

IP Rings Ltd.

MINUTES OF THE TWENTY FIRST ANNUAL GENERAL MEETING

Minutes of the Twenty First Annual General Meeting of the Members of IP Rings Ltd. held on Thursday, July 26, 2012 at 3.15 p.m. at "The Music Academy", New No. 168, Old No. 306, T T K Road, Chennai 600 014.

Present:

Mr N Venkataramani
Mr A Venkataramani
Dr N Gowrishankar
Dr R Mahadevan
Mr Masaaki Otani
Mr P M Venkatasubramanian
Dr R Natarajan
Mr S R Srinivasan
Mr S Ramachandra

Chairman (also Member)
Managing Director (also Member)
Whole Time Director (also Member)
Director (also Member)
Director
Director
Director
Director (also Member)
Director

Shareholders

697 Registered in Person and
2 in Proxy

Mr S Rangarajan

Vice President (Finance) & Secretary

Mr N Venkataramani, Chairman welcomed the members to the Twenty First Annual General Meeting and thanked them for their presence.

The Chairman extended a warm welcome to Mr Masaaki Otani, Director of Nippon Piston Ring Co. Ltd., Japan, who is also a Director of the Company. He also introduced Mr A Venkataramani, Dr N Gowrishankar, Dr R Mahadevan, Mr P M Venkatasubramanian, Dr R Natarajan, Mr S R Srinivasan and Mr S Ramachandra, Directors to the Shareholders.

Mr S Rangarajan, Vice President (Finance) & Secretary read the Notice convening the Meeting.

The Chairman requested the Auditors to read the Auditors' Report and Mr S Subramanian, Partner, RGN Price & Company, Chartered Accountants, Chennai read the same.

The Chairman delivered his address to the Members thereafter. The Chairman in his address covered the growth of Vehicle Industry and the hurdles in certain areas faced by the Industry as a whole and in particular by the Company. He also listed the adverse factors that affected the performance of the Company. He further advised about the forecast of the industry fortunes, the expected slow down and a not so bright prospects for the Company in the coming months, which necessitates the Company to adopt an approach in which optimism is tempered by caution. He thanked the Collaborators, Promoters, Management, Employees and the Shareholders for their support and confidence.



CHAIRMAN'S
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Thereafter the Chairman requested Mr Masaaki Otani, Director to deliver his address to the shareholders of the Company. Mr Otani conveyed his message to the Shareholders in Japanese and the same was translated by Mr I Fujita of Nippon Piston Ring Co. Ltd., Japan. Mr Otani in his speech covered the present status and the future prospects of the industry. He explained the shareholders about the latest technology developments in the auto sector and assured the role of NPR to support IP Rings in new product developments. He also thanked the shareholders of IP Rings.

Thereafter the Chairman invited clarifications from the Shareholders in respect of the performance of the Company.

Four Shareholders [Mr Padmanabhan (IN301313 / 20794546), Mr P Narendran (IN301151 / 23151431), Mr Vidyashankar (1204470005731511) and Mr V Rangan (IN300441 / 10237300)] sought various clarifications in the accounts and about the performance of the Company. The Chairman, the Managing Director and Dr R Mahadevan, Director clarified these issues to the Shareholders.

Thereafter the Chairman moved the business items, viz.,

ORDINARY BUSINESS:

ADOPTION OF ANNUAL ACCOUNTS:

The Shareholders considered the Audited Balance Sheet as at March 31, 2012 together with the Profit and Loss Account for the year ended on that date and the Report of the Auditors and of the Directors thereon.

After discussions, the following Ordinary Resolution was proposed by Mr S. Ramanujachari and seconded by Mr Rangan.

"RESOLVED that the Audited Balance Sheet as at March 31, 2012 together with the Profit and Loss Account for the year ended on that date and the Report of the Auditors and of the Directors thereon as placed before the Meeting be and are hereby adopted."

