



IP Rings Ltd.

14TH ANNUAL REPORT
2004-2005



DIRECTORS

A. SIVASAILAM Esq.	Chairman
N. VENKATARAMANI Esq.	Vice Chairman
K.V. SHETTY Esq.	Managing Director
KOJI TAKEUCHI Esq.	Director
R. MAHADEVAN Esq.	Director
P. M. VENKATASUBRAMANIAN Esq.	Director
R. NATARAJAN Esq.	Director
N. GOWRISHANKAR Esq.	Whole Time Director

S. RANGARAJAN Esq. Associate Vice President
(Finance) & Secretary

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AUDITORS

Messrs. R.G.N. PRICE & COMPANY

BANKERS

STANDARD CHARTERED BANK

CENTRAL BANK OF INDIA

REGISTERED OFFICE

'Arjay Apex Centre'
24, College Road
Chennai 600 006
Tel: (044) 2824 1887 / 5214 3592
E-mail: iprcorp@iprings.com

FACTORY

D 11/12, Industrial Estate
Maraimalai Nagar
Kancheepuram Dist. 603 209
Tel: (04114) 252851 / 252852 / 252853
E-mail: iprmn@iprings.com

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Effective from June 1, 2005, the Company has appointed

Karvy Computershare Pvt. Ltd.,
No. 46, Avenue 4, Street No. 1, Banjara Hills, Hyderabad 500 034
Phone Nos. 040 – 2331 2454 / 2332 0251 / 2332 0751
E-mail: mailmanager@karvy.com

as its Registrar & Share Transfer Agents



NOTICE TO THE MEMBERS

NOTICE is hereby given that the **FOURTEENTH ANNUAL GENERAL MEETING** of the Members of **IP Rings Ltd.** will be held at 3.00 p.m. on Wednesday, 27th July 2005 at "Rani Seethai Hall", 603, Anna Salai, Chennai 600 006, to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Balance Sheet as at March 31, 2005 together with the Profit and Loss Account for the year ended on that date and the Report of the Directors' and of the Auditor's thereon.
2. To declare a Dividend.
3. To appoint a Director in place of Mr A Sivasailam, who retires by rotation and is eligible for reappointment.
4. To appoint a Director in place of Mr N Venkataramani, who retires by rotation and is eligible for reappointment.
5. To consider and if thought fit to pass with or without modification, the following resolution as an Ordinary Resolution.

"RESOLVED that the retiring auditors Messrs. R G N Price & Co., Chartered Accountants, Chennai be and are hereby re-appointed as auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company on such remuneration as may be fixed in this behalf by the Board of Directors of the Company."

SPECIAL BUSINESS:

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

"RESOLVED that pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be and is hereby altered in the manner and to the extent as set out herein below:

That the following new Article 46 under the marginal note "Appointment of Managing and or Whole Time Director", be substituted for the existing Article 46.

46. Subject to the provisions of Sections 267, 268, 269 and Schedule XIII of the Act or any statutory modifications thereof the Board of Directors may from time to time appoint one or more of their body to the office of Managing Director and or Whole time Director for such period not exceeding five years at a time and on such terms as the Board may think fit and subject to the terms of any agreement entered into with them may revoke such appointment. The Managing Director and or Whole Time Director of the Company shall always be a nominee of India Pistons Limited.

Provided that a Managing Director and or a Whole Time Director so appointed shall not whilst holding such Office be subject to appointment by rotation or be taken into account in determining the retirement by rotation of directors but their appointment shall be automatically determined if they cease to be a director.

And provided also the appointment of Managing Director shall be further subject to the provisions of Sections 316 and 317 of the Act or any statutory modifications thereof."

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

"RESOLVED that pursuant to Sections 198, 269, 309, 310, 311, Schedule XIII and all other applicable provisions of the Companies Act, 1956 and subject to such approvals as may be required, including from Central Government, the Company hereby accords its approval for the reappointment of Mr K V Shetty as Managing Director, on the following terms and conditions.

