

30  
Annual  
Report  
2020-21

FINANCIAL HIGHLIGHTS - 10 Years Performance at a Glance										
₹. In Lakhs										
Particulars	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Sales	9,126.29	9,517.64	9,488.36	11,261.54	13,168.84	19,135.38	20,669.52	21,209.27	19,793.21	19,846.21
<b>PBDIT</b>	<b>935.72</b>	<b>554.73</b>	<b>976.91</b>	<b>1,330.47</b>	<b>1,572.38</b>	<b>1,541.03</b>	<b>2,533.38</b>	<b>2,862.79</b>	<b>2,222.91</b>	<b>2,551.70</b>
Profit after Tax	58.15	-417.64	-275.56	-48.55	21.35	-144.74	733.34	794.69	110.11	496.81
Dividend Paid	81.85	-	-	-	-	-	-	126.76	-	190.14
Dividend %	10.00	-	-	-	-	-	-	10.00	-	15.00
Share Capital	704.21	704.21	704.21	704.21	704.21	1,267.59	1,267.59	1,267.59	1,267.59	1,267.59
Reserves & Surplus	4,119.47	3,701.82	3,426.26	3,345.92	3,316.65	7,385.62	8,107.64	8,894.80	8,837.49	9271.71
<b>Networth</b>	<b>4,823.68</b>	<b>4,406.03</b>	<b>4,130.47</b>	<b>4,050.13</b>	<b>4,020.86</b>	<b>8,653.21</b>	<b>9,375.23</b>	<b>10,162.39</b>	<b>10,105.08</b>	<b>10,539.30</b>
Gross Fixed Assets	11,798.66	12,938.46	13,886.99	14,637.98	16,526.58	9,947.25	11,744.79	15,010.29	16,213.09	19,910.40
EPS	0.83	-5.93	-3.91	-0.69	0.24	-1.64	5.79	6.27	0.87	3.92
Book Value / Share	68.50	62.57	58.65	57.51	57.10	68.27	73.96	80.17	79.72	83.14
Debt Equity	0.56	0.52	0.70	0.81	0.58	0.35	0.39	0.44	0.43	0.50

## BOARD OF DIRECTORS

Mr. N VENKATARAMANI  
Mr. A VENKATARAMANI  
Dr. R MAHADEVAN  
Mr. YOSHIO ONODERA  
Mr. YOSHITAKA OGAWA  
Mr. P M VENKATASUBRAMANIAN  
Dr. SANDHYA SHEKHAR  
Mr. VIKRAM VIJAYARAGHAVAN  
Mr. NAVIN PAUL

Chairman [Upto 01.08.2020]  
Managing Director  
Non Executive Director  
Non Executive Director [upto 09.11.2020]  
Non Executive Director [since 09.11.2020]  
Independent Director [upto 31.03.2021]  
Independent Director  
Independent Director  
Independent Director

## AUDIT COMMITTEE

Mr. VIKRAM VIJAYARAGHAVAN  
Mr. P M VENKATASUBRAMANIAN  
Dr. SANDHYA SHEKHAR  
Dr. R MAHADEVAN

Chairman

## STAKEHOLDERS' RELATIONSHIP COMMITTEE

Dr. R MAHADEVAN  
Mr. A VENKATARAMANI  
Mr. P M VENKATASUBRAMANIAN

Chairman

## NOMINATION AND REMUNERATION COMMITTEE

Mr. P M VENKATASUBRAMANIAN  
Dr. R MAHADEVAN  
Dr. SANDHYA SHEKHAR

Chairman

## CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Mr. N VENKATARAMANI  
Dr. R MAHADEVAN  
Mr. A VENKATARAMANI  
Dr. SANDHYA SHEKHAR

Chairman [upto 01.08.2020]  
Chairman [Since 28.08.2020]

