

## **DIRECTORS**

N VENKATARAMANI	Chairman
A VENKATARAMANI	Managing Director
R MAHADEVAN	Director
MASAAKI OTANI	Director
P M VENKATASUBRAMANIAN	Director
R NATARAJAN	Director
S RAMACHANDRA	Director
SANDHYA SHEKHAR	Director
R VENKATARAMAN	Chief Financial Officer
S PRIYAMVATHA	Company Secretary

## **AUDITORS**

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

## **COST AUDITORS**

RAMAN & ASSOCIATES  
No. 1, Muthukumara Swamy Salai  
Baby Nagar, Velacherry, Chennai 600 042

## **LEGAL ADVISORS**

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

## **BANKERS**

CENTRAL BANK OF INDIA  
THE KARUR VYSYA BANK LIMITED  
STANDARD CHARTERED BANK  
HDFC BANK LIMITED

## **REGISTERED OFFICE & FACTORY**

D 11/12, Industrial Estate  
Maraimalai Nagar  
Kancheepuram Dist. 603 209  
Tel: 044 - 2745 2816 / 2745 2851  
E-mail: iprmnm@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

## **C O N T E N T S**

	Page
Notice to Members	2
Directors' Report	9
Auditors' Certificate on Corporate Governance	18
Report on Corporate Governance	19
Management Discussion and Analysis Report	24
Secretarial Audit Report	25
Independent Auditors Report	28
Accounts	32
Cash Flow Statement	51

## **NOTICE TO THE MEMBERS**

**NOTICE** is hereby given that the **TWENTY FOURTH ANNUAL GENERAL MEETING** of the Members of **IP Rings Ltd.** will be held at 10.15 a.m. on Thursday, 30<sup>th</sup> July 2015 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 Financial Statements for the year ended on March 31, 2015 and the Report of the Directors' and of the Auditor's thereon and to pass the following Resolution as an Ordinary Resolution:  
"RESOLVED that the Statement of Profit and Loss for the year ended on March 31, 2015, the Balance Sheet as on that date and annexure thereto, the Cash Flow Statement for the year ended on March 31, 2015, the Reports of Auditors and Directors thereon be and are hereby received and adopted."
2. To elect a Director in place of Mr N Venkataramani (DIN 00001639), who retires by rotation and, being eligible, offers himself for re-election and to pass the following Resolution as an Ordinary Resolution:  
"RESOLVED that Mr N Venkataramani (DIN 00001639), who retires by rotation from the Board pursuant to the provisions of Section 152 of the Companies Act, 2013 be and is hereby re-elected as a Director of the Company."
3. To elect a Director in place of Dr R Mahadevan (DIN 00001690), who retires by rotation and, being eligible, offers himself for re-election and to pass the following Resolution as an Ordinary Resolution.  
"RESOLVED that Dr R Mahadevan (DIN 00001690), who retires by rotation from the Board pursuant to the provisions of Section 152 of the Companies Act, 2013 be and is hereby re-elected as a Director of the Company."
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 is 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 Dr Sandhya Shekhar (DIN 06986369), whose term of office as an Additional Director, pursuant to Section 161 of the Companies Act, 2013, expires at this Annual General meeting and in respect of whom the Company has received a notice under Section 160 of the Companies Act, 2013, proposing her candidature for the office of Director under the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, and Clause 49 of the Listing Agreement, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for five consecutive years from September 30, 2014 to September 29, 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 181 of the Companies Act, 2013 and all other applicable provisions, if any, of the Act, the Company seeks the consent of the Shareholders for the donations amounting to ₹. 2,52,500/- made to charities during the financial year 2014-15."
7. 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 2015-16 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."

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

“RESOLVED that in supersession to the Special Resolution adopted at the 23<sup>rd</sup> Annual General Meeting held on July 31, 2014, subject to the approval of the Central Government, pursuant to the provisions of Section 197 and other applicable provisions of the Companies Act, 2013, 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.”