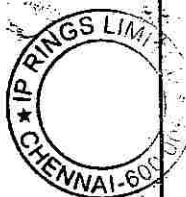
The Resolution was carried unanimously.

DIVIDEND:

The following Resolution was proposed by Mr R Mukundan and seconded by Mr A Krishnamoorthy, which was unanimously passed as an Ordinary Resolution.

"RESOLVED that pursuant to recommendation made by the Board of Directors of the Company, a Dividend of 10% on Equity Shares together with the Dividend Tax, to the Equity Shareholders of the Company, in respect of shares held in physical form, whose names appear in the Register of Members as on July 26, 2012 and in respect of shares held on the Electronic Form to those 'Deemed Members', whose names appear in the Register of Beneficial Owners furnished by NSDL and CDSIL, be and is hereby declared for the year ending March 31, 2012.

RESOLVED FURTHER that the Dividend Warrants be posted within 30 days hereof to all the Shareholders who are entitled to receive the payment."



CHAIRMAN
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REAPPOINTMENT OF DIRECTOR – Mr S R SRINIVASAN:

Proposed by Mr Suresh A Pai and seconded by Mr R Vidyashankar, the following Resolution was passed unanimously as an Ordinary Resolution.

"RESOLVED that Mr S R Srinivasan, who retires by rotation and being eligible for reappointment be and is hereby reappointed as a Director of the Company."

REAPPOINTMENT OF DIRECTOR – Mr S RAMACHANDRA:

Proposed by Mr S Ramanujachari and seconded by Mr P B Sampath, the following Resolution was passed unanimously as an Ordinary Resolution.

"RESOLVED that Mr S Ramachandra, who retires by rotation and being eligible for reappointment be and is hereby reappointed as a Director of the Company."

REAPPOINTMENT OF DIRECTOR – Dr R NATARAJAN:

Proposed by Mr R Vidyashankar and seconded by Mr A Krishnamoorthy, the following Resolution was passed unanimously as an Ordinary Resolution.

"RESOLVED that Dr R Natarajan, who retires by rotation and being eligible for reappointment be and is hereby reappointed as a Director of the Company."

APPOINTMENT OF AUDITORS:

Proposed by Mr S Ramanujachari and seconded by Mr P B Sampath, the following Resolution was passed unanimously as an Ordinary Resolution.

"RESOLVED that the retiring auditors Messrs. R G N Price & Co., Chartered Accountants, Chennai be and are hereby reappointed 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:

REAPPOINTMENT OF Dr N GOWRISHANKAR AS WHOLE TIME DIRECTOR:

Proposed by Mr S V Ramani and seconded by Mr R Vidyashankar, the following Resolution was passed unanimously as an Ordinary Resolution.

"RESOLVED that pursuant to Section 198, 269, 309, 310, 311, Schedule XIII and all other applicable provisions of the Companies Act 1956, if any, and subject to such approvals as may be required, including from Central Government, the approval of the Company be and is hereby accorded to the re-appointment, payment of remuneration, performance allowance and perquisites to Dr N Gowrishankar, Whole Time Director from 29.01.2012 to 28.01.2015 on the following terms and conditions as set out in the agreement duly approved at the meeting of the Board of Directors of the Company and recommended by the Remuneration Committee or such other remuneration as the Board of Directors may revise / increase / vary from time to time duly recommended in that behalf by the Remuneration Committee.



CHAIRMAN'S
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Period

: 3 years from 29.01.2012 to 28.01.2015

Salary

: Basic Salary of ₹ 1,70,000/- pm with increments as may be decided by the Board of Directors / Committee of Directors.

Performance Allowance

: An amount not exceeding ₹ 20,00,000/- p.a as may be decided by the Board of Directors / Committee of Directors.

Perquisites:

(i) Housing :

Either

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

or

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

or

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

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

(ii) Medical Reimbursement:

Reimbursement of expenses incurred for self and family 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 ₹ 4000/-.

(vi) Entertainment Expenses:

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



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(vii) Other Perquisites:

Company's contribution towards PF 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.

