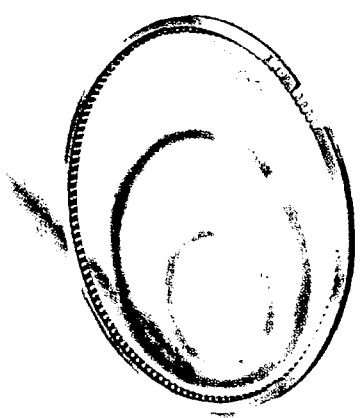
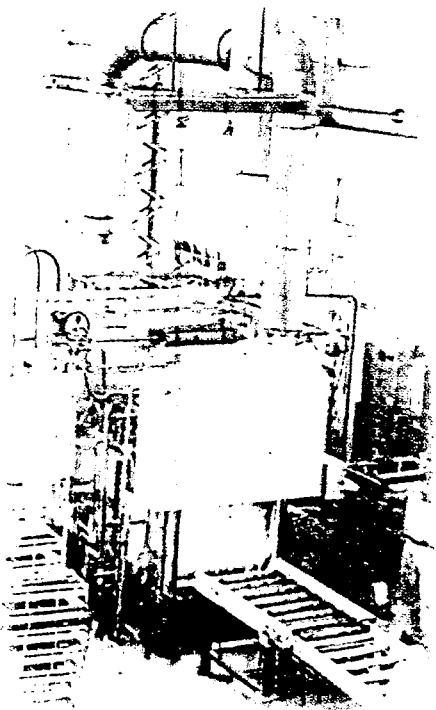
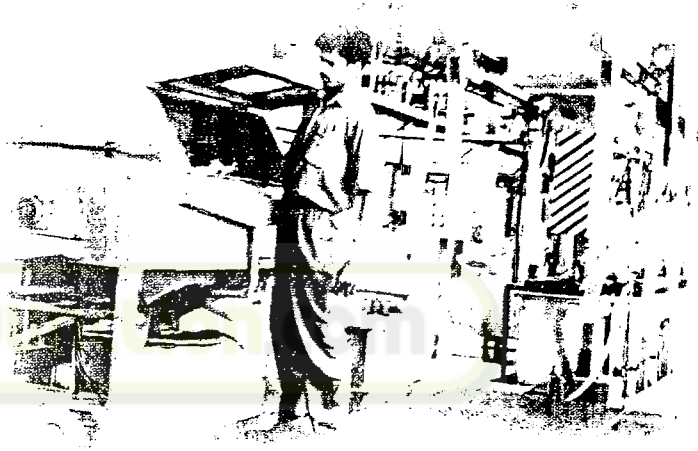
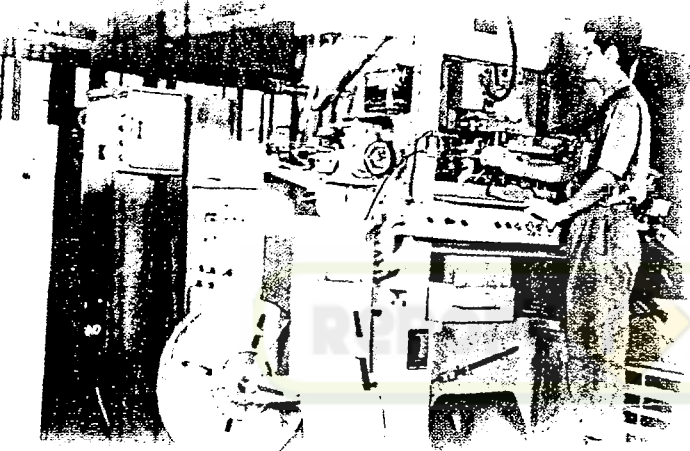


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YE	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>



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**6<sup>th</sup> ANNUAL  
REPORT  
1996-97**

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(A Member of the Amalgamations Group)

Registered Office

Arjay Apex Centre,  
24, College Road,  
Chennai 600 006.

