The Acquiree) merged with M/s Shriram Automotive Products Ltd (The Acquirer). The merger petitions were signed and submitted to the Hon'ble High Court of Delhi. Thereafter, final approval order of merger has been received from National Company Law Tribunal (NCLT) vide order Dated - 10th April, 2017. The merger's appointed date is 1st April, 2015 accordingly such order is effective from 1st April, 2015. The financials have been prepared on the basis of said merger order with effect from 01st April, 2015.

As per the merger scheme, the shareholders of M/s Shriram Alpine Sales Private Limited will be issued six share of Shriram Automotive Products Limited against every ten shares of Shriram Alpine Sales Private Limited.

In the financials as at 31st March, 2017, Rs25,20,000 representing 25,200 Equity Shares of Shriram Automotive Products Limited at face value of Rs 100, has been shown as share pending allotment as per the scheme of Amalgamation approved by National Company Law Tribunal (NCLT) vide order Dated - 10th April, 2017. The remaining amount of Rs 16,80,000 against which no shares have been allotted has been shown as Capital Reserve in the Schedule of Reserves and Surplus. During the year ended 31 March 2018 Equity Shares were allotted on 28th June 2017 as per merger scheme against Share pending allotment account.

- 40) The Company has taken certain commercial premises under cancellable operating lease arrangements. The total aggregate of Lease Rentals including taxes recognized as expense in the profit & loss account under cancellable operating lease was Rs. 1,03,99,154 (Previous Period : Rs1,23,11,302). There is no Lock in period of aforementioned Operating leases as on 31st March 2018 therefore the same are considered as cancellable operating lease.

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Director



41) Related Parties Transactions:

A. List of Related parties

| SN | Description of Relationship | Name of Party |
|-----|---|--|
| (a) | Enterprises over which individuals shareholders of the Company exercising significant influence | M/s Shriram Pistons & Rings Ltd. M/s Shriram Veritech Solutions P.Ltd |
| (b) | Key Management Personnel | Mr. Kush D.Shriram (Director) |

B. Transactions with related parties during the year

(Amount in Rs.)

| Particulars | For the year ending 31 st March 2018 | For the year ending 31 st March 2017 |
|---|---|---|
| Key Management Personnel | | |
| 1. Remuneration | 15,12,080 | 10,84,920 |
| Enterprises over which individual shareholders of the company exercise significant influence | | |
| 1. Sale of goods | 30,63,93,535 | 33,96,63,956 |
| 2. Purchase of goods | 20,12,861 | 24,54,609 |
| 3. Reimbursement of expenses | 33,37,966 | 40,86,120 |

C. Balance Outstanding

(Amount in Rs.)

| | | |
|-------------------------------------|------------|-------------|
| 1. Amount outstanding - Receivables | 423,06,492 | 3,70,57,880 |
| 2. Amount outstanding - Payables | 22,244 | 370,799 |

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Director



42) Fair value measurement

i) Financial Instruments by category

| | As at 31 st March 2018 | | | As at 31 st March 2017 | | | As at 31 st March 2016 | | |
|------------------------------|-----------------------------------|--------|----------------|-----------------------------------|--------|----------------|-----------------------------------|--------|----------------|
| | FVPL | FV OCI | Amortised cost | FVPL | FV OCI | Amortised cost | FVPL | FV OCI | Amortised cost |
| Financial Assets | | | | | | | | | |
| Investments | 3,00,808 | - | - | 3,22,167 | - | - | 2,76,662 | - | - |
| Loans | - | - | 3,00,000 | - | - | 8,77,531 | - | - | 21,37,899 |
| Trade Receivables | - | - | 27,85,07,431 | - | - | 19,03,57,599 | - | - | 24,00,06,707 |
| Cash and cash equivalents | - | - | 40,25,278 | - | - | 1,17,21,918 | - | - | 24,99,491 |
| Other bank balance | - | - | 5,23,14,619 | - | - | 6,63,58,048 | - | - | 6,00,51,099 |
| Others | - | - | 1,93,61,766 | - | - | 1,89,33,609 | - | - | 2,35,43,310 |
| Financial Liabilities | | | | | | | | | |
| Borrowing | - | - | - | - | - | 1,00,47,034 | - | - | 59,96,576 |
| Trade Payable | - | - | 28,40,60,317 | - | - | 17,94,51,860 | - | - | 21,25,08,430 |
| Other | - | - | 38,42,546 | - | - | 77,63,954 | - | - | 1,38,91,182 |

