

**DIRECTORS**

N VENKATARAMANI	Chairman
A VENKATARAMANI	Managing Director
N GOWRISHANKAR	Director
R MAHADEVAN	Director
MASAAKI OTANI	Director
P M VENKATASUBRAMANIAN	Director
R NATARAJAN	Director
S R SRINIVASAN	Director
S RAMACHANDRA	Director

R VENKATARAMAN	Chief Financial Officer
S PRIYAMVATHA	Company Secretary

**AUDITORS**

Messrs. R.G.N. PRICE & Co.,  
861, Anna Salai, Chennai 600 002

**LEGAL ADVISORS**

S RAMASUBRAMANIAM & ASSOCIATES  
6/1, Bishop Wallers Avenue (W), Chennai 600 004

**BANKERS**

STANDARD CHARTERED BANK  
CENTRAL BANK OF INDIA  
HDFC BANK LIMITED

**REGISTERED OFFICE & FACTORY**

D 11/12, Industrial Estate  
Maraimalai Nagar  
Kancheepuram Dist. 603 209  
Tel: +91(44) 2745 2816 / 2745 2851  
E-mail: iprmmn@iprings.com

**SHARE TRANSFER AGENTS**

BTS CONSULTANCY SERVICES PVT LTD  
I Floor, M S Complex  
Plot No. 8, Sastri Nagar  
Nr. 200 Feet Road RTO  
Kolathur, Chennai - 600 099  
Tel: (044) 2556 5121 Fax (044) 2556 5131  
E-mail: helpdesk@btsindia.co.in

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## **NOTICE TO THE MEMBERS**

**NOTICE** is hereby given that the **TWENTY THIRD ANNUAL GENERAL MEETING** of the Members of **IP Rings Ltd.** will be held at 10.15 a.m. on Thursday, 31<sup>st</sup> July 2014 at the Registered Office of the Company at D-11/12, Industrial Estate, Maraimalai Nagar 603 209, to transact the following business:

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2014 together with the Statement of Profit and Loss for the year ended on that date and the Report of the Directors' and of the Auditor's thereon.
2. To appoint a Director in place of Dr N Gowrishankar (DIN 00124441), who retires by rotation and, being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mr Masaaki Otani (DIN 02714500), who retires by rotation and, being eligible, offers himself for reappointment.
4. To consider and if thought fit to pass with or without modification(s), the following resolution as an Ordinary Resolution.

"RESOLVED that pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, Messrs. R G N Price & Co., (Firm Regn No. 002785S) 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:**

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

"RESOLVED that pursuant to the provisions of Section 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr P M Venkatasubramanian (DIN 00124505) Director of the Company, who retires by rotation at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term upto March 31, 2019."

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

"RESOLVED that pursuant to the provisions of Section 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr S R Srinivasan (DIN 00446444) Director of the Company, whose period of office is liable to determination by retirement of directors by rotation and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term upto March 31, 2019."

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

"RESOLVED that pursuant to the provisions of Section 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr S Ramachandra (DIN 02613601) Director of the Company, whose period of office is liable to determination by retirement of directors by rotation and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term upto March 31, 2019."

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

“RESOLVED that pursuant to the provisions of Section 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Dr R Natarajan (DIN 00001638) Director of the Company, whose period of office is liable to determination by retirement of directors by rotation and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term upto March 31, 2019.”

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

“RESOLVED that subject to the approval of the Central Government, pursuant to the provisions of Section 309 (5), 310, 198 (4) and other applicable provisions of the Companies Act, 1956, consent of the Members be and is hereby accorded for waiver of recovery of excess remuneration of ₹. 9,98,831/- paid / payable to Dr N Gowrishankar, Whole Time Director for the period 01.04.2013 to 31.05.2013, notwithstanding the fact that the Company has no profits or inadequate profits and which has been duly recommended by the Nomination & Remuneration Committee.

RESOLVED FURTHER that the Company Secretary be and is hereby authorized to make necessary application to the Central Government for waiver of recovery of excess remuneration paid / payable to the Whole Time Director and to do all such acts, deeds, matters and things as may be deemed necessary to give effect to this Resolution.”

