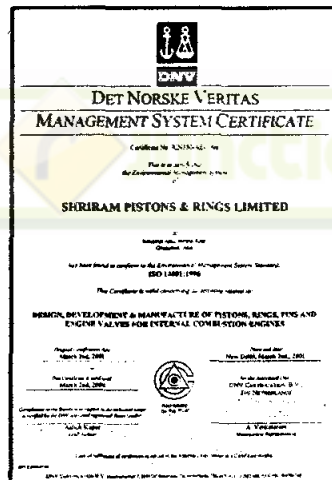


| 37th ANNUAL REPORT 2000-2001 |



SHRIRAM PISTONS & RINGS LIMITED

It's like a breath of fresh air!



SHRIRAM PISTONS & RINGS LTD.

*The first company in India manufacturing Pistons, Pins, Piston Rings & Engine Valves
to be awarded QS-9000 certification (TUV, Germany)
is again the **first** to be awarded **ISO 14001** certification (DNV, Netherlands)*



SRIRAM

Board of Directors

Dr. Charat Ram	- Chairman
Shri N.R. Dongre	- Deputy Chairman
Shri L.P. Gupta	
Shri O.P. Khaitan	
Shri R.M. Malla	
Shri Ravinder Narain	
Shri N. Okano	
Shri Prem Pandhi	
Shri R.L. Saigal	
Shri Puneet Saxena	
Shri Siddharth Shriram	
Shri Deepak Shriram	- Vice Chairman & Managing Director
Shri A.K. Taneja	- Whole-time Director
Shri R. Srinivasan	- Whole-time Director

Audit Committee

Shri Prem Pandhi
 Shri R.M. Malla
 Shri R.L. Saigal
 Shri Puneet Saxena
 Shri Siddharth Shriram

Principal Executives

Shri A.K. Taneja	- Sr. Executive Director
Shri R. Srinivasan	- Executive Director & Company Secretary
Shri Rajiv Sethi	- Executive Director
Shri S. Kumar	- Executive Director

Technical Collaborators

Kolbenschmidt Pierburg AG, Germany
 Riken Corporation, Japan
 Honda Foundry Co. Ltd., Japan
 Fuji Oozx Inc., Japan

Bankers

UCO Bank
 State Bank of Hyderabad
 Corporation Bank

Auditors

J.C.Bhalla & Co., New Delhi

Registered Office

23, Kasturba Gandhi Marg,
 New Delhi - 110 001

Works

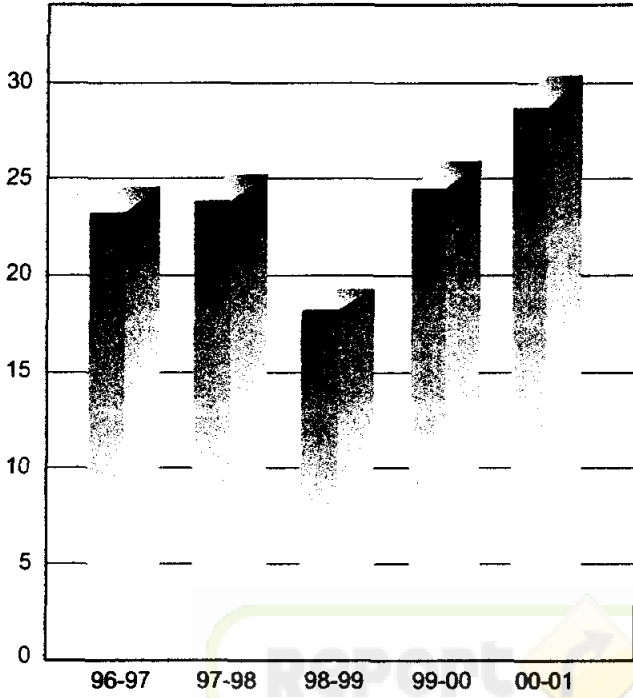
Meerut Road, Ghaziabad (U.P.)