ii) The carrying value and fair value of financial instruments by categories as of March 31, 2018 are as under:

| Particulars | Financial assets/ (Financial liabilities) at fair value through profit or loss (FVTPL) | Total carrying value | Total fair value |
|------------------------------------|--|----------------------|------------------|
| Investment in Equity Shares | | | |
| As on 31 st March 2018 | (21,359) | 2,82,142 | 2,60,783 |
| As on 31 st March 2017 | 45,505 | 2,36,637 | 2,82,142 |
| As on 31 st March 2016 | 2,28,183 | 8,454 | 2,36,637 |

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Director



| Particulars | Financial assets/ (Financial liabilities) at Amortised cost | Total carrying value | Total fair value |
|-----------------------------------|---|----------------------|------------------|
| Investment in NSC | | | |
| As on 31 st March 2018 | - | 40,025 | 40,025 |
| As on 31 st March 2017 | - | 40,025 | 40,025 |
| As on 31 st March 2016 | 15,025 | 25,000 | 40,025 |

iii) Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

Fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2018:

| Particulars | Amount | Fair value measurement at end of the reporting period/year using | | |
|------------------------------------|----------|--|---------|---------|
| | | Level 1 | Level 2 | Level 3 |
| Financial Assets | | | | |
| Investment in Equity shares | | | | |
| As at 31 st March, 2018 | 2,60,783 | 2,60,783 | - | - |
| As at 31 st March, 2017 | 2,82,142 | 2,82,142 | - | - |
| As at 31 st March, 2016 | 2,36,637 | 2,36,637 | - | - |

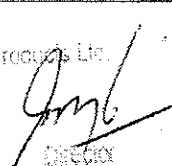
There is no transfer between the fair value measurement hierarchy amongst level 1, level 2 and level 3 during the year.

iv) Fair value of financial assets and liabilities measured at amortised cost:

| Particulars | As at 31 st March, 2018 | | As at 31 st March, 2017 | | As at 31 st March, 2016 | |
|---------------------------|------------------------------------|--------------|------------------------------------|--------------|------------------------------------|--------------|
| | Carrying amount | Fair value | Carrying amount | Fair value | Carrying amount | Fair value |
| Financial assets | | | | | | |
| Loans | 3,00,000 | 3,00,000 | 8,77,531 | 8,77,531 | 21,37,899 | 21,37,899 |
| Trade Receivables | 27,85,07,431 | 27,85,07,431 | 19,03,57,599 | 19,03,57,599 | 24,00,06,707 | 24,00,06,707 |
| Cash and cash equivalents | 40,25,278 | 40,25,278 | 1,17,21,918 | 1,17,21,918 | 24,99,491 | 24,99,491 |
| Bank deposits | 39,26,408 | 39,26,408 | 2,07,00,988 | 2,07,00,988 | 1,94,60,689 | 1,94,60,689 |
| Margin Money | 4,83,88,211 | 4,83,88,211 | 4,56,57,060 | 4,56,57,060 | 4,05,90,410 | 4,05,90,410 |

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Director



| | | | | | | |
|------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Others | 1,93,61,766 | 1,93,61,766 | 1,89,33,609 | 1,89,33,609 | 2,35,43,310 | 2,35,43,310 |
| Financial Liabilities | | | | | | |
| Borrowings | - | - | 1,00,47,034 | 1,00,47,034 | 59,96,576 | 59,96,576 |
| Trade Payables | 28,40,60,317 | 28,40,60,317 | 17,94,51,860 | 17,94,51,860 | 21,25,08,430 | 21,25,08,430 |
| Other financial liabilities | 38,42,546 | 38,42,546 | 77,63,954 | 77,63,954 | 1,38,91,182 | 1,38,91,182 |

43) **Capital Management**

The Company's objective for managing capital is to ensure as under:

- To ensure the company's ability to continue as a going concern.
- Maintaining a strong credit rating and healthy debt equity ratio in order to support business and maximize the shareholders' value.
- Maintain an optimal capital structure.
- Compliance financial covenants under the borrowing facilities.

