

## NOTICE TO THE MEMBERS

**NOTICE** is hereby given that the **TWENTY FIFTH ANNUAL GENERAL MEETING** of the Members of **IP Rings Ltd.** will be held at 10.15 a.m. on Thursday, 28<sup>th</sup> July 2016 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, 2016 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, 2016, the Balance Sheet as on that date and annexure thereto, the Cash Flow Statement for the year ended on March 31, 2016, 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 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:

4. To consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution.  
"RESOLVED that Mr Jayasankar Shivakumar (DIN 07155490), 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 his 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 Listing Obligation and Disclosure Requirements, 2015, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for two consecutive years from October 30, 2015 to October 29, 2017."
5. To consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution.  
"RESOLVED that Mr Yoshio Onodera (DIN 07509662), 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 his 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) and Listing Obligation and Disclosure Requirements, 2015, be and is hereby appointed as a Director of the Company, liable to retire by rotation."
6. 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 Rs.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 2016-17 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."

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

"RESOLVED that pursuant to Sections 196, 197, Schedule V and 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 reappointment, payment of managerial remuneration, performance allowance and perquisites as detailed below to Mr A Venkataramani, Managing Director for the period 01.11.2016 to 31.10.2019 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.

Salary	: Basic Salary of Rs. 3,00,000/- pm with increments as may be decided by the Board of Directors / Committee of Directors.
Special Allowance	: Rs. 1,00,000/- pm
Performance Allowance	: Upto an amount of Rs. 18 Lakhs p.a. as may be decided by the Board of Directors on the recommendation of the Nomination & Remuneration Committee.

**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.
- Reimbursement of Gas and Electricity, Water and furnishing shall be borne by the Company.
- (ii) Medical Reimbursement:
- Reimbursement of expenses incurred for self and family up to 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.12,000/-.
- (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.
- Company's contribution towards Superannuation Fund as per the Rules of the Company.
- Income Tax:
- All the above perquisites shall be evaluated as per Income Tax Rules, 1962, wherever applicable. In the absence of any such rule, perquisites shall be evaluated at actuals.
- 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 Mobile Phone & other Communication facilities. Facility of Car with Driver.

Minimum Remuneration:

In the event of loss or inadequacy of profit, in any financial year, the Managing 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 six months' notice or six months' salary in lieu thereof.

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

8. 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 Sections 13 and 61 and all other applicable provisions of the Companies Act, 2013 (including any statutory modification(s), enactment(s) or re-enactment(s) thereof for the time being in force), the Authorised Share Capital of the Company, Rs. 20,00,00,000/- (Rupees Twenty Crores Only) comprising of 1,50,00,000 (One Crore Fifty Lakhs) Equity Shares of Rs. 10/- (Rupees Ten) each aggregating to Rs.15,00,00,000/- (Rupees Fifteen Crores only) and 50,00,000 (Fifty Lakhs) Preference Shares of Rs. 10/- (Rupees Ten) each aggregating to Rs. 5,00,00,000/- (Rupees Five Crores only) be and is hereby reclassified into 2,00,00,000 (Two Crores) Equity Shares of Rs. 10/- (Rupees Ten) each aggregating to Rs. 20,00,00,000 (Rupees Twenty Crores only) and accordingly, the Memorandum of Association of the Company be and is hereby altered as follows:

Clause V of the Memorandum of Association be and is hereby altered and substituted as follows:

V. The Capital of the Company is Rs. 20,00,00,000 comprising of 2,00,00,000 Equity shares of Rs. 10/- each with the rights, privileges and conditions attaching thereto as are provided by the regulations of the Company for the time being, with power to increase and reduce the capital of the Company and to divide the Shares in the capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the regulations of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the regulations of the Company.

RESOLVED FURTHER that the Board of Directors be and is hereby authorised to perform all acts, deeds and things, execute documents, and make all filings, as may be necessary to give effect to the above resolution and to take all such steps for giving any such direction as may be necessary or desirable and to settle any questions or difficulties whatsoever that may arise for the purpose of giving effect to this Resolution."

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

"RESOLVED that pursuant to Section 14 and all other applicable provisions of the Companies Act, 2013 (including any statutory modification(s), enactment(s) or re-enactment(s) thereof for the time being in force), to give effect to the reclassification of authorised share capital, Article 4 (a) of the Articles of Association of the Company be and is hereby altered and substituted as follows:

4 (a). The Capital of the Company is Rs. 20,00,00,000 (Rupees Twenty Crores only) comprising of 2,00,00,000 (Two Crores only) Equity shares of Rs. 10/- each.