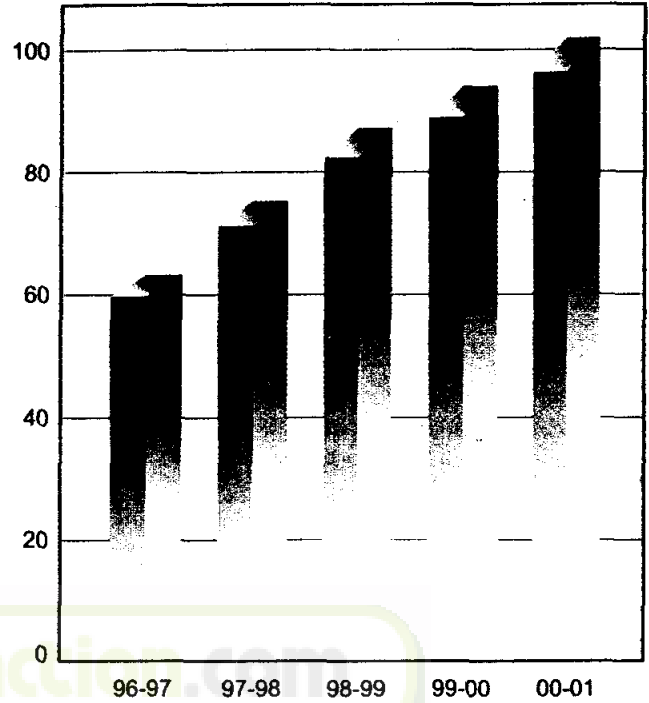
SRIRAM

FINANCIAL HIGHLIGHTS

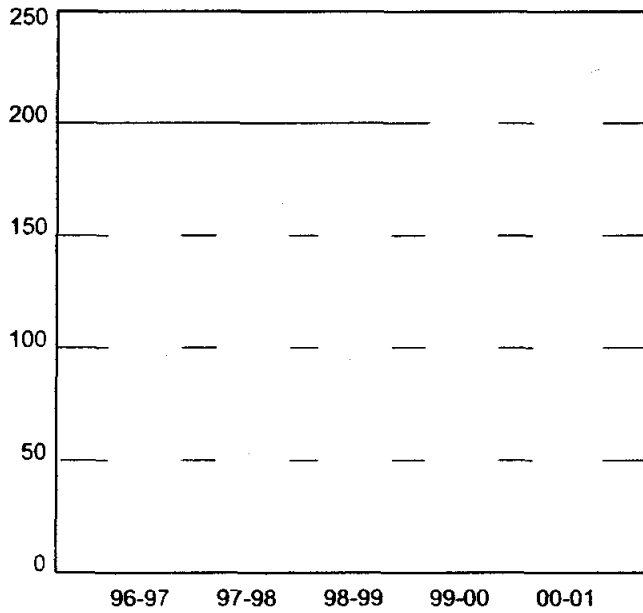
Net Profit (Cr./Rs)



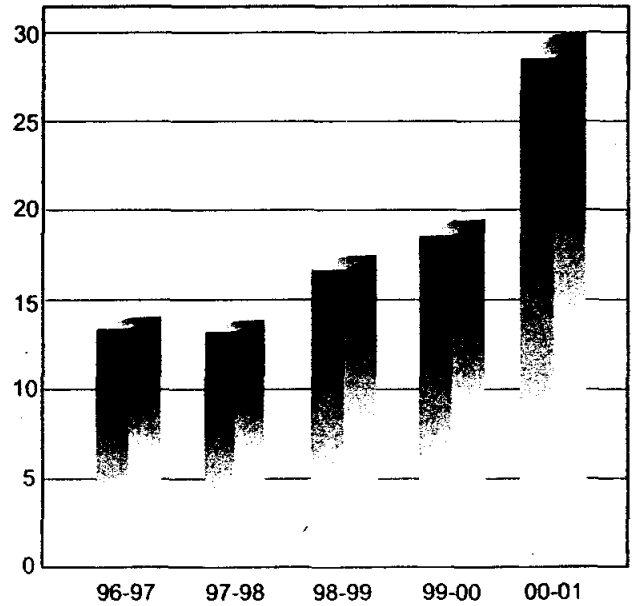
Net Worth (Cr./Rs)