For the purpose of capital management, capital includes issued equity capital, and all other equity reserves attributable to the equity holders of the Company.

The Company manages its capital structure keeping in view of:

- Compliance of financial covenants of borrowing facilities.
- Changes in economic conditions.

In order to achieve this overall objective of capital management, amongst other things, the Company aims to ensure that it meets financial covenants attached to the borrowings facilities defining capital structure requirements, where breach in meeting the financial covenants may permit the lender to call the borrowings.

There has been no breach in the financial covenants of any borrowing facilities in the current period. There is no change in the objectives, policies or processes for managing capital over previous year. To maintain the capital structure, the Company may vary the dividend payment to shareholders.

44) **Financial Risk Management**

The Company's principal financial liability comprises loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Company also holds FVTPL non-current investments. The Company is exposed to market risk, credit risk, interest risk, foreign exchange risk and liquidity risk. The Company's senior management oversees the management of these risks under appropriate policies and procedures.

a) **Market Risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, FVTPL non-current investments.

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Director



b) Foreign Exchange Risk

The Company is exposed to foreign exchange risk through its sales and purchases from overseas in foreign currencies mainly in USD, EURO and GBP. The exchange rate between the rupee and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Consequently, the results of the Company's operations are adversely affected as the rupee appreciates/ depreciates against these currencies.

(Amount in foreign currency)

| Particulars | Currency | 31 March 2018 | 31 March 2017 | 31 March 2016 |
|-------------------------|----------|---------------|---------------|---------------|
| Trade Receivables | USD | 4,53,001.98 | 1,94,081.33 | 3,13,214.50 |
| | GBP | 6,950.52 | 33,401.93 | 26,945.04 |
| | EUR | 6,24,733.12 | 4,56,939.09 | 4,86,170.50 |
| Advances from Customers | USD | 49,270.82 | 3,15,740.05 | 7,221.45 |
| | GBP | - | - | - |
| | EUR | 16,437.69 | 9,112.44 | 5,409.00 |

c) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's avilment of bank overdraft and other working capital loans.

d) Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. Credit risk is managed by company's established policy, procedures and control relating to customer credit risk management. Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss.

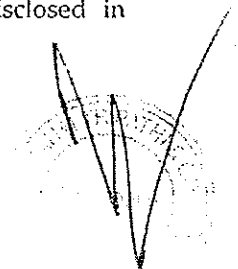
e) Liquidity Risk

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans. Liquidity risk is managed by company's established policy & procedures made under liquidity risk management framework. The Company manages liquidity risk by maintaining adequate reserves, banking facilities, and reserve borrowing facilities, by continuously forecast and actual cash flows, and by matching the maturity profile of financial assets and liabilities.

The financial assets and liabilities have been appropriately disclosed in financial statements as current and non-current portion.

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[Signature]
Director



45) The letters of confirmation has been issued to all parties of Accounts receivables, Accounts payables, Security Depositors, Banks & other parties to confirm their balances as on 31st March, 2018. Balance confirmations have not been received from many parties, except some parties have sent their consent as on the date of signing of financials. The balances of such parties have been incorporated in the financial statements at the value as per the books of account. The company, to the extent stated, has considered them as good and necessary provisions have been made in respect of debtors/advances under litigation and where recovery is considered doubtful.

46) **Segment information for the year ended 31st March 2018**
 The Company is engaged in a the business of "Automotive components/spares & Lubricants" from where it is earning its revenue and incurring expense. The operating results are regularly reviewed and performance is assessed by its Chief Operating Decision Maker (CODM). All the company's resources are dedicated to this single segment and all the discrete financial information is available for this segment.