Particulars of Remuneration :

- Period : 1 year from 01.04.2005 to 31.03.2006.
Salary : Basic Salary of Rs. 1,00,000/- per month.
Commission : Upto 3 % of the Net Profits, as may be decided by the Board of Directors / Committee of Directors, computed as per Section 309(5) of the Companies Act, 1956.

Perquisites

(i) Housing:

Either

Free furnished residential accommodation, owned or leased out by the Company.

or

House Rent Allowance, subject to a ceiling of 60 % of the Salary.

The expenditure incurred on gas, electricity, water and furnishing shall be borne by the Company.

(ii) Medical Reimbursement:

Reimbursement of expenses incurred for self and family.

(iii) Leave Travel Assistance:

One month's basic salary per annum.

(iv) Club Membership:

Fee of Clubs subject to a maximum of two clubs. This will not include Admission and Life Membership Fee.

(v) Personal Accident Insurance:

Personal Accident Insurance – Premium shall not exceed Rs. 6,000/-

(vi) Entertainment Expenses:

Reimbursement of entertainment expenses actually and properly incurred for the business of the Company.

(vii) Other perquisites:

Company's contribution towards Provident Fund as per the Rules of the Company.

Gratuity at one half month's salary for each completed year of service.

Leave:

One month's annual privilege leave of absence in India. Leave accumulated shall be encashable at the end of the tenure.

Telephone & Car:

Provision of Telephone at residence. Provision of Car for use on Company's business.

Minimum Remuneration:

In the event of loss or inadequacy of profit, in the financial year, the Managing Director shall be paid remuneration by way of salary and perquisites as specified above.

Termination:

Either party may terminate the Agreement by giving to the other party six months' notice or six months' salary in lieu thereof."

8. To consider and if thought fit to pass with or without modification the following Resolution as an Ordinary Resolution.

“RESOLVED that Dr N Gowrishankar, whose term of office as an Additional Director, pursuant to Section 260 of the Companies Act, 1956, expires at this Annual General Meeting and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956, proposing his candidature for the office of a Director, be and is hereby appointed as a Director of the Company.”

9. To consider and if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution.

“RESOLVED that pursuant to Sections 198, 269, 309, 310, 311, Schedule XIII and all other applicable provisions of the Companies Act, 1956 and subject to such approvals as may be required, the Company hereby accords its approval for the appointment of Dr N Gowrishankar as a Whole Time Director, on the following terms and conditions.

Particulars of Remuneration:

Period	:	4 years from 29.01.2005 to 28.01.2009.
Salary	:	Basic Salary of Rs. 50,000/- per month with increments as may be decided by the Board of Directors / Committee of Directors.
Performance Allowance	:	Not exceeding 12 months' Basic Salary as may be decided by the Board of Directors / Committee of Directors.

Perquisites

- (i) Housing:

Either

Free furnished residential accommodation subject to the condition that the expenditure by the Company on hiring a furnished accommodation for the appointee will be subject to the ceiling of 60% of the salary.

or

Free furnished accommodation, subject to a deduction of 10%, of the salary, if the accommodation is owned by the Company.

or

House Rent Allowance subject to a ceiling of 60 % of the Salary.

Reimbursement of Gas and Electricity, subject to a maximum of 10% of the salary. These shall be valued as per Income Tax Rules 1962.

- (ii) Medical Reimbursement:

Reimbursement of expenses incurred for self and family upto one month's basic salary.

- (iii) Leave Travel Assistance:

One month's basic salary per annum

- (iv) Club Membership:

Fee of Clubs subject to a maximum of two clubs. This will not include Admission and Life Membership Fee.

- (v) Personal Accident Insurance:

Personal Accident Insurance – Premium shall not exceed Rs. 4000/-

(vi) Entertainment Expenses:

Reimbursement of entertainment expenses actually and properly incurred for the business of the Company.

(vii) Other perquisites:

Company's contribution towards Provident Fund as per the Rules of the Company.

Gratuity at one half month's salary for each completed year of service, as per Company's Gratuity Rules.