Sales (Cr./Rs)



Exports (Cr./Rs)





WORKING RESULTS AT A GLANCE

PARTICULARS	UNIT	YEAR ENDING MARCH									
		2001	2000	1999	1998	1997	1996	1995	1994	1993	1992
Paid-up Share Capital - Equity	Cr./Rs.	22.4	11.2	11.2	11.2	5.6	5.6	5.6	0.9	0.9	0.9
- Pref.	Cr./Rs.	10.0	10.0	10.0	3.0						
Reserves & Surplus	Cr./Rs.	61.9	66.8	61.1	57.0	54.0	45.1	14.9	16.3	13.5	11.5
Total (Net Worth)	Cr./Rs.	94.3	88.0	82.3	71.2	59.6	50.7	20.5	17.2	14.4	12.4
Gross Fixed Assets	Cr./Rs.	201.5	186.2	170.7	136.5	131.6	117.4	57.8	46.6	37.7	28.4
Sales - Total	Cr./Rs.	210.9	198.2	157.0	156.6	150.8	105.5	83.8	63.5	51.8	44.8
- Export	Cr./Rs.	28.3	18.6	16.9	13.0	13.2	5.7	5.2	3.2	1.7	1.0
Gross Profit	Cr./Rs.	28.2	24.6	18.1	24.0	23.4	13.7	10.1	8.1	7.0	7.5
Net Profit	Cr./Rs.	10.3	9.6	6.7	10.5	10.1	5.9	4.0	3.0	2.2	2.7
Equity Dividend - Amount	Cr./Rs.	2.5	1.8	1.5	1.5	1.2	0.3	0.7	0.3	0.3	0.2
- Rate	%	10.0	15.0	12.0	12.0	20.0	15.0	12.5	30.0	30.0	30.0
Sales-Qty. Pistons	Lac/Nos.	36.6	33.0	28.8	28.1	27.6	27.3	19.2	17.8	16.2	14.1
Pins	Lac/Nos.	35.0	32.6	28.4	28.0	26.7	20.7	20.6	19.4	17.3	14.9
Rings	Lac/Nos.	231.0	201.1	160.4	145.4	143.2	127.4	107.6	108.3	101.2	100.6
Engine Valves	Lac/Nos.	35.4	30.1	22.5	20.8	16.8	14.1	11.6	2.4	74	(Nos)

Notes: 1. Reserves & Surplus includes Revaluation Reserve of Rs.26.5 Crores as on 31.3.2001.

2. Gross Fixed Assets is at cost, includes Revaluation Reserve

3. Gross profit is after all interest charges, but before depreciation/taxes



DIRECTORS' REPORT

The Directors have pleasure in presenting their 37th Annual Report alongwith the audited accounts of the Company for the year ended March 31, 2001.

The gross profit for the year, after all interest charges, but before depreciation and taxes, is Rs. 28.15 crore against Rs. 24.56 crore last year.

The Directors recommend that dividend be paid to preference shareholders @ 13% and to equity shareholders @ 10% for the year. Dividend including dividend tax would amount to Rs. 3.90 crore against Rs. 3.31 crore last year.

An amount of Rs. 1.13 crore is being transferred to Debenture Redemption Reserve Account, Rs. 1.43 crore to Preference Share Redemption Reserve Account and Rs. 2.83 crore to General Reserve Account.

Sales during the year were higher by about 5% over the previous year, despite difficult market situation. Selling prices had to be reduced to meet competition and to retain market share.

Exports were considerably higher at Rs. 28.3 crore against Rs. 18.6 crore last year. Exports are expected to improve further in the current year.

Foreign exchange utilised was Rs. 17.0 crore against Rs. 20.3 crore last year.

The Directors confirm that:-

1. in the preparation of the annual accounts, the applicable accounting standards have been followed.
2. appropriate accounting policies have been selected and applied consistently, and have made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2001 and of the profit of the Company for the year ended on March 31, 2001.
3. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. the annual accounts have been prepared on a going concern basis.