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

“RESOLVED that subject to the approval of the Central Government, pursuant to the provisions of Section 309 (5), 310, 198 (4) and other applicable provisions of the Companies Act, 1956, consent of the Members be and is hereby accorded for waiver of recovery of excess remuneration of ₹. 78,21,216/- paid to Mr A Venkataramani, Managing Director for the period 01.04.2013 to 31.03.2014, notwithstanding the fact that the Company has no profits or inadequate profits and which has been duly recommended by the Nomination & Remuneration Committee.

RESOLVED FURTHER that the Company Secretary be and is hereby authorized to make necessary application to the Central Government for waiver of recovery of excess remuneration paid to the Managing Director and to do all such acts, deeds, matters and things as may be deemed necessary to give effect to this Resolution.”

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

“RESOLVED that in supersession to the Ordinary Resolution adopted at the 21<sup>st</sup> Annual General Meeting held on 26<sup>th</sup> July 2012 and pursuant to Section 180(1)(c) and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to the Board of Directors to borrow from time to time any sum or sums of money on such terms and conditions and with or without security as the Board may think fit, which notwithstanding the fact that the amount borrowed / to be so borrowed (apart from temporary loans obtained / to be obtained in the ordinary course of business) may exceed the aggregate for the time being of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, by a sum not exceeding ₹. 75 Crores (Rupees Seventy Five Crores only).”

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

“RESOLVED that in supersession to the Ordinary Resolution adopted at the 21<sup>st</sup> Annual General Meeting held on 26<sup>th</sup> July 2012 and pursuant to Section 180(1)(a) and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the Company do mortgage and/or charge all or any of the immovable and movable properties of the company, wherever situate, both present and future or the whole or substantially the whole of the undertaking or undertakings of the company in such form and in such manner as the Board of Directors may think fit, for securing any loans and/or advances already obtained or that may be obtained from any financial institutions/Banks/insurance companies or person or persons, and/or to secure any debentures issued and/or that may be issued and all interests, compound/additional interest, commitment charge, costs, charges, expenses and all other moneys payable by the company to the concerned lenders for the purpose of securing such borrowings up to a limit of ₹.75 Crores in excess of the aggregate of the paid up capital of the Company and its free reserves.”

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

“RESOLVED that pursuant to the provisions of Section 293 (1)(e) of the erstwhile Companies Act, 1956 and Section 181 of the Companies Act, 2013 and all other applicable provisions, if any, of both the Acts, the Company seeks the consent of the Shareholders for the donations amounting to ₹.1,31,500/- made to charities during the financial year 2013-14.”

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

“RESOLVED that the remuneration of ₹.1.25 Lakhs in addition to reimbursement of out of pocket expenses payable to M/s. Raman & Associates, who were appointed as Cost Auditor of the Company for the year 2014-15 as recommended by the Audit Committee and approved by the Board of Directors of the Company, in terms of Section 148 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 be and is hereby ratified.”

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

“RESOLVED that in supersession to the Ordinary Resolution adopted at the 22<sup>nd</sup> Annual General Meeting held on 29<sup>th</sup> July 2013, pursuant to Sections 196, 197, Schedule V and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the Company be and is hereby accorded to the payment of managerial remuneration, commission and perquisites to Mr A Venkataramani, Managing Director for the period 01.04.2014 to 31.10.2016 in terms of the Proviso to Section II, Part II of Schedule V of the Companies Act, 2013 with liberty to the Board of Directors (hereinafter referred to as “the Board”, which term shall be deemed to include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said remuneration as it may deem fit, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.

RESOVLED FURTHER that the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution.”

By Order of the Board

Chennai  
May 30, 2014

**S PRIYAMVATHA**  
Company Secretary

Registered Office:  
D-11/12, Industrial Estate  
Maraimalai Nagar 603 209  
CIN: L28920TN1991PLC020232

**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. A proxy cannot act as proxy on behalf of members not exceeding 50 and holding in the aggregate not more than ten percent of the total share capital of the Company.
- The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of business under item nos. 5 - 15 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 Thursday, July 24, 2014 to Thursday, July 31, 2014 (both days inclusive).
- 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 Shareholdings into a single Folio.

**Appointment / Reappointment of Directors:**

- At the ensuing Annual General Meeting, Dr N Gowrishankar & Mr Masaaki Otani, Directors, retire by rotation and being eligible offer themselves for reappointment.