Factory

D11, 12, Industrial Estate,  
Maraimalainagar,  
Chengai-MGR Dist. 605 209.



## **DIRECTORS**

A. SIVASAILAM Esq.	Chairman
N. VENKATARAMANI Esq.	Executive Vice-Chairman
K.V. SHETTY Esq.	Managing Director
HIRONOBU JIBIKI Esq.	Director
Dr. R. MAHADEVAN Esq.	Director

## **EXECUTIVE DIRECTOR**

Dr. N. GOWRISHANKAR Esq.

## **GENERAL MANAGER (FINANCE) & SECRETARY**

S. RANGARAJAN Esq.

## **AUDITORS**

Messrs. R.G.N. PRICE & COMPANY

## **BANKERS**

ANZ GRINDLAYS BANK plc  
CENTRAL BANK OF INDIA  
INDIAN BANK

JULY 1997

Dear Shareholder,

You will be pleased to learn that your company performed well during the year 1996-97 and has achieved satisfactory results.

The year was one of consolidation and growth with continued thrust on technology assimilation, range extension and increased market presence. Technology inputs added in the previous year were fully commercialised and with new products and improved market presentation the company has made an entry into the after market and positioned itself strategically therein. O.E. business has grown too and with new vehicle manufacturers coming in, further large scale growth in this business is in the offing.



As in the years past, the company received excellent support from the collaborator Nippon Piston Ring Co. Ltd., and the promoter India Pistons Ltd. Nippon Piston Ring Co. Ltd. took up the block of equity shares allotted to them on a preferential basis and India Pistons Ltd. and other promoter companies chose to exercise the convertibility option of the warrants issued to them, thus reaffirming their faith and confidence in your company's future.

True to the tradition of the Amalgamations Group and emulating the pioneering spirit of India Pistons Ltd. your company is pressing ahead with its plans for future growth. While, no doubt, competition will emerge and test the company's mettle, with the lead it has already gained and the expertise it has built up, your company should have no difficulty in meeting the competition successfully and retaining its front line position.

I congratulate the management and employees of the company on the results achieved and convey to them, on your behalf and my own, our appreciation of their excellent effort.

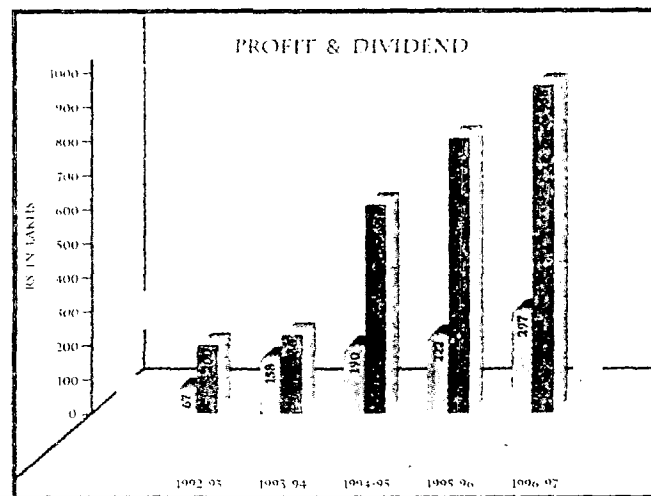
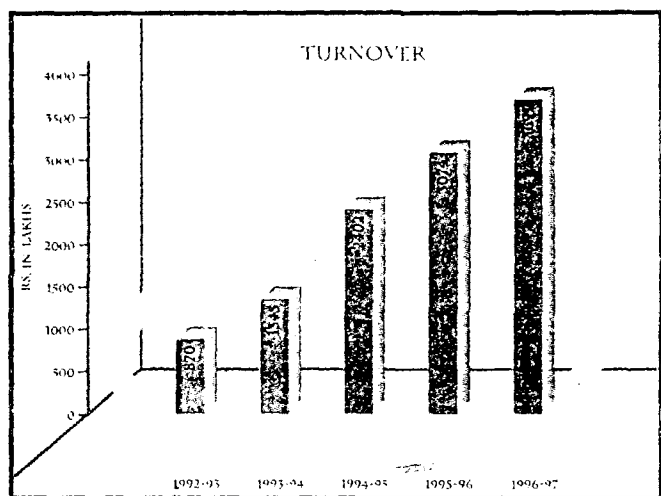
Yours sincerely,

A handwritten signature in black ink, appearing to read 'A. Sivasailam', written in a cursive style.