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

“RESOLVED that in supersession to the Special Resolution adopted at the 23<sup>rd</sup> Annual General Meeting held on July 31, 2014, subject to the approval of the Central Government, pursuant to the provisions of Section 197 and other applicable provisions of the Companies Act, 2013, 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.”

By Order of the Board

Chennai  
May 27, 2015

**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 Statement pursuant to Section 102 of the Companies Act, 2013 in respect of business under item nos.5 - 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 Thursday, July 23, 2015 to Thursday, July 30, 2015 (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, Mr N Venkataramani & Dr R Mahadevan, 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 Director proposed for re-appointment are furnished below along with details of Companies in which he is a Director and the Board Committees of which he is a member:
  - (i) Mr N Venkataramani, aged about 75 years has been a Director of the Company since its incorporation and occupies the position of Chairman from May 30, 2011. He is an Engineer by profession and holds a Master's Degree in Production. He is the Chairman & 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 Limited	
Amalgamations Repco Limited	Audit Committee (Chairman)
George Oakes Limited	
Bimetal Bearings Limited	Stakeholders Relationship Committee (Chairman) Audit Committee (Member)
Amalgamations Valeo Clutch Private Ltd	
Stanesh Amalgamated Estates Limited	
Adyar Property Holding Company Private Limited	
Stanadyne Amalgamations Private Ltd	
Sundaram Finance Limited	
Amalgamations Private Limited	
Simpson and Company Limited	
Abi-Showa Tech (India) Limited	Audit Committee (Chairman)

- (ii) Dr R Mahadevan, aged about 72 years has been a Director of the Company since July 1995. He is an Engineering Graduate and holds a Ph.D from IIT, Chennai. He has held various senior level management positions and retired as a Whole Time Director from India Pistons Limited.

Details of other Directorships / Committee Memberships held by him.

Directorship	Committee Membership
India Pistons Limited	
IP Pins & Liners Limited	
BBL Daido Pvt. Ltd.	
Amco Batteries Limited	
Amalgamations Valeo Clutch Pvt. Ltd.	
Simpson & Co. Ltd	
IPL Green Power Ltd.	

- The Company has appointed Mrs Lalitha Kannan of M/s. 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 Wednesday, July 29, 2015. Ballot paper received after this date will be treated as invalid.
- In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Clause 35B of the Listing Agreement, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the 24<sup>th</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
- The facility for voting through ballot paper has been made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- The remote e-voting period commences on 27<sup>th</sup> July 2015 (9:30 am) and ends on 29<sup>th</sup> July 2015 (5:00 pm). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 24<sup>th</sup> July 2015, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- The process and manner for remote e-voting are as under:
  - (a) In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)] :
    - (i) Open email and open PDF file viz; "remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote 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) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
    - (v) Password change menu appears. Change the password/PIN 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 remote e-voting opens. Click on remote e-voting: Active Voting Cycles.

- (vii) Select “EVEN” of “IP Rings Ltd”.
  - (viii) Now you are ready for remote 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 resolution, you will not be allowed to modify your vote.
  - (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG 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 to kannan.lalitha@gmail.com with a copy marked to evoting@nsdl.co.in
- (b) In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy] :

- (i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM:

EVEN	USER ID	PASSWORD/PIN

- (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
- In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990.
  - If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
  - 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).
  - The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 24<sup>th</sup> July 2015.
  - Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 24<sup>th</sup> July 2015, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [ps@iprings.com](mailto:ps@iprings.com)
- However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using “Forgot User Details/Password” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990.
- A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
  - A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
  - The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of “Ballot Paper” for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
  - The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer’s report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
  - The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company, viz., [www.iprings.com](http://www.iprings.com) and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.

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

**ITEM NO. 5**

Dr Sandhya Shekhar was appointed as an Additional Director under the Independent Directors Category on September 30, 2014 by the Board of Directors, subject to the approval of the Members at this Annual General Meeting.