As per Clause 49 of the Listing Agreement with Stock Exchanges, the brief background, functional expertise of the Directors proposed for 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) Dr N Gowrishankar, aged about 70 years was inducted to the Board of the Company on 29<sup>th</sup> January 2005. He is a Doctorate in Metallurgy and has vast experience in Production, Technical and Operational Management. He was the Whole Time Director of the Company till May 31, 2013. He is a Director in India Pistons Ltd. and Amalgamations Repco Ltd.
  - (ii) Mr Masaaki Otani, aged about 61 years was inducted to the Board of the Company on 30.07.2009. He is a Director of Nippon Piston Ring Co. Ltd., Japan, Company's Technical Collaborators. He does not hold Directorship in any other Indian Company.
- The Company has appointed Mrs Lalitha Kannan, Partner, LK & Associates, Practicing Company Secretaries, Chennai to act as the Scrutinizer for conducting the e-Voting Process (including the Ballot Form received from the members, who do not have access to the e-Voting process) in a fair and transparent manner.
  - Members who do not have access to e-Voting facility may send completed Ballot Form (enclosed with this Annual Report) so as to reach the Scrutinizer appointed by the Board of Directors of the Company, at the Registered Office of the Company not later than Tuesday, July 29, 2014. Ballot paper received after this date will be treated as invalid.
  - In compliance with the provisions of Section 108 and 110 of the Companies Act, 2013 read with The Companies (Management and Administration) Rules, 2014, the Company is pleased to offer e-Voting facility to all the Shareholders of the Company. For this purpose, the Company has entered into an agreement with NSDL for facilitating e-Voting to enable the Shareholders to cast their votes electronically.

The instructions for Shareholders for e-Voting are as under:

**A. In case of Shareholders' receiving e-mail from NSDL:**

- (i) Open e-mail and also open PDF file viz., "IP Rings e-Voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password for e-Voting. Please note that the password is an initial password.
- (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com>

- (iii) Click on Shareholder – Login.
  - (iv) Enter the user id and password as initial password noted in step (i) above. Click Login.
  - (v) Password change menu appears. Change the password with new password of your choice with minimum 8 digits / characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
  - (vi) Home page of e-Voting opens. Click on e-Voting: Active e-Voting Cycles.
  - (vii) Select “EVEN” (E-Voting Event Number) of IP Rings Ltd.
  - (viii) Now you are ready for e-Voting as Cast Vote Page opens.
  - (ix) Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm” when prompted.
  - (x) Upon confirmation, the message “Vote cast successfully” will be displayed.
  - (xi) Once you have voted on the resolutions, you will not be allowed to modify your vote.
  - (xii) For the votes to be considered valid, the institutional shareholders (i.e., other than individuals, HUF, NRI, etc.,) are required to send scanned copy (PDF/JPEG Format) of the relevant Board Resolution / Authority Letter etc., together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail at kannan.lalitha@gmail.com with a copy marked to evoting@nsdl.co.in
- (B) In case of Shareholders’ receiving Ballot Form by Post:
- (i) Initial password is provided as below at the bottom of the Ballot Form.
- | EVEN | USER ID | PASSWORD/PIN |
|------|---------|--------------|
|      |         |              |
- (ii) Please follow all steps from S. No. (ii) to S. No. (xii) above, to cast vote.
- (C) In case of any queries with respect to e-Voting, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-Voting user manual for Shareholders available at the Download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com)
  - (D) If you are already registered with NSDL for e-Voting then you can use your existing User ID and Password for casting your vote.
  - (E) You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
  - (F) Kindly note that the Shareholders can opt only one mode of voting, i.e., either by Physical Ballot or e-Voting. If shareholders are opting for e-Voting, then they should not vote by Physical Ballot or vice-versa. However, in case Shareholders cast their vote both by Physical Ballot and e-Voting, then voting done through e-Voting shall prevail and voting done by physical ballot form will be treated as invalid.
  - (G) Shareholders desiring to exercise vote by Physical Ballot are requested to carefully read the instructions printed in the Ballot Form and return the Form duly completed and signed in the enclosed self addressed business reply envelope to the Scrutinizer so as to reach the Scrutinizer on or before the close of working hours on Tuesday, July 29, 2014. The postage cost will be borne by the Company. However, envelopes containing Ballot Form(s), if deposited in person or sent by courier or registered / speed post at the expense of the Shareholder will also be accepted.
  - (H) The e-Voting period for e-Voting module commences on Sunday, July 27, 2014 @ 9.30 a.m. and ends on Tuesday, July 29, 2014 @ 5.30 p.m. The e-Voting module shall also be disabled by NSDL at 5.30 pm on the same day.
  - (I) The Scrutinizer will submit her report addressed to the Chairman of the Company, after completion of scrutiny of Ballot in a fair and transparent manner. The results of the Ballot will be announced either on July 31, 2014 or within two days of the passing of Resolutions at the 23<sup>rd</sup> AGM at the Registered Office of the Company and communicated to the Stock Exchanges.
  - (J) The declared results along with Scrutinizer’s Report shall be placed on the Company’s Website and on the Website of NSDL within 2 days of passing of the Resolutions at the 23<sup>rd</sup> AGM of the Company.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:**