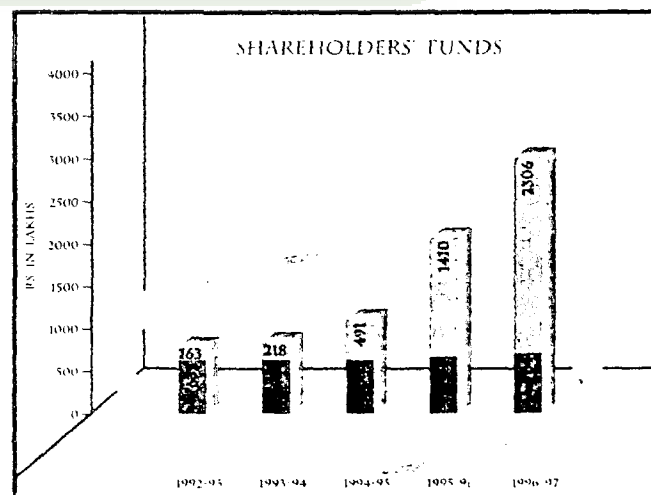
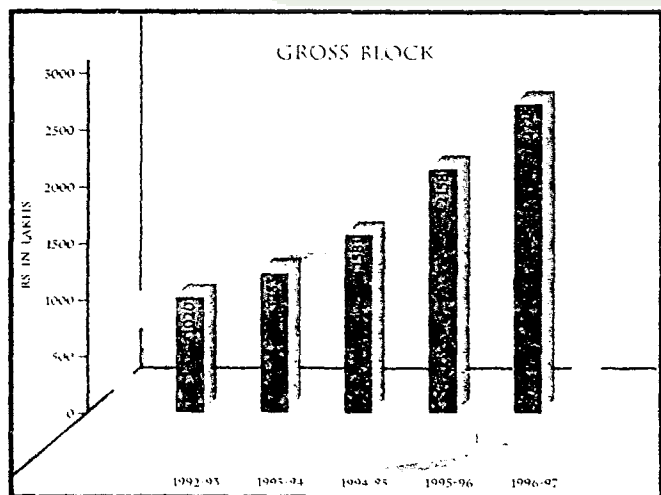
A. SIVASAILAM  
Chairman.



FIVE YEAR GROWTH - 1992-95 TO 1996-97



□ DIVIDEND    ■ PBT



□ RESERVES    ■ CAPITAL

## NOTICE TO THE MEMBERS

NOTICE is hereby given that the SIXTH ANNUAL GENERAL MEETING of the Members of IP RINGS LIMITED will be held at 3.30 p.m. on Thursday, August 28, 1997 at Kamaraj Arangam, 574-A, Anna Salai, Chennai - 600 006, to transact the following business :

### ORDINARY BUSINESS :

1. To consider and adopt the Audited Balance Sheet as at 31.3.1997 together with the Profit and Loss Account for the year ended on that date and the Report of the Directors and of the Auditors thereon.
2. To declare Dividend.
3. To appoint a Director in place of Dr. R. Mahadevan, who retires by rotation and who is eligible for reappointment.
4. To appoint a Director in place of Mr. H. Jibiki, who retires by rotation and who is eligible for reappointment.
5. To appoint Auditors and fix their remuneration.