## KEY MANGERIAL PERSONNEL

Mr. R VENKATARAMAN  
Mr. V ANANTHA SUBRAMANIAN

Chief Financial Officer  
Company Secretary

## AUDITORS

M.S. Krishnaswami & Rajan  
GB, Anand Apartments, JP Avenue  
Dr Radhakrishnan Road, 6<sup>th</sup> Street,  
Mylapore, Chennai 600 004  
044-42046628

## COST AUDITORS

M/s. A N Raman & Associates  
No.1, Muthukumara Swamy Salai  
Baby Nagar, Velachery,  
Chennai 600 042  
044-32906831

## SECRETARIAL AUDITOR

Mr. R Mukundan [CS in Practice]  
215, Velachery Main Road,  
Chennai – 600 042  
Mobile: +91 98409 70898

## BANKERS

Standard Chartered Bank  
HDFC Bank Limited  
Central Bank of India  
AXIS Bank  
The Karur Vysya Bank Limited

## REGISTERED OFFICE

D 11/12, Industrial Estate  
Maraimalai Nagar, Chengalpattu Dist.  
Tamil Nadu – 603 209  
Chennai – 600 002  
Tel: (044) 2745 2816 / 2745 2929  
E-mail: [iprmnn@iprings.com](mailto:iprmnn@iprings.com) / [investor@iprings.com](mailto:investor@iprings.com)

## LEGAL ADVISORS

S Ramasubramaniam & Associates  
6/1, Bishop Wallers Avenue (W),  
Chennai 600 004  
044-24990069

## SHARES LISTED WITH

Bombay Stock Exchange  
Mumbai

## COMPANY WEBSITE

<https://iprings.com/>

## SHARE TRANSFER AGENTS

Cameo Corporate Services Limited  
No 1, Club House Road,

Tel: (044) 2556 5121  
Fax (044) 2556 5131  
E-mail: [investor@cameoindia.com](mailto:investor@cameoindia.com)

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## NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the **THIRTIETH ANNUAL GENERAL MEETING** of the Members of **IP Rings Ltd** will be held on Thursday, the 29<sup>th</sup> July 2021 at 11:30 A.M [Indian Standard Time (IST)] through Video Conferencing/ Other Audio Visual Means to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements for the year ended on March 31, 2021 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, 2021, the Balance Sheet as on that date and annexure thereto, the Cash Flow Statement for the year ended on March 31, 2021, the Reports of Auditors and Directors thereon be and are hereby received and adopted."

2. To declare a Dividend for the year ended March 31, 2021 and to consider and if thought fit to pass with or without modification(s) the following Resolution as an Ordinary Resolution:

"RESOLVED THAT a Dividend of Rs. 1.50/- per Equity Share of the face value of Rs. 10/- each on the paid up Equity Share Capital of the Company as recommended by the Board of Directors be and is hereby declared for the financial year 2020 – 21."

3. 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 152 of the Companies Act, 2013 and relevant rules framed thereunder, including any modification(s) thereto or re-enactment(s) thereof, for the time being in force, not to fill for the time being the vacancy caused by the retirement of Dr R Mahadevan (DIN: 00001690), a Director who retires by rotation at the 30<sup>th</sup> Annual General Meeting and does not seek re-appointment."

### SPECIAL BUSINESS:

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 Sections 149, 152, 161, and other applicable provisions, if any, of the Companies Act, 2013 (the Act, 2013) (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors, Mr Yoshitaka Ogawa (holding DIN 08949781), who was appointed as an Additional Director [Non-Executive] and who holds office upto the date of this AGM, consent of members be and is hereby accorded for his appointment as a Director [Non-Executive], who is liable to retire by rotation in terms of applicable provisions of the Act, 2013."

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 Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) remuneration of INR 1,50,000/- (Rupees One Lakh Fifty Thousands only) in addition to reimbursement of all applicable taxes, travelling and out-of-pocket expenses, payable to M/s. A N Raman & Associates, Practicing Cost Accountant, holding Membership No. 5359, allotted by the Institute of Cost Accountants of India, who was re-appointed as Cost Auditor of the Company for the financial year 2021 – 22 by the Board of Directors of the Company, as recommended by the Audit Committee be and is hereby ratified.”