**ITEM NOS. 5-8**

The Company had pursuant to the provisions of Clause 49 of the Listing Agreements entered with the Stock Exchanges, appointed Mr P M Venkatasubramanian, Mr S R Srinivasan, Mr S Ramachandra and Dr R Natarajan as Independent Directors at various times in compliance with the requirements of the Clause.

Pursuant to the provisions of Section 149 of the Companies Act, 2013 which came into effect from April 01, 2014, every listed public company is required to have atleast one-third of the total number of Directors as Independent Directors, who are not liable to retire by rotation. Clause 49 of the Listing Agreement continues to prescribe a higher ceiling of 50% as applicable to our Company.

The Board has recommended the appointment of these Directors as Independent Directors for a term upto March 31, 2019.

Mr P M Venkatasubramanian, Mr S R Srinivasan, Mr S Ramachandra and Dr R Natarajan, Non-Executive Directors of the Company have given a declaration to the Board that they meet the criteria of independence as provided under Section 149(6) of the Companies Act, 2013. In the opinion of the Board, each of these Directors fulfill the conditions specified in the Act and the Rules framed thereunder for appointment as Independent Directors and they are independent of the management. Individual notices have been received from a member proposing these Directors as candidates for the office of Director of the Company.

In compliance with the provisions of Section 149 of the Companies Act, 2013 read with Schedule IV of the Act, the appointment of these Directors as Independent Directors is now being placed before the Members for their approval.

The terms and conditions of appointment of the above Directors shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day.

A brief profile of the Independent Directors to be appointed is given below:

**Mr P M Venkatasubramanian** joined the Board of Directors of the Company in March 2002. Presently he is the Chairman of the Audit & Nomination and Remuneration Committees of the Company. He is a Fellow Member of Indian Institute of Insurance and was the Managing Director of General Insurance Corporation of India with over 4 decades of experience in Insurance Sector.

Details of other Directorships / Committee Memberships held by him.

<b>Directorship</b>	<b>Committee Membership</b>
Royal Sundaram Alliance Insurance Co. Ltd.	Investment Committee (Chairman) Risk Management Committee (Chairman) Audit Committee (Member)
Bimetal Bearings Limited	Audit Committee (Chairman) Nomination & Remuneration Committee (Chairman)
Indbank Merchant Banking Services Limited	Audit Committee (Member)
Market Simplified India Limited	Audit Committee (Chairman)
T Stanes & Co. Ltd	Audit Committee (Chairman) Nomination & Remuneration Committee (Chairman)

**Mr S R Srinivasan** joined the Board of Directors of the Company in March 2009. He is a Mechanical Engineer from Madras University and has been a member of Works Managers and Institute of Forging Technology, UK. Presently he is the Managing Director of Shardlow India Limited.

Details of other Directorships / Committee Memberships held by him.

<b>Directorship</b>	<b>Committee Membership</b>
Shardlow India Limited	
Wheel & Precision Forgings India Limited	

**Mr S Ramachandra** joined the Board of Directors of the Company in March 2009 and is the Managing Partner of Littler Associates, Management Consultants. He is an Engineer by profession and has completed his PGDM from Indian Institute of Management, Ahmedabad. He is a member of the Audit & Nomination and Remuneration Committees of the Company.

Details of other Directorships / Committee Memberships held by him.

Directorship	Committee Membership
Amco Batteries Limited	
T Stanes & Co Ltd.	