Geographical Segments

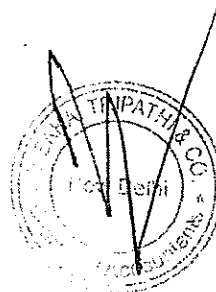
The Geographical Segments have been considered for disclosure as the segment, under which the domestic segment includes sales to customers located in India and the Overseas segment includes sale to customers located outside India.

| Particulars | For year ending 31st March, 2018 | For year ending 31st March, 2017 |
|------------------------|-------------------------------------|-------------------------------------|
| Segment Revenue | | |
| - Within India | 80,34,27,233 | 81,49,54,606 |
| - Outside India | 48,19,16,662 | 42,66,96,174 |

47) **Specified Bank Notes (Previous Year figures)**
 As per notification of MCA vide dated 30th March, 2017, the details of Specified Bank Notes (SBN) and other denomination notes held and transacted during the period from 08th November 2016 to 30th December, 2016 are as follows:

| Particulars | SBNs | Other Denomination | Total |
|---|---------|-----------------------|---------|
| Closing Cash in hand on 08.11.2016 | 264,500 | 15,611 | 280,111 |
| (+) Permitted Receipts | - | 564,255 | 564,255 |
| (-) Permitted Payments | - | 508,379 | 508,379 |
| (-) Amount deposited in Banks | 264,500 | - | 264,500 |
| Closing Cash in hand as on December 30, 2016 | - | 71,487 | 71,487 |

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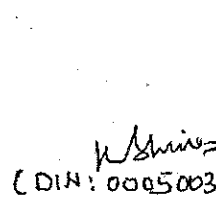
[Signature]
 Director

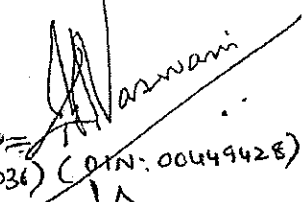
48) Figures for the previous year are in brackets and have been re-grouped/re-classified wherever necessary to make them comparable with the figures of the current year.

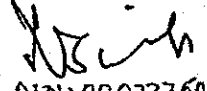
For V Sahai Tripathi & Co
Chartered Accountants
Firm Reg. No. 000262n

Manish Mohan
Partner
M.N.: 091607



(Gen. Manager)

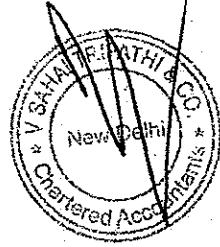

(DIN: 00050036)


(DIN: 0049428)
(Directors)


(DIN: 00023760)

Place: New Delhi
Dated: 21-5-2018


(Chairman)
(DIN: 00124814)



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For Shriram Automotive Products Ltd.


Director

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SHRIRAM AUTOMOTIVE PRODUCTS LIMITED

Provisional Balance Sheet as at 31st July 2018

| Particulars | | As at 31st July 2018 | As at 31st March 2018 |
|-------------|-------------------------------------|-------------------------|--------------------------|
| I | ASSETS | | |
| 1 | Non-current assets | | |
| | (a) Property, Plant and Equipment | 14,325,239 | 14,976,853 |
| | (b) Financial Assets | | |
| | (i) Investments | 40,025 | 300,808 |
| | (ii) Loans | 100,000 | 100,000 |
| | (ii) Other Financial Assets | 3,928,496 | 3,184,796 |
| | (b) Deferred Tax Asset (Net) | 7,900,555 | 7,945,555 |
| | (d) Other Non-Current Assets | 45,349,123 | 62,547,320 |
| 2 | Current assets | | |
| | (a) Inventories | 86,309,993 | 75,841,975 |
| | (b) Financial Assets | | |
| | (i) Trade receivables | 257,059,810 | 278,507,431 |
| | (ii) Cash and Cash Equivalents | 280,240 | 4,025,278 |
| | (iii) Other Bank Balances | 55,324,619 | 52,314,619 |
| | (iv) Loans | 200,000 | 200,000 |
| | (v) Other Financial Assets | 11,745,771 | 16,673,093 |
| | (c) Current Tax Assets (Net) | (2,545,409) | 1,206,432 |
| | (d) Other Current Assets | 5,523,821 | 5,041,059 |
| | TOTAL ASSETS | 485,542,283 | 522,865,219 |
| II | EQUITY AND LIABILITIES | | |
| 1 | Equity | | |
| | (a) Equity Share Capital | 12,024,000 | 12,024,000 |
| | (b) Other Equity | 153,467,362 | 143,617,229 |
| 2 | Liabilities | | |
| | Non-current liabilities | | |
| | (a) Financial Liabilities | | |
| | (i) Other Financial Liabilities | 28,010,350 | 26,483,099 |
| | (b) Provisions | 10,044,141 | 9,376,528 |
| | Current liabilities | | |
| | (a) Financial Liabilities | | |
| | (i) Borrowings | - | - |
| | (ii) Trade Payables | 255,661,489 | 284,060,317 |
| | (iii) Other Financial Liabilities | 2,705,554 | 3,842,546 |
| | (b) Other Current Liabilities | 20,429,388 | 31,861,108 |
| | (c) Provisions | 3,200,000 | 11,600,392 |
| | TOTAL EQUITY AND LIABILITIES | 485,542,283 | 522,865,219 |