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

“RESOLVED THAT pursuant to the provisions of Section 94 and other applicable provisions, if any of the Companies Act, 2013, read with Rule 5 (2) of the Companies (Management and Administration) Rules, 2014, approval of the members of the Company be and is hereby accorded to keep, maintain and preserve the Register of members along with the indices of members and/ or any other related documents at the office of M/s. Cameo Corporate Services Limited, #1, Club House Road, Chennai – 600 002 (hereinafter referred to as the Registrar & Share Transfer Agent) or at any other office of the said Registrar & Share Transfer Agent instead of keeping, maintaining and preserving the said Registers/Index of Members at the Registered office of the Company.”

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

“RESOLVED THAT in conformity with Article 60 & 61 of the Articles of Association of the Company and pursuant to the provisions of Section 197 of the Companies Act, 2013 [Including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Act and further to the MCA Notification No. S.O.1256 (E) Dt.18th March 2021, approval is accorded to the Board of Directors (with due recommendation of the Nomination and Remuneration Committee) for the payment of minimum remuneration to the Non-executive Directors within the limits specified in Schedule V to the Companies Act, 2013 for each of the Non-Executive Directors for a period of 3 (Three) years from 1<sup>st</sup> April 2021, in the event of inadequacy of profits in a financial year.”

**FURTHER RESOLVED THAT** this approval is accorded in addition to the approval taken from the share-holders at the 27<sup>th</sup> Annual General Meeting held on 26<sup>th</sup> July 2018 whereby the Non-executive Directors are entitled to receive the maximum of the remuneration calculated as per Section 198 of the Companies Act, 2013 (i.e. the rate of 1% of the net profits calculated as per the provisions of Section 197) when compared to the minimum remuneration calculated as per MCA Notification No.S.O.1256 (E) Dt.18<sup>th</sup> March 2021 in the event of inadequacy of profits”.

**Chennai**  
**June 21, 2021**  
**Registered Office:**  
D 11/12, Industrial Estate  
Maraimalai Nagar, 603 209  
CIN: L28920TN1991PLC020232

**By the Order of the Board of Directors**

**CS V Anantha Subramanian**  
**Company Secretary**  
**ACS: A29770**

## **STATEMENT OF MATERIAL FACTS (EXPLANATORY STATEMENT) PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

The following Explanatory statement sets out all material facts relating to the special businesses mentioned in the accompanying Notice dated 19<sup>th</sup> June 2021 and shall be taken as forming part of the Notice.

### **Item No. 3**

At the 30th Annual General Meeting, pursuant to Section 152 (6) of the Companies Act, Dr. R Mahadevan is liable to retire by rotation. However he does not seek re-appointment.

As per Section 152 (7) of the Companies Act, 2013, the members of the Company shall expressly resolve not to fill the vacancy, i.e., pass a specific resolution to not fill up the vacancy. The Board of Directors has decided not to fill, for the time being, the vacancy caused due to his retirement. Accordingly, the members' approval is hereby sought for not filling the vacancy caused with this regard.

### **Item No. 4**

Consequent to the nomination of Mr. Yoshitaka Ogawa in place of Mr. Yoshio Onodera by Nippon Piston Ring Co. Ltd [NPR], Japan vide their letter dated September 09, 2020, Mr. Yoshitaka Ogawa was appointed as an Additional Director under the Non Executive, Non Independent Directors Category on November 09, 2020 by the Board of Directors, subject to the approval of the Members at this Annual General Meeting. Individual notice has been received from a member proposing him as a candidate for the office of Director of the Company.

Mr. Yoshitaka Ogawa, aged 59 years, is an Engineer by profession graduated from Tokyo Denki University in 1984. He joined NPR in 1984 and he is currently the General Manager of Production Engineering Department. He does not hold any shares of the Company and he is not related to any other Directors.