Dr Sandhya Shekhar, Non-Executive Director of the Company has given a declaration to the Board that she meets the criteria of independence as provided under Section 149(6) of the Companies Act, 2013. In the opinion of the Board, she fulfills the conditions specified in the Act and the Rules framed thereunder for appointment as an Independent Director and she is independent of the management.

Individual notice has been received from a member proposing her as a candidate 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 Dr Sandhya Shekhar as an Independent Director is now being placed before the Members for their approval.

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

Dr Sandhya Shekhar holds a Doctorate in Information Technology and was the First CEO of IIT Madras Research Park. She is an expert in the area of Knowledge and Innovation Strategy.

Details of other Directorships / Committee Memberships held by her.

<b>Directorship</b>	<b>Committee Membership</b>
Bimetal Bearings Ltd.	

The Board of Directors recommends this resolution as set out under item no. 5.

Save and except Dr Sandhya Shekhar, none of the Directors / KMPs / their relatives is interested or concerned in the proposed resolution.

**ITEM NO. 6**

During the financial year 2014-15 the Company had contributed a sum of ₹ .2,52,500/- towards Charity. In as much as the said payment requires the consent of the Shareholders in conformity with 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. 6.

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

**ITEM NO. 7**

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, 2016.

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. 7.

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

#### **ITEM NO. 8**

At the 23<sup>rd</sup> Annual General Meeting held on July 31, 2014, the Special Resolution for waiver of recovery of excess remuneration paid / payable to Dr N Gowrishankar, the then Whole Time Director for the Financial Year 2013-14 under the Companies Act, 1956 was approved. Based on the Resolution the Company made an application to the Central Government for waiver. The Central Government advised the Company to cover the Resolution under the Companies Act, 2013, as the new Act has come into force with effect from April 01, 2014 and hence this Special Resolution under Section 197 of the Companies Act, 2013.

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, the then Whole Time Director, none of the Directors / KMPs / their relatives are, in any way, concerned or interested in this Resolution.

#### **ITEM NO. 9**

At the 23<sup>rd</sup> Annual General Meeting held on July 31, 2014, the Special Resolution for waiver of recovery of excess remuneration paid to Mr A Venkataramani, Managing Director for the Financial Year 2013-14 under the Companies Act, 1956 was approved. Based on the Resolution the Company made an application to the Central Government for waiver. The Central Government advised the Company to cover the Resolution under the Companies Act, 2013, as the new Act has come into force with effect from April 01, 2014 and hence this Special Resolution under Section 197 of the Companies Act, 2013.

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 is, in any way, concerned or interested in this Resolution.

By Order of the Board

Chennai  
May 27, 2015

**S PRIYAMVATHA**  
Company Secretary

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



## **DIRECTORS' REPORT**

Your Directors have pleasure in presenting the **Twenty Fourth Annual Report** together with the Audited Financial Statements for the year ended March 31, 2015 and the Auditor's Report thereon.

## **FINANCIAL RESULTS**

	<b>2014-2015</b>	<b>2013-2014</b>
	<b>(₹ in Lakhs)</b>	
Profit before Finance charges, Depreciation and Tax	<b>1330.47</b>	976.90
Finance charges	<b>774.64</b>	647.43
Depreciation	<b>671.12</b>	691.10
Profit / (Loss) before Tax	<b>(115.29)</b>	(361.63)
Provision for Taxation (Net)	<b>(66.74)</b>	(86.07)
Profit / (Loss) after Tax	<b>(48.55)</b>	(275.56)
<b>Add:</b> Balance brought forward from previous year	<b>(643.28)</b>	(367.72)
Adjustment on account of Fixed Assets	<b>(31.79)</b>	—
Balance carried forward	<b>(723.62)</b>	(643.28)

## **DIVIDEND**

In view of the loss during the year under review, your Directors do not recommend any Dividend for the year ended March 31, 2015.

## **REVIEW OF BUSINESS OPERATIONS**

After recording a spectacular growth in the years 2009-2012, the Auto Industry has stagnated during the last three years. Some segments of the industry, particularly the Heavy and Medium Commercial Vehicle (H&MCV) has contracted by 15% per annum during the last three years. The depressed activity level in the industry has led to severe shrinkage of demand for components, consequent to which all the auto component manufacturers including IPRL have had to perform below par in the recent years.