V. M. J.
TRUE COPY

For Shriram Automotive Products Ltd.

[Signature]
Director

TRUE COPY

[Handwritten mark]

SHRIRAM AUTOMOTIVE PRODUCTS LIMITED
Provisional Statement of Profit and Loss for the period ended 31st July 2018

| Particulars | | As at 31st July 2018 | As at 31st March 2018 |
|-------------|--|-------------------------|--------------------------|
| I. | Revenue From Operations | 423,350,790 | 1,268,327,443 |
| II. | Other Income | 2,095,433 | 18,979,381 |
| III. | Total Revenue (I + II) | 425,446,223 | 1,287,306,824 |
| IV. | Expenses: | | |
| | Cost of Material Consumed | - | 3,661,484 |
| | Purchase of Stock-in Trade | 352,120,197 | 997,424,170 |
| | Changes in Inventory | -10,468,018 | 6,191,596 |
| | Excise duty on Sale of Goods | - | 3,072,759 |
| | Employee Benefits Expense | 21,262,983 | 68,036,536 |
| | Finance Costs | 3,060,334 | 7,677,067 |
| | Depreciation and Amortization Expense | 1,121,827 | 5,721,672 |
| | Other Expenses | 44,753,766 | 154,369,393 |
| | Total Expenses | 411,851,089 | 1,246,154,676 |
| V. | Profit before exceptional items and tax (III-IV) | 13,595,134 | 41,152,148 |
| VI. | Exceptional Item | - | - |
| VII. | Profit before tax (V - VI) | 13,595,134 | 41,152,148 |
| VIII. | Tax expense: | | |
| | (1) Current Tax | 3,700,000 | 13,982,906 |
| | (2) Deferred Tax | 45,000 | (376,771) |
| | (3) Prior Period Tax | - | - |
| IX. | Profit (Loss) for the period | 9,850,134 | 27,546,013 |
| X. | Other Comprehensive income | | |
| | A (i) Items that will not be reclassified to profit or loss | | |
| | - Remeasurements of the defined benefit plans | | 3,341,638 |
| | (ii) Income tax relating to items that will not be reclassified to profit or loss | - | (1,104,846) |
| | B (i) Items that will be reclassified to profit or loss | - | - |
| | (ii) Income tax relating to items that will be reclassified to profit or loss | - | - |
| XI. | Total Comprehensive Income for the period (X+XI) (Comprising profit (loss) and other Comprehensive Income for the period) | 9,850,134 | 29,782,805 |
| XII. | Earnings per equity share (for continuing operation): | | |
| | - Basic | 81.92 | 229.09 |
| | - Diluted | 81.92 | 229.09 |

For Shriram Automotive Products Ltd.

Director

TRUE COPY



SHRIRAM

POSTAL BALLOT PAPER / POLLING PAPER – EQUITY SHAREHOLDERS

[Pursuant to section 109, 110 and 230(4) of the Companies Act, 2013 read with rule 21(1) (c) of the Companies (Management and Administration) Rules, 2014, Rule 9 of Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and SEBI Circular No. CFD/DIL3/CIR/2017/21 dated 10th March, 2017]

CIN : L29112DL1963PLC004084
 Name of the Company : Shriram Pistons & Rings Ltd.
 Registered Office : 3rd Floor, Himalaya House, 23, Kasturba Gandhi Marg, New Delhi – 110 001

| S. NO. | PARTICULARS | DETAILS |
|--------|---|---------|
| 1 | Name of the first named shareholder (in block letters) | |
| 2 | Postal Address | |
| 3 | Registered Folio No./ DP ID and Client ID No*. (Applicable to Investors holding shares in dematerialized form) | |
| 4 | Class of Share | Equity |