Details of other Directorships/ Committee Memberships held by him - NIL

This statement may also be regarded as the necessary disclosure under Regulation 36 (3) of SEBI (LODR) Regulations, 2015.

Save and except Mr. Yoshitaka Ogawa, no other Directors / KMPs / their relatives is interested or concerned in the proposed Resolution. The Directors, therefore, recommend the Ordinary resolution as set out in Item No. 4 of this Notice.

### **Item No. 5**

As recommended by the Audit Committee, the Board at its meeting held on 19<sup>th</sup> June 2021, re-appointed M/s. A N Raman & Associates, Practising Cost Accountant, having Membership no. 5359, as Cost Auditor of the Company, in terms of Section 148 of the Act, 2013, and fixed a sum of ₹ 1.50 Lakhs as remuneration payable to him for the financial year 2021-22, subject to ratification by the Shareholders of the Company

In terms of Section 148 (3) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules 2014, the remuneration payable to the Cost Auditor, as recommended by the Audit Committee and approved by the Board of Directors, is required to be ratified by the shareholders of the Company, at the ensuing AGM of the Company.

None of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested financially or otherwise, in the resolution as set out in Item No.5 of this Notice.

The Directors, therefore, recommend the ordinary resolution, as set out in Item No.5 of the Notice.

#### **Item No. 6**

The Board has appointed M/s. Cameo Corporate Services Limited ("Cameo") as its Registrar and Share Transfer Agent (RTA) in place of existing RTA, M/s. BTS Consultancy Services Private Limited ("BTS") with effect from November 09, 2020.

Pursuant to the provisions of Section 94 of the Companies Act, 2013 (the Act), all registers required to be maintained under Section 88 of the Companies Act, 2013 and annual return filed under Section 92 of the Act shall be kept at the registered office of the Company. However, such registers or copies of return may also be kept at any other place in India in which more than one-tenth of the total number of members entered in the register of members reside, if approved by a special resolution passed at a general meeting of the company and the Registrar has been given a copy of the proposed special resolution in advance.

Accordingly, it has been decided that the statutory records of the Company viz. Register of Members and Indices of members currently maintained at the office of BTS be kept at the office of M/s. Cameo Corporate Services Limited at #1, Club House Road, Chennai – 600 002 with immediate effect.

BTS will however continue to support the RTA activities of the Company till such time the transition of database and electronic connectivity from BTS to Cameo is completed.

The Board of Directors recommend the resolution at Item No. 6 of the accompanying notice as a Special Resolution.

None of the Directors or Key Managerial Personnel of the Company or their respective relatives is concerned with or interested in the above resolution.

#### **Item No. 7**

The share-holders at the 27<sup>th</sup> Annual General Meeting held on 26<sup>th</sup> July 2018 accorded approval for the payment of remuneration to the Non-Executive Directors as per Section 198 and other applicable provisions of the Companies Act, 2013. Subsequently vide Notification No. S.O. 1256(E) Dt.18th March 2021 issued by the Ministry of Corporate Affairs, the Non-Executive Directors of the Company could be paid remuneration in the event of inadequacy of profits.

The Board of Directors at their meeting held on 21<sup>st</sup> June 2021 decided to seek the approval of the shareholders authorizing the Board of Directors for the payment of remuneration to the Non-Executive Directors in the event of inadequacy of profits in a financial year calculated as per the provisions of Notification No. S.O. 1256(E) issued by the MCA on 18<sup>th</sup> March 2021 for a period of 3 (Three) years from 1<sup>st</sup> April 2021. The quantum of remuneration payable to Non-Executive Directors in the event of inadequacy of profits in a financial year shall be within the limits specified in Schedule V to the Companies Act, 2013 for each of the Non-Executive Directors duly recommended by the Nomination and Remuneration Committee and approved by the Board of Directors from time to time.



Hence the necessary resolutions are placed before the members for their consideration and approval as a Special Resolution.

The Board of Directors recommend the resolution at Item No. 7 of the accompanying notice as a Special Resolution.