As a result of these developments, the demand for auto components has suffered leading to low utilisation of capacities, under absorption of fixed costs and consequential drop in profitability.

Your Company ended the year with a loss. However, it had improved the performance by bringing down the loss to ₹.115.29 Lakhs for the year 2014-15, as compared to ₹.361.63 Lakhs recorded in the previous year.

## **FUTURE PROSPECTS**

Despite the slowdown in the industry during the last three years, the outlook for the future appears to be promising. It is hoped and expected that the Union Government will provide impetus to the manufacturing sector particularly the Automobile and the Auto Component Industry.

Prime Minister's 'Make in India' program has spread a sense of positivity and the much needed enthusiasm in the Indian manufacturing base. 'Make in India' is a blue print that aspires to bolster domestic manufacturing by facilitating investment, fostering innovation, enhancing skill development, protecting intellectual property and building best in class manufacturing infrastructure within the country.

For IPRL, continued quality improvement, cost differentiation, indigenous procurement, innovative technology, newer markets, value engineering and management systems – all these elements will contribute in the years to come. IPRL has carefully read the situation and is poised to strengthen its position in the market.

## **DIRECTORS**

In accordance with the provisions of the Companies Act, 2013, Mr N Venkataramani & Dr R Mahadevan, retire by rotation and are eligible for re-election. Dr Sandhya Shekhar, Independent Director was appointed as an Additional Director on September 30, 2014 and she will hold office until this Annual General Meeting. By virtue of Section 149 of the Companies Act, 2013, your Directors are seeking appointment of Dr Sandhya Shekhar, as an Independent Director for a period of five consecutive years for a term upto September 29, 2019.

Dr N Gowrishankar and Mr S R Srinivasan, Directors resigned from the Board during the year. Your Directors place on record their appreciation for the valuable services rendered by these Directors during their tenure.

All the Independent Directors of the Company have affirmed that they meet the criteria for independence as provided in Section 149(6) of the Companies Act, 2013. Formal Annual Evaluation of Directors was done as per the requirements of the Companies Act, 2013.

#### **COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES**

The provisions of Section 178(1) relating to constitution of Nomination and Remuneration Committee are applicable to the Company and hence the Company has devised a policy relating to appointment of Directors, payment of managerial remuneration, Directors qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013. The said policy is posted in the website of the Company.

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submit its responsibility statement:-

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- the Directors had selected such accounting policies and applied them consistently and 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 at the end of the financial year and of the loss of the Company for that period;
- the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the Directors had prepared the annual accounts on a going concern basis;
- the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; &
- the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **RISK MANAGEMENT POLICY**

The Company has an adequate Risk Management Policy commensurate with its size and operations. The risk management includes identifying types of risks and its assessment, risk handling, monitoring and reporting.

#### **CORPORATE GOVERNANCE**

A Certificate from the Auditors of the Company regarding compliance of conditions of 'Corporate Governance' as stipulated under Clause 49 of the Listing Agreement is attached to this report.

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchange, a separate section on Corporate Governance is included in the Annual Report. A Management Discussion and Analysis Report forms part of this Directors' Report. All the mandatory requirements under the Code of Corporate Governance have been complied with.

#### **AUDITORS**

Messrs. R.G.N Price & Co., Chartered Accountants retire at this Annual General Meeting and are eligible for reappointment.

#### **INTERNAL AUDITORS**

Messrs. M.S. Krishnaswami & Rajan, Chartered Accountants are the Internal Auditors of the Company.

#### **COST AUDITORS**

In terms of Notification dated 31<sup>st</sup> December 2014, issued by the Ministry of Corporate Affairs, Cost Audit is applicable to the Company with effect from April 01, 2015. M/s. Raman & Associates, Cost Auditors, Chennai are the Cost Auditors of the Company.