I hereby exercise my vote in respect of resolution for approving, with or without modification, Scheme of Amalgamation of Shriram Automotive Products Limited (Transferor Company) with Shriram Pistons & Rings Limited (Transferee Company) and at such meeting or at any adjournment thereof.

| S. No. | Item | No. of shares held by me | I assent to the Resolution (FOR) | I dissent from the Resolution (AGAINST) |
|--------|--|--------------------------|----------------------------------|---|
| 1 | Approval of Scheme of Amalgamation of Shriram Automotive Products Limited (Transferor Company) with Shriram Pistons and Rings Limited (Transferee Company) | | | |

Place:

Date:

 (Signature of the Shareholder/ proxy holder/authorized representative)

FOR OFFICE USE

Equity Shares held by Shareholder Records
 Date & Time on which Proxy Form, if any, Lodged with the Company

Signature of Chairman

Signatures of Scrutinizers

Signature of Alternate Chairman

1

Appointed by the National Company Law Tribunal,
 Principal Bench at New Delhi

2

**INSTRUCTIONS
INSTRUCTIONS TO MEMBERS OPTING VOTE BY WAY OF POSTAL BALLOT**

- i. Shareholders desiring to exercise vote by Postal Ballot should complete and sign this postal Ballot Form and send it to the Scrutinizer, at the 3rd Floor, Himalaya House, 23 Kasturba Gandhi Marg, New Delhi-110001 in the enclosed postage prepaid self-addressed envelope, Postal Ballot Forms deposited in person or sent by post or courier at the expense of the Shareholder will also be accepted.
- ii. In case of joint holding, this Postal Ballot Form should be completed and signed by the first named shareholder and in his absence by the next named Shareholder.
- iii. In respect of shares held by corporate and institutional shareholders (companies, trusts, societies, etc.) the completed Postal Ballot Form should be accompanied by a certified copy of the relevant Board Resolution/appropriate authorization, with the specimen signature(s) of the authorized signatory(ies) duly attested.
- iv. The signature of the Shareholder on this Postal Ballot Form should be as per specimen signature furnished by National Securities Depository Limited (NSDL)/ Central Depository Services (India) Limited (CDSL) or registered with the Company, in respect of shares held in the dematerialized form or in the physical form, respectively.
- v. Completed Postal Ballot Forms should reach the Scrutinizer not later than the close of working hours i.e. **5:00 PM on Sunday, 18th November, 2018**. Postal Ballot Forms received after this date will be considered invalid.
- vi. Postal Ballot Forms which are incomplete or unsigned or defective in any manner are liable to be rejected. The Scrutinizer's decision in this regard shall be final and binding.
- vii. Shareholders seeking duplicate postal Ballot Form can write to the Company or to the e-mail ID compliance.officer@shrirampistons.com completed and signed duplicate Postal Ballot Forms should, however, reach the Scrutinizer not later than the close of working hours i.e. **5:00 PM on Sunday, 18th November, 2018**.
- viii. Shareholders are requested not to send any other paper along with this Postal Ballot Form.

INSTRUCTION TO MEMBERS OPTING VOTE BY WAY OF E-VOTING

The instructions for the members for voting electronically are as under:-

- (i) Log on the e-voting website: www.evotingindia.com
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"
- (iv) Now Enter your User ID
 - a) For NSDL: 8 Character DP ID followed by 8 Digits Client ID.
 - b) For CDSL: 16 digit beneficiary ID,
 - c) Members holding shares in Physical Form should enter Folio Number registered with the Company
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.
- (vii) If you are a first time user, follow the steps given below:

| For members holding shares in Demat and Physical form | |
|---|--|
| PAN | Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) |
| | Members who have not updated their PAN with the Company / Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number (affixed in this notice) in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of zero's before the number after the first two characters of the name in CAPITAL letters. E.g. If your name is Ramesh Kumar with serial number 1 then enter RA00000001 in the PAN field. |
| Dividend Bank Details OR Date of Birth (DOB) | Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field. |