All the Non-Executive Directors of the Company/their relatives are interested in the resolution set out at Item No. 7 of the Notice. Other than this none of the directors, key managerial personnel or any of their relatives, are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No.7 of the Notice.

**The relevant information required to be furnished under Section II of Part II of Schedule-V to the Act are furnished hereunder:**

**I. General Information**

1.	Nature of Industry	Auto Ancillary	
2.	Date of commercial production	Company was established in 1991	
3.	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable	
4.	Financial Performance based on given indicators:		
[Rs. In Lakhs]			
	Particulars	March 31, 2021	March 31, 2020
	Revenue from Operations (Net)	19,846.21	19,793.21
	Other Income	99.80	65.67
	Total	19,946.01	19,858.88
	Profit Before Tax	654.01	173.91
	Profit After Tax	496.81	110.11
	Dividend Amount Paid	190.14	-
	Dividend Percentage	15.00%	-
	Earnings Per Share	3.92	0.87
	Share Capital	1,267.59	1,267.59
	Reserves (Other equity)	9,271.71	8,837.49
	Net Worth	10,539.30	10,105.08
	Debt-Equity Ratio	0.50:1	0.43:1
5.	Foreign Investments / Collaborations if any		
	Foreign Investments	Nil	
	Technical Collaborators	Nippon Piston Rings, Japan	

**II. Information about the recipients of remuneration:**

- Back-ground details:** After getting the resolution passed by the Share-holders, in the event of inadequacy of profits in future in the next 3 years, based on the recommendation of the Nomination and Remuneration committee the Board may decide to remunerate the non executive Directors within the limits permitted under schedule V of

the companies Act 2013. The back-ground details of the non executive Directors are furnished in the Corporate Governance Section under the heading “professional back-ground and skills / expertise / Competence of Directors”.

2. **Past remuneration:** Details of remuneration paid for the non-executive Directors are furnished in the Corporate Governance Section under the heading “remuneration paid / payable to Executive and Non-Executive Directors for the year ended 31<sup>st</sup> March 2021”.
3. **Recognition or Awards:** -----
4. **Job profile and their suitability:** The non-executive Directors have been drawn from different back-grounds viz, legal, Risk management, soft-ware, engineering, taxation etc. Their contribution at the Board level will guide the company in its overall performance.
5. **Remuneration Proposed:** As stated in the resolution and in the statement of material facts provided under Section 102 of the Act respectively. The Company will pay the non-executive Directors on annual basis (within the limits specified in Schedule V to the Companies Act, 2013) based on recommendations of the Nomination and Remuneration committee.
6. **Comparative remuneration with respect to industry, size of the Company, profile of the position and person (in case of expatriates, the relevant details would be with reference to the country of their origin):**  
The remuneration currently paid is comparable in the industry and commensurate with the responsibilities handled by non-executive Directors in a listed entity.
7. **Pecuniary Relationship:** NIL

### III. Other Information:

1. **Reason for Loss or inadequacy:** The resolution is primarily to facilitate the payment of remuneration to the non-executive Directors due to inadequacy of profit during their tenure which could be on account of economic slow-down and increase in input cost coupled with market competition.
2. **Steps taken or proposed to be taken for improvement:** As mentioned, it is only an enabling resolution.
3. **Expected increase in productivity / profit in measurable terms:** The same was discussed in the Management Discussion & Analysis which forms part of this Report.

### IV. Disclosures: They are furnished in the Corporate Governance report in the Annual report.

### NOTES:

1. In compliance with the General Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020, Circular No.20/2020 dated May 5, 2020 and Circular No.02/2021 dated January 13, 2021 issued by the Ministry of Corporate Affairs (“MCA Circulars”) and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 (“SEBI Circulars”), electronic copies of the Annual Report for F.Y.2020-21 also containing Notice of the 30<sup>th</sup> Annual General Meeting of the Company (including e-voting instructions) are being dispatched by email to those Members whose email addresses are registered with the Company/Depository Participants(s).The requirements of sending physical copy