**Dr R Natarajan** joined the Board of Directors of the Company in March 2002. He holds a Doctorate. He was the Chairman of All India Council for Technical Education (AICTE). He was a Former Director of IIT, Madras. He is a member of the Audit and Remuneration Committees of the Company.

Details of other Directorships / Committee Memberships held by him.

Directorship	Committee Membership
Tata Elxsi Limited	Audit Committee

Mr P M Venkatasubramanian, Mr S R Srinivasan, Mr S Ramachandra & Dr R Natarajan alone are concerned or interested in the Resolutions of the accompanying Notice relating to their own appointment.

#### ITEM NO. 9

The remuneration payable to Dr N Gowrishankar, Whole Time Director, under Section I, Part II of Schedule XIII of the Companies Act, 1956 was approved by the shareholders at the Annual General Meeting held on July 26, 2012.

As the Company has no profits / profits are inadequate during 2013-14, the overall managerial remuneration paid / payable to Dr N Gowrishankar, Whole Time Director, for the period 1<sup>st</sup> April 2013 to 31<sup>st</sup> May 2013 (₹.9,98,831/-), including salary, perquisites & performance allowance together with the managerial remuneration paid to Mr A Venkataramani, Managing Director (₹.78,21,216/-), totalling to ₹.88,20,047/- shall be paid / payable only with the approval of the Shareholders and the Central Government. Section 309(3) of the Companies Act, 1956 and Section 197 of the Companies Act, 2013 permits payment of remuneration with the approval of the Shareholders & Central Government.

The Nomination & Remuneration Committee has considered the total remuneration payable to the Managing Director & the Whole Time Director and recommended the same to the Board for payment with the approval of the Shareholders and the Central Government.

An application for the waiver of recovery of excess remuneration will be made to the Central Government.

Your Directors recommend the Resolution for approval.

Save and except Dr N Gowrishankar, Whole Time Director, none of the Directors / KMPs / their relatives are, in any way, concerned or interested in this Resolution.

#### ITEM NO. 10

The remuneration payable to Mr A Venkataramani, Managing Director, under Section I, Part II of Schedule XIII of the Companies Act, 1956 was approved by the shareholders at the Annual General Meeting held on July 29, 2013.

As the Company has no profits / profits are inadequate during 2013-14, the overall managerial remuneration paid to Mr A Venkataramani, Managing Director, for the year ended 31<sup>st</sup> March 2014, including salary & perquisites (₹. 78,21,216/-), together with the managerial remuneration paid / payable to Dr N Gowrishankar, Whole Time Director (₹. 9,98,831/-) for a period of 2 months i.e., 01.04.2013 to 31.05.2013, totalling to ₹. 88,20,047/- shall be paid / payable only with the approval of the Shareholders and the Central Government. Section 309(3) of the Companies Act, 1956 and Section 197 of the Companies Act, 2013 permits payment of remuneration with the approval of the Shareholders & Central Government.

The Nomination & Remuneration Committee has considered the total remuneration payable to the Managing Director & the Whole Time Director and recommended the same to the Board for payment with the approval of the Shareholders and the Central Government.

An application for the waiver of recovery of excess remuneration will be made to the Central Government.

Your Directors recommend the Resolution for approval.



Apart from Mr A Venkataramani, Mr N Venkataramani, Chairman, being a relative of the Managing Director is concerned or interested in this Resolution. None of the other Directors / KMPs / their relatives are, in any way, concerned or interested in this Resolution.

**ITEM NOS. 11 & 12**

The members of the Company at their 21<sup>st</sup> Annual General Meeting held on 26<sup>th</sup> July 2012 approved by way of Ordinary Resolutions under Section 293 (1)(d) and 293 (1)(a) of the Companies Act, 1956 in respect of borrowings over and above the aggregate of paid up share capital and free reserves of the Company by a sum not exceeding Rs. 50 Crores at any point of time and for creation of security on the assets of the Company to that extent.

The Ministry of Corporate Affairs (MCA) has clarified that resolutions passed under Section 293 of the Companies Act, 1956 prior to 12.09.2013, with reference to borrowings and / or creation of security on assets of the Company will be regarded as sufficient compliance of the requirements of Section 180 of the Companies Act, 2013 upto 11.09.2014, i.e., for a period of one year from 12.09.2013.