### SPECIAL BUSINESS :

6. To consider and if thought fit, to pass with or without modification, the following Resolution as a **SPECIAL RESOLUTION** :

"RESOLVED that in accordance with the provisions of Section 370 and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof or any notification made/issued thereon from time to time) and subject to all such approvals as may be necessary in that behalf, the consent of the Company be and is hereby accorded to the Board of Directors of the Company :

To make, from time to time, any loan/deposit to any body/bodies corporate, whether or not under the same management as the Company, or to give any guarantee(ies) and/or provide any security in connection with any loan made to any other person by or by any other person to, any body corporate, in accordance with the limits prescribed under Section 370 of the Companies Act, 1956, provided that aggregate of all the loans/deposits made or guarantees given or securities provided shall not, at any time, exceed 50% of the aggregate of the subscribed capital and free reserves of the Company, at the time of making of such loans/furnishing guarantee (ies).

RESOLVED FURTHER that the Board of Directors be and is hereby authorised to do all such deeds, matters, acts and things that may be necessary, expedient or incidental for the purpose of giving effect to this Resolution, including to make applications to the Central Government or Reserve Bank of India or Body/Bodies Corporate or any of them, for obtaining their approval - statutory, contractual or otherwise, as and when and to the extent required."



7. To consider and if thought fit to pass with or without modification, the following Resolution as a **SPECIAL RESOLUTION** :

"RESOLVED that the consent of the Company be and is hereby accorded under Section 163 of the Companies Act, 1956, effective from September 01, 1997, to maintain the Register of Members, Index of Members and Copies of all Annual Returns prepared under Sections 159 and 160 of the Act, together with the copies of the certificates and documents required to be annexed thereto under Section 160 and 161 of the Act, or any one or more of them, at the office of the Share Transfer Agents M/s. Computer Age Management Services Private Limited, Rayala Towers, First Floor, 781-785 Anna Salai, Chennai 600 002 and/or such other office of any Share Transfer Agents within the city of Chennai as may be considered convenient for administrative reasons."

Chennai  
18th July, 1997

By Order of the Board

S. RANGARAJAN  
General Manager (Finance) &  
Secretary

Registered Office :  
Arjay Apex Centre,  
24, College Road, Chennai 600 006.

REPORT JUNCTION.COM

**NOTES :**

- (a) The relative Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the business under Items No. 6 and 7 set out above are annexed hereto.
- (b) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.
- (c) The proxy form duly completed should be deposited at the Registered Office of the Company not later than 48 hours before the commencement of the Meeting.
- (d) The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, August 19, 1997 to Thursday, August 28, 1997 (both days inclusive).
- (e) The Dividend when approved will be made payable on or after August 28, 1997, to those Members, whose names will appear as Members in the books of the Company on August 28, 1997.
- (f) As required under the Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules 1975, as amended, all unclaimed dividend in respect of Final Dividend 1992-93 have been transferred to the General Revenue Account of the Central Government as per details given below and the concerned members have already been informed separately.

Dividend for the year ended	No. of Equity Shares.	No. of Holders	Amount (Rs.)	Date of Transfer
31.03.1993 (Final)	1,36,800	1,342	72,665	09.11.96

Members who have not encashed the Dividend Warrants for the said period are requested to claim the amount from the Registrar of Companies, Shastri Bhavan, Haddows Road, Chennai 600 006.

- (g) The Unpaid Dividend pertaining to the Dividend for 1993-94 (paid in October 1994) is due to be transferred to the General Revenue Account of the Central Government after October 19, 1997. Those who have not encashed the Warrant may please write to the Company so as to reach the Company before October 19, 1997.
- (h) All documents referred to in the accompanying Notice and the Explanatory Statement are kept open for inspection at the Registered Office of the Company on all working days between 11 a.m. to 1 p.m. except Saturdays, upto the date of Annual General Meeting.
- (i) Members/Proxies should bring the attendance slip duly filled in for attending the Meeting.
- (j) Members/Proxies are requested to bring their copy of Annual Report to the Meeting.
- (k) Members who have multiple Folios in identical names or joint names in the same order are requested to intimate to the Company these Folios to enable the Company to consolidate all such Shareholdings into a single Folio





**EXPLANATORY STATEMENT :**

**ITEM NO. 6**

Under the provision of Section 370 of the Companies Act, 1956, loans to other bodies corporate beyond certain limits as prescribed under the Act and any guarantee given or security provided, in connection with any loan made to any other person by, or by any other person to any body corporate requires approval of the members and in some cases approval of the Central Government.