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then reach directly to the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the Electronic Voting Sequence Number (EVSN) for Shriram Pistons & Rings Limited.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take printout of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders holding multiple folios/ demat account shall choose the voting process separately for each folios/ demat account.
- (xix) Additional instructions for Institutional Shareholders:
 - a) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
 - b) They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com and tejinder104@yahoo.com.
 - c) After receiving the login details they have to create a user id who would be able to link the account(s) which they wish to vote on.
 - d) The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - e) They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
- (xx) Members are eligible to cast vote electronically only if they are holding shares as on 3rd August, 2018.
- (xxi) The voting period shall commence at 09:00 A.M.(0900 hours) on 19th October, 2018 and will end at 05:00 P.M. (1700 hours) on 18th November, 2018. The e-voting module shall be disabled by 18th November, 2018 after 05:00 P.M. (1700 hours) and shall not be allowed beyond the said date and time.
- (xxii) In case you have any queries or issues regarding remote e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

GENERAL INFORMATION

- a) There will be one postal Ballot Form/e-voting for every Client ID No./Folio No. irrespective of the number of joint holders.
- b) Shareholders can opt for only one mode of voting i.e. either by Postal Ballot or through e-voting. In Case you are opting for voting by Postal Ballot, then please do not cast your vote by e-voting and vice versa. However, in case equity shareholder(s) cast their vote both via postal ballot and e-voting, then voting validly done through e-voting shall prevail and voting done by postal ballot shall be treated as invalid
- c) Voting rights shall be reckoned on the paid-up value of shares registered in the name of the Shareholder as on Friday, 3rd August, 2018.
- d) Voting rights in the Postal Ballot/e-voting cannot be exercised by a proxy. However, corporate and institutional shareholders shall be entitled to vote through their authorized representatives with proof of their authorization, as stated above.
- e) The date of declaration of the results of Postal Ballot/e-voting, as stated in the Notice i.e. **Friday, 23rd November, 2018**. The results will be declared by the Scrutinizer at the registered office of the Company and will be available on the Company's corporate website www.shrirampistons.com under the link <http://shrirampistons.com/investors-guide.html>. Such results will also be informed to the National Stock Exchange.

**SHRIRAM**

CIN : L29112DL1963PLC004084
 Name of the Company : Shriram Pistons & Rings Ltd.
 Registered Office : 3rd Floor, Himalaya House, 23, Kasturba Gandhi Marg, New Delhi – 110 001

BEFORE THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL, AT NEW DELHI

COMPANY APPLICATION NO. CA (CAA) 148 (PB) OF 2018

IN THE MATTER OF:**THE SCHEME OF AMALGAMATION OF:**

SHRIRAM AUTOMOTIVE PRODUCTS LIMITED having its registered office at 4th Floor, Himalaya House, 23 Kasturba Gandhi Marg, New Delhi-110001.

... TRANSFEROR COMPANY/ APPLICANT COMPANY NO. 1

WITH

SHRIRAM PISTONS & RINGS LIMITED having its registered office at 3rd Floor, Himalaya House, 23 Kasturba Gandhi Marg, New Delhi-110001.

... TRANSFEREE COMPANY/ APPLICANT COMPANY NO. 2

PROXY FORM – EQUITY SHAREHOLDERS

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

| | |
|------------------------------|--|
| Name of the Member(s): | |
| Registered Address: | |
| E-Mail ID: | |
| Folio No./DP ID & Client ID: | |

I/We, being the member(s) of Shriram Pistons and Rings Limited, holding _____ shares of the Company, hereby appoint:

| | | |
|------------------|------------------|------------------|
| 1. Name: _____ | 2. Name: _____ | 3. Name: _____ |
| Address : _____ | Address : _____ | Address : _____ |
| E-mail ID: _____ | E-mail ID: _____ | E-mail ID: _____ |
| Signature: _____ | Signature: _____ | Signature: _____ |

or failing him,

or failing him,

as my/our proxy to attend and vote (on a poll) for me/us on my/our behalf at the meeting of Equity Shareholders to be held on **Wednesday, 21st November, 2018 at 11:00 AM** at PHD Chamber of Commerce and Industry, PHD House, No. 4/2, Siri Institutional Area, August Kranti Marg, New Delhi, Delhi 110016 for the purpose of considering and, if thought fit, approving, with or without modification, Scheme of Amalgamation of Shriram Automotive Products Limited (Transferor Company) with Shriram Pistons & Rings Limited (Transferee Company) and at such meeting or at any adjournment thereof.