Company's contribution towards Superannuation Fund as per Rules of the Company.

Leave:

One month's annual privilege leave of absence in India for every eleven months. Leave accumulated shall be encashable at the end of the tenure.

Telephone & Car:

Provision of Telephone at residence. Provision of Car for use on Company's business.

Minimum Remuneration:

In the event of loss or inadequacy of profit, in any financial year, the Whole Time Director shall be paid remuneration by way of salary, performance allowance and perquisites as specified above.

Termination:

Either party may terminate the Agreement by giving to the other party three months' notice or three months' salary in lieu thereof."

Chennai
June 1, 2005

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

By Order of the Board

S RANGARAJAN
Associate Vice President
(Finance) & Secretary

**NOTES:**

- A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
- The relative Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of business under item nos. 6 - 9 as set out above is annexed hereto.
- The proxy form duly completed should be deposited at the Registered Office of the Company / Office of the Share Transfer Agents not later than 48 hours before the commencement of the Meeting.
- The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, July 20, 2005 to Wednesday, July 27, 2005 (both days inclusive).
- The Dividend when approved will be made payable on or after July 27, 2005, in respect of shares held in Physical form to those members whose names appear in the Register of Members as on July 27, 2005 and in respect of shares held in the Electronic form to those "Deemed Members" whose names appear in the Register of Beneficial Owners furnished by NSDL and CDSIL, in accordance with the provisions of the Depositories Act, 1996.
- Members / Proxies should bring the attendance slip duly filled in for attending the Meeting.
- Members / Proxies are requested to bring their copy of Annual Report to the Meeting.
- Members who have multiple Folios in identical names or joint names in the same order are requested to intimate to the Company those Folios to enable the Company to consolidate all such Share holdings into a single Folio.
- Appointment / Reappointment of Directors:

At the ensuing Annual General Meeting, Mr A Sivasailam, and Mr N Venkataramani, retire by rotation and being eligible offer themselves for reappointment. Mr K V Shetty is being re-appointed as Managing Director of the Company, effective from 01.04.2005. Dr N Gowrishankar is being appointed as a Whole Time Director, effective 29.01.2005.

As per Clause 49 of the Listing Agreement with Stock Exchanges, the brief background, functional expertise of the Directors proposed for appointment / re-appointment are furnished below along with details of Companies in which they are Directors and the Board Committees of which they are members:

- i. Mr A Sivasailam, aged about 70 years, has been associated with the Company since its incorporation. He is the Chairman of the Multi-Crore Amalgamations Group, one of the largest light engineering groups in the Country.

Details of other Directorships / Committee Memberships held by him.

Directorship	Committee Membership
Tractors and Farm Equipment Limited	Audit Committee
Amalgamations Private Limited	
Simpson & Co. Ltd.	Audit Committee
The United Nilgiri Tea Estates Co. Ltd.	
TAFE Access Limited	
Stanes MJF Teas Limited	
Addison & Co. Ltd.	Audit Committee
Amco Batteries Ltd.	Audit Committee
India Pistons Ltd.	
IP Power Cylinder Systems Ltd.	
Amalgamations Valeo Clutch Pvt. Ltd.	
TAFE USA Inc.	
Wallace Cartwright & Co. Ltd.	
Stanadyne Amalgamations Pvt. Ltd.	
T.Stanes and Company Ltd.	
TAL Precision Parts Ltd.	

- ii. Mr N Venkataramani, aged about 65 years, has been a Director of the Company since its incorporation and occupies the position of Vice Chairman since April 2004. He is the Managing Director of India Pistons Limited, one of the promoter companies.

Details of other Directorships / Committee Memberships held by him.

Directorship	Committee Membership
India Pistons Ltd.	Audit Committee
George Oakes Limited	
IP Pins & Liners Limited	
India Pistons-Repco Ltd.	
Bimetal Bearings Limited	Audit Committee
IP Power Cylinder Systems Ltd.	Audit Committee (Chairman)
Amalgamations Repco Limited	
Amalgamations Valeo Clutch Pvt. Ltd.	
Stanes Amalgamated Estates Ltd.	
Stanadyne Amalgamations Pvt. Ltd.	
NTTF Industries Ltd.	