In the normal course of business, the Company may be left with surplus funds, which it may like to deploy in short term/long term loans/deposits with other body/ies corporate both within the group and outside. Similarly, the Company may issue corporate guarantees or provide securities in connection with certain loans made by any other persons to or to any other persons by other bodies corporate. It is, therefore, considered advisable and necessary to obtain the consent of members by a Special Resolution giving the necessary authority to the Board of Directors to make any loan or to give guarantee or to provide security in the manner stated in the Resolution.

The Directors recommend the Resolution for approval.

None of the Directors of the Company is in any way concerned or interested in the Resolution.

**ITEM NO. 7**

Under the provisions of the Companies Act, 1956, certain records such as the Register of Members, Index of Members, Annual Returns other related books and certificates, etc., have to be kept at the Registered Office of the Company. However, these documents can be kept at any other place within the city, town or village in which the Registered Office of the Company is situated, with the approval of the members accorded by a Special Resolution.

Since M/s. Computer Age Management Services Private Limited has been appointed as the new Share Transfer Agents for the Company, it will be convenient for them to update the Register of Members, Index of Members, Annual Returns and Copies of the documents etc., (as and when each Share Transfer Committee Meeting takes place), if the above records are placed at their office and this will also help the Company and the Share Transfer Agent to render efficient and speedy services to the members. A copy of the proposed Special Resolution has been given in advance to the Registrar of Companies, Tamilnadu, at Chennai, as required under the Act.

The Directors recommend the Resolution for approval.

None of the Directors of the Company is in any way concerned or interested in the Resolution.

Chennai  
18th July, 1997.

Registered Office :  
Arjay Apex Centre,  
24, College Road, Chennai 600 006.

By Order of the Board

S. RANGARAJAN  
General Manager (Finance) &  
Secretary

**DIRECTORS' REPORT**

Your Directors have pleasure in presenting the Sixth Annual Report together with the Accounts for the year ended March 31, 1997 and the Auditor's Report thereon.

**FINANCIAL RESULTS**

	1997	1996
	(Rs. in lakhs)	
Profit before Interest, Depreciation & Tax	1,251.36	1,017.04
Interest	124.86	94.02
Depreciation	168.48	116.63
Profit before Tax	958.02	806.39
Provision for Taxation	244.00	240.00
Profit after Tax	714.02	566.39
Add : Balance brought forward from last year	57.96	63.96
Profit available for appropriation	771.98	630.35
Less : Dividend @ 40%	296.84	222.39
Transfer to General Reserve	400.00	350.00
Balance carried forward	75.14	57.96

**DIVIDEND**

In view of the satisfactory results achieved during the year, your Directors are pleased to recommend a payment of dividend of 40%, as compared to 35% paid during the last year.

**OPERATIONS**

The overall performance of the Company for the year has been very satisfactory with the Sales Turnover of Rs. 36.91 Crores representing an increase of 20% over the last year. The Company has also been able to maintain the profit levels, by resorting to efficiency measures within the Company.

Your Directors are pleased to announce that your Company has obtained the ISO 9002 accreditation from TÜV CERT Certification Body.

**OUTLOOK**

The slow-down in the economy is having a direct impact on the Automobile and Auto Component industry and the pick-up in demand is expected only during the second half of the financial year. In the light of the difficult market conditions prevailing in the domestic market, your Directors, in consultation with the Collaborators, Nippon Piston Ring Company Ltd. Japan, are finding out Export outlets for the Company's products. Cost reduction and productivity improvements continue to receive the maximum attention of your Directors.