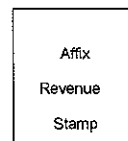
Signed this ____ day of _____, 2018.

Signature of shareholder:

Signature of proxy holder(s):

NOTES:

1. The Proxy need not be a member.
2. The Proxy Form duly signed across a revenue stamp of 15 paise should reach the Company's Registered Office at least 48 hours before the time of the meeting.
3. A shareholder may vote either 'for' or 'against' the resolution.





SHRIRAM

SHRIRAM PISTONS & RINGS LIMITED

CIN: L29112DL1963PLC004084

Regd. Office: 3rd Floor, Himalaya House, 23, Kasturba Gandhi Marg, New Delhi-110001

ATTENDANCE SLIP

For NCLT Convened Meeting of Equity Shareholders of Shriram Pistons & Rings Limited to be held on 21.11.2018 at PHD Chamber of Commerce and Industry, PHD House, No. 4/2, Siri Institutional Area, August Kranti Marg, New Delhi, Delhi-110016

Proposed Scheme of Amalgamation-Shriram Automotive Products Limited (Transferor Company) with Shriram Pistons & Rings Limited (Transferee Company).

| | |
|--|--|
| Total no. of Shares: | |
| Registered Folio No./ DP ID and Client ID No. | |
| Name of the Equity Shareholders: | |
| Name of Proxy/Authorized Representative: | |
| Address: | |

I/We hereby record my/our presence at the NCLT Convened meeting of Equity Shareholders of the Company pursuant to the Order dated 3rd October, 2018 in the Company Application No. CA (CAA) 148(PB)/2018 of 2018 on Wednesday, 21st November, 2018.

Signatures:

Equity Shareholder:

Authorized Representative:

First/Sole Proxy Holder

Second Proxy Holder

Third Proxy Holder



SHRIRAM

SHRIRAM PISTONS & RINGS LIMITED
CIN: L29112DL1963PLC004084

Regd. Office: 3rd Floor, Himalaya House, 23, Kasturba Gandhi Marg; New Delhi-110001

ENTRY PASS

**FOR MEETING OF EQUITY SHAREHOLDERS TO BE HELD ON 21.11.2018 AT PHD CHAMBER OF COMMERCE AND INDUSTRY,
PHD HOUSE, NO. 4/2, SIRI INSTITUTIONAL AREA, AUGUST KRANTI MARG, NEW DELHI, DELHI 110016**
(To be retained throughout the Meeting)

| | |
|---|--|
| Total no. of Shares: | |
| Registered Folio No./ DP ID and Client ID No. | |
| Name of the Equity Shareholders: | |
| Name of Proxy/Authorized Representative: | |
| Address: | |

Signatures:

Equity Shareholder:

Authorized Representative:

First/Sole Proxy Holder

Second Proxy Holder

Third Proxy Holder

Notes for Registration of Attendance and Poll:

1. Equity Shareholders are requested to produce attendance slips duly signed, get their entry pass stamped.
2. Entry pass should be retained throughout the meeting.
3. Poll will be conducted in respect of the NCLT Convened meeting. When the poll is announced by the Chairman of the meeting, the poll sheet will be distributed to all the Equity Shareholders present inside the venue of the meeting as ordered by the NCLT. Shareholders are requested to be seated and the poll sheet will reach them at their seats.
4. Poll sheet is to be signed by the Shareholders or proxy present, exactly as per the specimen signature registered with the Company.
5. The venue is equipped with or has to facilitate any clarifications on Equity Shareholders of the Company.
6. Complete poll sheets in all respects should be deposited in Poll Box kept near the stage of the venue.
7. If the Equity Shareholders wants to vote in favour of the Scheme put "FOR" and in case intend to vote against the Scheme put "AGAINST".
8. Equity Shareholders are requested to bring a photo identity card along with them such proof shall be retained throughout the meeting.