- iii. Mr K V Shetty, aged about 71 years, is the Managing Director of the Company since March 1992. He is a Fellow Member of the Institute of Chartered Accountants of India.

Details of other Directorships / Committee Memberships held by him.

Directorship	Committee Membership
India Pistons Ltd.	Audit Committee
IP Pins & Liners Limited	
India Pistons-Repco Ltd.	
Bimetal Bearings Limited	Audit Committee (Chairman) Investors Grievance Committee
IP Power Cylinder Systems Ltd.	Audit Committee
Simpson & General Finance Co. Ltd.	

- iv. Dr N Gowrishankar, aged about 61 years, joined the Board of the Company on 29th January 2005 as a Director. He is a metallurgical engineer and holds a Ph.D from IIT, Madras. He has held Senior Management positions in India Pistons Ltd. and has served as an Executive Director of IP Rings Ltd. since July 1995. He is now being appointed as a Whole Time Director, from 29th January 2005.

He does not hold Directorship in any other Company.



EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956:

ITEM NO. 6

The existing Article 46 of the Articles of Association of the Company empowers only the Managing Director of the Company not to be liable to retire by rotation or be taken into account in determining the retirement by rotation of Directors. The new Article 46 proposes to include the Whole Time Director also, whose term of office shall not be subject to appointment by rotation or be taken into account in determining the retirement by rotation of Directors, in line with the provisions of the Companies Act, 1956.

None of the Directors of the Company is concerned or interested in this resolution and the Board commends the passing of the Special Resolution, as set out in the notice convening the meeting.

ITEM NO. 7

Mr K V Shetty was reappointed as the Managing Director of the Company for a period of 1 year with effect from 01.04.2004 in the Annual General Meeting held on July 01, 2004. Taking into account the current activities of the Company including the status of developing and launching new products and the new Orbital Forming Project, it was considered necessary to continue the services of Mr K V Shetty as Managing Director of the Company. Your Board, therefore, decided that it would be most appropriate to reappoint Mr K V Shetty, as Managing Director for a further period of one year from 01.04.2005. Abstract and terms of re-appointment and memorandum of interest under Section 302 of the Companies Act, 1956 have already been circulated to the members.

The reappointment of Mr K V Shetty, as Managing Director requires the approval of the Members.

Your Directors recommend the Resolution for approval.

Save and except Mr K V Shetty, none of the Directors is concerned or interested in this Resolution.

ITEM NO. 8

Dr N Gowrishankar was appointed as an Additional Director of the Company on 29.01.2005. Pursuant to Section 260 of the Companies Act, 1956, Dr N Gowrishankar will hold the office as Additional Director upto the date of the ensuing Annual General Meeting. The Company has received a notice in writing from a member proposing the candidature of Dr N Gowrishankar for the office of Director of the Company under the provisions of Section 257 of the Companies Act, 1956.

Your Directors recommend the Resolution for approval.

Save and except Dr N Gowrishankar, none of the Directors is concerned or interested in this Resolution.

ITEM NO. 9

The Board of Directors appointed Dr N Gowrishankar as a Whole Time Director of the Company for a period of 4 years with effect from 29.01.2005. Taking into account the rich experience of Dr N Gowrishankar, and his contribution as Executive Director, to the operations of the Company, it was decided that it would be most appropriate to appoint him as a Whole Time Director of the Company for a period of four years from 29.01.2005. Abstract and terms of appointment and memorandum of interest under Section 302 of the Companies Act, 1956 have already been circulated to the members.

The appointment of Dr N Gowrishankar, as a Whole Time Director, requires the approval of the Members.

Your Directors recommend the Resolution for approval.

Save and except Dr N Gowrishankar, none of the Directors is concerned or interested in this Resolution.

Chennai
June 1, 2005

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

By Order of the Board

S RANGARAJAN
Associate Vice President
(Finance) & Secretary