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 as per the Leave Policy of the Company.

Telephone & Car:

Provision of Telephone at residence. Provision of Mobile Phone. Facility of Car with Driver.

Minimum Remuneration:

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

Termination:

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

PAYMENT OF MANAGERIAL REMUNERATION TO Dr N GOWRISHANKAR, WHOLE TIME DIRECTOR FOR THE FY 2011-12:

Proposed by Mr G R Janardhanan and seconded by Mr Suresh A. Pai, the following Resolution was passed unanimously as a Special Resolution.

"RESOLVED that subject to the approval of the Central Government, pursuant to the provisions of Section 310, 198 (4) and other applicable provisions of the Companies Act, 1956, consent of the Members be and is hereby accorded to the payment of Managerial Remuneration amounting to ₹ 51,95,508/- to Dr N Gowrishankar, Whole Time Director for the financial year 1.4.2011 to 31.3.2012 as Minimum Remuneration notwithstanding the fact that the profits of the company are inadequate and which has been duly recommended by the Remuneration Committee."

PAYMENT OF MANAGERIAL REMUNERATION TO Mr A VENKATARAMANI, MANAGING DIRECTOR FOR THE FY 2011-12:

Proposed by Mr N Gowrishankar and seconded by Mr A Krishnamoorthy, the following Resolution was passed unanimously as a Special Resolution.

"RESOLVED that subject to the approval of the Central Government, pursuant to the provisions of Section 310, 198 (4) and other applicable provisions of the Companies Act, 1956, consent of the Members be and is hereby accorded to the payment of Managerial Remuneration amounting to ₹ 72,14,766/- to Mr A Venkataramani, Managing Director for the financial year 1.4.2011 to 31.3.2012 as Minimum Remuneration notwithstanding the fact that the profits of the company are inadequate and which has been duly recommended by the Remuneration Committee."



CHAIRMAN'S
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BORROWING POWERS:

Proposed by Mr S Ramanujachari and seconded by Mr S Srinivasaraghavan, the following Resolution was passed unanimously as an Ordinary Resolution.

"RESOLVED that pursuant to section 293(1)(d) and other applicable provisions of the Companies Act, 1956, the Company do borrow from time to time any sum or sums of moneys on such terms and conditions and with or without security as the Board of Directors may think fit which, notwithstanding the fact that the moneys to be so borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained or 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 ₹ 50 Crores."

POWER TO SECURE BORROWINGS:

Proposed by Mr P B Sampath and seconded by Mr S V Ramani, the following Resolution was passed unanimously as an Ordinary Resolution.

"RESOLVED that pursuant to section 293(1)(a) of the Companies Act, 1956, 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 ₹ 50 Crores in excess of the aggregate of the paid up capital of the Company and its free reserves."

AVAILMENT OF PROFESSIONAL SERVICES FROM Dr R MAHADEVAN, NON EXECUTIVE DIRECTOR:

Proposed by Mr A Krishnamoorthy and seconded by Mr R Mukundan, the following Resolution was passed unanimously as a Special Resolution.

"RESOLVED that pursuant to proviso to Section 309 (1) and other applicable provisions, if any, of the Companies Act, 1956, the Company do avail professional services from Dr R Mahadevan, Non-Executive Director of the Company for a period of 3 years with effect from 1st April 2012 at a fee not exceeding ₹ 20,000/- p.m. on terms and conditions as set forth in the agreement entered into between the Company and Dr R Mahadevan.

RESOLVED FURTHER that the fee payable for availing of professional services as mentioned above shall be in addition to the commission / sitting fee payable to Dr R Mahadevan, Non Executive Director of the Company."

There being no other business, the Meeting ended with a vote of thanks to the Chair.

TRUE COPY

Chennai
August 01, 2012

For IP RINGS LIMITED


S. RANGARAJAN
Vice President (Finance) & Secretary

CHAIRMAN

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