It is therefore necessary to obtain the consent of the members by a Special Resolution under Section 180 (1)(c) & 180 (1) (a) and other applicable provisions of the Companies Act, 2013 as set out in Item Nos. 11 and 12 of the Notice to enable the Board of Directors to borrow money and to create security on assets of the Company. As this is an enabling resolution, keeping in mind the future endeavours, it is proposed to enhance this limit to a sum not exceeding Rs. 75 Crores over and above the paid up capital and free reserves of the Company.

None of the Directors / KMPs / their relatives are interested or concerned in this Resolution.

**ITEM NO. 13**

During the financial year 2013-14, the Company had contributed a sum of ₹. 1,31,500/- towards Charity. In as much as the said payment requires the consent of the Shareholders in conformity with Section 293 (1) (e) of the Companies Act, 1956 and Section 181 of the Companies Act, 2013 the Resolution is placed for approval.

The Board of Directors recommends this resolution as set out under item no. 13.

None of the Directors / KMPs / their relatives are interested or concerned in this Resolution.

**ITEM NO. 14**

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of the Cost Auditors M/s. Raman & Associates, amounting to ₹.1.25 Lakhs per annum, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2015.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the Shareholders of the Company and hence the Resolution.

The Board of Directors recommends the resolution for your approval as set out under item no. 14.

None of the Directors / KMPs / their relatives are interested or concerned in the proposed resolution.

**ITEM NO. 15**

At the 22<sup>nd</sup> Annual General Meeting held on July 29, 2013, Mr A Venkataramani, Managing Director was re-appointed as the Managing Director of the Company for a period of three years from 01.11.2013 to 31.10.2016 and his remuneration was approved under Section I, Part II of Schedule XIII of the Companies Act, 1956.

As the Company has no profits / profits are inadequate during 2013-14, requisite application will be made to Central Government. It is proposed to remunerate the Managing Director in terms of the Proviso to Section II, Part II of Schedule V of the Companies Act, 2013 with effect from 01.04.2014 to 31.10.2016 as Minimum Remuneration.

The Nomination & Remuneration Committee has considered the proposal and recommended the same to the Board subject to the approval of the Shareholders and hence the Special Resolution.

The information to be disclosed as per Section II, Part II of Schedule V to the Companies Act, 2013 are provided as under:

**I. GENERAL INFORMATION:**

01	Nature of Industry	Manufacturing of Auto Ancillary		
02	Date of Commencement of Commercial Operation.	Company was established in the year 1991 and had already commenced Commercial Production.		
03	In case of new Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable		
04	Financial Performance based on given indicators	Particulars	31.03.2014 (Rs. in Lakhs)	31.03.2013 (Rs. in Lakhs)
		Turnover	9,488.36	9,517.64
		P B T	(361.63)	(641.63)
		P A T	(275.56)	(417.64)
		Dividend %	Nil	Nil
05	Foreign investments or Collaborations, if any	Equity Collaboration with Nippon Piston Ring Co.Ltd., Japan (9.99 %)		

**II. INFORMATION ABOUT THE APPOINTEE :**

01	Background Details	Mr A Venkataramani, a British National, aged 46 years, is an Engineer by profession. He is associated with the Company since 2010. He is a specialist in Production, New Projects Installation & Corporate Management.
02	Past Remuneration	For the year ended 31.03.2014, INR 78.21 Lakhs
03	Recognition or awards	B.Tech., M.B.A., Mr A Venkataramani is a member of several professional institutions, including YPO. He plays an active role in ACMA & MCCI as an Executive Committee Member.
04	Job Profile and his suitability	Subject to the superintendence, direction and control of the Board, Mr A Venkataramani, Managing Director, is responsible for the Operations of the Company.
05	Remuneration Proposed	As approved by the Shareholders at their meeting held on 29.07.2013, with a variation now to be within the overall ceiling of Proviso to Section II, Part II of Schedule V. The Remuneration payable has the approval of the Nomination & Remuneration Committee and Board of Directors.
06	Comparative Remuneration Profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin).	Taking into consideration the size of the Company, the profile of Mr A Venkataramani & the responsibilities shouldered by him, the aforesaid remuneration package is commensurate with the remuneration package paid to managerial position in other companies.
07	Pecuniary relationship directly or indirectly with the company or relationship with managerial personnel, if any.	Besides the remuneration proposed, Mr A Venkataramani does not have any other pecuniary relationship with the Company.