RESOLVED FURTHER that the Board of Directors be and is hereby authorised to perform all acts, deeds and things, execute documents, and make all filings, as may be necessary to give effect to the above Resolution and to take all such steps for giving any such direction as may be necessary or desirable and to settle any questions or difficulties whatsoever that may arise for the purpose of giving effect to this Resolution."

Chennai  
May 27, 2016

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

By Order of the Board

**S PRIYAMVATHA**  
Company 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. 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.4 - 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 21, 2016 to Thursday, July 28, 2016 (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.
- Under Section 124(5) of the Companies Act, 2013, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund (IEPF), constituted by the Central Government. The Company had transferred Unclaimed Dividend to the account of Investor Education and Protection Fund as per the provisions.
- The Ministry of Corporate Affairs (MCA) on 10th May, 2012 notified the IEPF (Uploading of information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012 (IEPF Rules), which is applicable to the Company. The objective of the IEPF Rules is to help the shareholders ascertain status of the unclaimed amounts and overcome the problems due to misplacement of intimation thereof by post etc. In terms of the said IEPF Rules, the Company has uploaded the information in respect of the Unclaimed Dividends in respect of the financial years from 2007-08, as on the date of the 24<sup>th</sup> Annual General Meeting held on the 30<sup>th</sup> July 2015 on the website of the IEPF viz. [www.iepf.gov.in](http://www.iepf.gov.in) and on the Website of the Company viz. [www.iprings.com](http://www.iprings.com)
- The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company. SEBI has also mandated that for registration of transfer of securities, the transferee(s) as well as transferor(s) shall furnish a copy of their PAN card to the Company for registration of transfer of securities.

**Appointment / Reappointment of Directors:**

- At the ensuing Annual General Meeting, Mr N Venkataramani, Director, retire by rotation and being eligible offers himself for reappointment.

As per SEBI (LODR) Regulations, 2015, 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 76 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 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	
Stanes Amalgamated Estates Limited	
Adyar Property Holding Company Private Limited	
Sundaram Finance Limited	
Amalgamations Private Limited	
Simpson and Company Limited	
Abi-Showa Tech (India) Limited	Audit Committee (Chairman)
Nettur Technical Training Foundation	

- The Company has appointed Mrs Lalitha Kannan, Partner, 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 27, 2016. Ballot paper received after this date will be treated as invalid.
- In compliance with the provisions of Sections 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:

- Open e-mail and 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.
- Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com>
- Click on Shareholder – Login.
- Enter the user id and password as initial password noted in step (i) above. Click Login.
- 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.
- Home page of e-Voting opens. Click on e-Voting: Active e-Voting Cycles.
- Select "EVEN" (E-Voting Event Number) of IP Rings Ltd.
- 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 Postal Ballot Form

EVEN	USER ID	PASSWORD/PIN

- (ii) Please follow all steps from Sl. No. (ii) to Sl. 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 Postal Ballot are requested to carefully read the instructions printed in the Postal 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 Wednesday, July 27, 2016. 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 Monday, July 25, 2016 @ 9.30 a.m. and ends on Wednesday, July 27, 2016 @ 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 within two days of the passing of Resolutions at the 25<sup>th</sup> AGM at the Registered Office of the Company and communicated to the Stock Exchange.
- 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 25<sup>th</sup> AGM of the Company.

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

**ITEM NO. 4**

Mr Jayasankar Shivakumar, aged about 78 years, was appointed as an Additional Director under the Independent Directors Category on October 30, 2015 by the Board of Directors, subject to the approval of the Members at this Annual General Meeting.

Mr Jayasankar Shivakumar, Non-Executive Director of the Company has given a declaration to the Board that he meets the criteria of independence as provided under Section 149(7) of the Companies Act, 2013. In the opinion of the Board, he fulfills the conditions specified in the Act and the Rules framed thereunder for appointment as an Independent Director and he is independent of the management.

Individual notice has been received from a member proposing him 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 Mr Jayasankar Shivakumar 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.

Mr Jayasankar Shivakumar holds a Master's Degree in Physics and is an IAS Officer. He has served the Indian Government as administrative head of one of the largest districts in the Country and as Special Assistant to two Finance Ministers in the 1970s, which led him to develop a new set of skills, focused on problem-solving, management and leadership. He left India in 1977 to earn a Master's of Public Administration at Harvard. There from he joined World Bank. He has occupied various positions at the Bank, till his retirement.

Details of other Directorships / Committee Memberships held by him.

Directorship	Committee Membership
India Pistons Ltd.	Audit Committee (Member)

The Board of Directors recommends this resolution as set out under item no. 4.

Save and except Mr Jayasankar Shivakumar, none of the Directors / KMPs / their relatives is interested or concerned in the proposed Resolution.