The Company has received ISO-14001 certification from DNV (Netherlands) for Environmental Management System Standard.

The funds raised through the issue of Non Convertible debentures have been utilised for the purpose for which they were raised.

Fixed Deposits amounting to Rs. 30.5 lacs pertaining to 195 depositors remained unclaimed at the close of the year.



The observations of Auditors are self-explanatory and/or suitably explained in various notes to the accounts.

The data of technology absorption in Form B is enclosed.

The statutory statement of particulars of employees is attached and forms an integral part of this report.

Shri R. Srinivasan, Executive Director & Company Secretary was co-opted as an Additional Director, and appointed as Whole-time Director. Shri R. Srinivasan would retire in the forthcoming Annual General Meeting and being eligible, offers himself for re-election.

Shri N. Okano, Shri Siddharth Shriram and Shri R.L.Saigal, Directors retire by rotation and being eligible, offer themselves for re-election.

Shri Dharma Vira, a Director of the Company for over 15 years passed away in September 2000. Shri Dharma Vira was an exemplary civil servant, who had an impeccable record and his contribution to the company was invaluable. The Board places on record its appreciation of contribution made by Shri Dharma Vira, during his tenure as a Director of the Company.

The Directors wish to place on record their appreciation of the support extended to the company by the Financial Institutions, the Collaborators, the Bankers and its business associates, and their appreciation of the work of all ranks of personnel during the year.

Report  junction.com

On behalf of the Board

New Delhi
June 8, 2001

CHARAT RAM
Chairman



SHRIRAM

AUDITORS REPORT

The Members of Shriram Pistons & Rings Ltd. New Delhi

We have audited the attached Balance Sheet of Shriram Pistons & Rings Ltd., as at March 31, 2001, and the annexed Profit and Loss Account for the year ended on that date and report that :-

1. As required by the Manufacturing and Other Companies (Auditors' Report) order 1988, issued by the Central Government in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in the said Order to the extent applicable.
2. Further to our Comments in the Annexure referred to in paragraph (1) above :-
 - 2.1 We have obtained all the information and explanations which to the best of our knowledge and belief, were necessary for the purpose of our audit.
 - 2.2 In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of the books.
 - 2.3 The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of account.
 - 2.4 The Balance Sheet and Profit & Loss Account are in compliance with the mandatory Accounting Standards, referred to in section 211 (3C) of the Companies Act, 1956, to the extent applicable.
 - 2.5 After reviewing the various available legal opinions, and the clarifications obtained from Department of Company Affairs, Ministry of Law Justice and Company Affairs by the Federation of Indian Chambers of Commerce and Industry, it is understood that the provisions of Section 274(1)(g) have prospective effect, and therefore no statement under clause (f) of sub-section (3) of Section 227 of the Companies Act is required for the year under review.
 - 2.6 In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view :-
 - a) in the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2001, and
 - b) in the case of Profit & Loss Account, of the profit of the Company for the year ended on that date.

For J.C BHALLA & CO.
Chartered Accountants

New Delhi
June 8, 2001

ANIL BHALLA
Partner



SHRIRAM

ANNEXURE REFERRED TO IN PARAGRAPH 1 OF OUR REPORT OF EVEN DATE ADDRESSED TO THE MEMBERS OF SHRIRAM PISTONS & RINGS LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2001.