**ITEM NO. 5**

Consequent to the nomination of Mr Yoshio Onodera in place of Mr Masaaki Otani by Nippon Piston Ring Co. Ltd., Japan, Mr Yoshio Onodera was appointed as an Additional Director under the Non Independent Directors Category on May 27, 2016 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 Yoshio Onodera is an Engineer by Profession and is in charge of Production Engineering Division of Nippon Piston Ring Co Ltd., Japan. He possesses a remarkable expertise in the field of Engineering.

He does not hold Directorship in any other Indian Company.

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

Save and except Mr Yoshio Onodera, none of the Directors / KMPs / their relatives is interested or concerned in the proposed Resolution.

**ITEM NO. 6**

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 Rs.1.25 Lakhs per annum, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2017.

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. 5.

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

**ITEM NO. 7**

The current tenor of Mr A Venkataramani as Managing Director comes to an end on October 31, 2016. Taking into account the contributions made by Mr A Venkataramani as the Managing Director of the Company, your Board unanimously felt that the services of Mr A Venkataramani are to be continued in the best interest of the Company. Accordingly a proposal for his re-appointment is placed for your consideration.

The Nomination and 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	<b>Manufacturing of Auto Ancillary</b>	
02	Date of Commencement of Commercial Operation.	<b>Company was established in the year 1991 and had already commenced Commercial Production.</b>	
03	In case of new Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	<b>Not Applicable</b>	
04	Financial Performance based on given indicators	<b>Particulars</b>	<b>31.03.2016</b> <b>31.03.2015</b> (Rs. in Lakhs)
		Turnover	<b>13,169</b> 11,262
		P B T	<b>12</b> (115)
		P A T	<b>9</b> (49)
		Dividend %	—                        —
	Networth	<b>4,060</b> 4,050	
05	Foreign investments or collaborations, if any	<b>Nippon Piston Ring Co. Ltd., Japan.</b>	

**II. INFORMATION ABOUT THE APPOINTEE :**

01	Background Details	Mr A Venkataramani, a British National, aged 48 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 31.03.2015, INR 71.04 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.
04	Job Profile and his suitability	Subject to the superintendence, direction and control of the Board, Mr A Venkataramani, Managing Director, is responsible for Operations of the Company.
05	Remuneration Proposed	As mentioned in the notice. The same Remuneration was recommended by the Nomination & Remuneration Committee and has the approval of the 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, directly or indirectly.



**III. OTHER INFORMATION :**

01	Reasons of loss or inadequacy of profits	Due to escalation of input costs, finance charges coupled with fierce competition, limiting the scope for increasing the price of the products have resulted in loss / inadequacy of profits during 2014-15. The Company has made a turnaround effective 2015-16 and entered profit zone.
02	Steps taken or proposed to be taken for improvement	New trade management strategy has been evolved, benefit of which will be derived during the coming years. Further utilization of production facilities, control of conversion cost apart from negotiating with the customers for price revision.
03	Expected increase in productivity and profits in measurable terms	Marginal growth is expected in the years to come.

**IV. DISCLOSURE :**

01	Remuneration Package	As disclosed in the Notice
02	Details to be furnished in Corporate Governance	Given under Remuneration to Directors

The Board of Directors recommends the Resolution for your approval as set out under item no. 7.

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

**ITEM NOS. 8 & 9:**

The Authorised Capital of the Company at present is Rs.20,00,00,000/- (Rupees Twenty Crores Only) comprising of 1,50,00,000 (One Crore Fifty Lakhs) Equity Shares of Rs.10/- (Rupees Ten) each aggregating to Rs. 15,00,00,000/- (Rupees Fifteen Crores only) and 50,00,000 (Fifty Lakhs) Preference Shares of Rs.10/- (Rupees Ten) each aggregating to Rs. 5,00,00,000/- (Rupees Five Crores only). With the proposed Rights Offer of new equity shares as recommended by the Board of Directors at their meeting held on May 05, 2016, the share capital is proposed to be reclassified to enable the rights offer.

Your Board of Directors are of the view that instead of increasing the Authorised Share Capital of the Company, it is prudent to reclassify the existing Preference Shares into Equity Shares of the Company.

The alterations proposed in the Memorandum and Articles of Association of the Company are only consequential to reflect the reclassification of the Authorized Share Capital of the Company.

The Board recommends the Resolution set forth in Items 8 and 9 above for approval of the members. The Directors of the Company may be deemed to be concerned or interested in this Resolution to the extent of their shareholdings in the Company.

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

Chennai  
May 27, 2016

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

By Order of the Board

**S. PRIYAMVATHA**  
Company Secretary