1. The company has maintained proper records to show full particulars, including quantitative details and situation of all fixed assets except furniture, and equipment. All the assets, except furniture, fixtures and equipments have been physically verified by the management during the year and no material discrepancies have been noticed on such verification.
2. None of the fixed assets have been revalued during the year.
3. The stocks of finished goods, stores, spare parts and raw-materials including components of the company at all its locations other than in transit have been physically verified by the Management during the year.
4. In our opinion, the procedures of physical verification of the aforesaid stocks followed by the Management are reasonable and adequate in relation to the size of the company and nature of its business.
5. The discrepancies noticed on physical verification of stocks were not material as compared to book records and the same have been properly dealt with in the books of account.
6. In our opinion, the valuation of the aforesaid stocks is fair and proper in accordance with the normally accepted accounting principles and is on the same basis as in the preceding year.
7. The Company has not taken any loans, secured or unsecured, from the companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. In terms of sub-section (6) of section 370 of the Companies Act 1956, provisions of the section are not applicable to a Company on or after 31st October, 1998.
8. The Company has not granted any loans, secured or unsecured, to the Companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. In terms of sub-section (6) of section 370 of the Companies Act 1956, provisions of the section are not applicable to a Company on or after 31st October, 1998.
9. In respect of loans or advances in the nature of loans granted by the company, parties are repaying the principal and interest amounts as stipulated.
10. In our opinion, and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of stores, raw materials, components, plant and machinery, equipment and other assets and with regard to sale of goods.
11. In our opinion, there were no transactions of purchase of goods and materials and sale of goods, materials and services made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and aggregating during the year to Rs.50,000/- or more in respect of each party.
12. As explained to us by the Management, unserviceable or damaged stores, raw materials and finished goods including spares intended for sale are determined in a systematic manner and in our opinion, adequate provisions have been made in the accounts for the loss arising on the items so determined.
13. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 58A of the Companies Act, 1956 and Companies (Acceptance of Deposits) Rules 1975 with regard to the deposits accepted from the public.
14. In our opinion, reasonable records have been maintained by the company for the sale and disposal of scrap. The company has no by-products.
15. In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
16. The maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 has not been prescribed by the Central Government for any of the products of the company.
17. According to the records of the company, Provident Fund and Employees State Insurance dues have been regularly deposited during the year with appropriate authorities.
18. According to the information and explanations given to us there were no material undisputed amounts payable in respect of Income-tax, Wealth-tax, Sales-tax, Custom duty and Excise duty outstanding as on 31st March, 2001 for a period of more than six months from the date they became payable.
19. During the course of our examination of the books of account carried out in accordance with the generally accepted auditing practices, we have not come across any personal expenses which have been charged to Profit & Loss Account other than those payable under contractual obligations.
20. The Company is not a sick industrial company within the meaning of Clause '0' of Sub-section(3) of the Sick Industrial Companies (Special Provisions) Act, 1985.
21. In respect of the Company's service activity, we report that it relates to providing of marketing service of other products to the same consumer group as of Company's manufacturing product and does not involve the consumption of any materials and stores. In our opinion, the system of allocation of man-hours is therefore not relevant to the carrying on of such service activity.
22. As explained to us, in respect of goods traded in, the company has a reasonable system for the determination of damaged goods and in our opinion, adequate provisions have been made in the accounts for the loss arising on the items so determined.

For J.C BHALLA & CO.
Chartered Accountants

New Delhi
June 8, 2001

ANIL BHALLA
Partner



SHRIRAM

BALANCE SHEET

For the year ended 31st March, 2001

Particulars	Schedule No.	As at	As at
		31.3.2001	31.3.2000
		Lac/Rs.	Lac/Rs.
LIABILITIES			
Share Capital	1	3237.49	2118.75
Reserves and Surplus	2	6187.84	6680.73
Loans	3	7150.01	7524.23
Current Liabilities and Provisions	4	4163.71	3296.54
		20739.05	19620.25
ASSETS			
Fixed Assets	5	12480.68	12230.85
Current Assets, Loans and Advances	6	8258.37	7389.40
		20739.05	19620.25
Balance Sheet Abstract and Company's General Profile	10		
Significant Accounting Policies	11		
Notes to Accounts	12		

Per our report attached
For J.C. Bhalla & Co.
Chartered Accountants

CHARAT RAM
Chairman

ANIL BHALLA
Partner

N.R. DONGRE
Dy. Chairman

New Delhi.
June 8, 2001

L. P. GUPTA
N. OKANO
PREM PANDHI
R. L. SAIGAL
PUNEET SAXENA
Directors

P. S. LADIWALA
Chief Financial Officer
& Sr. General Manager

R. SRINIVASAN
Whole-time Director
& Company Secretary

A.K. TANEJA
Whole-time Director
& Sr. Executive Director

DEEPAK SHRIRAM
Vice Chairman
& Managing Director