

IP Rings Ltd

MINUTES OF THE TWENTY SECOND ANNUAL GENERAL MEETING

Minutes of the Twenty Second Annual General Meeting of the Members of IP Rings Ltd. held on Monday, July 29, 2013 at 10.15 a.m. at the Registered Office of the Company at D-11/12, Industrial Estate, Maraimalai Nagar 603 209.

Present:

**Mr N Venkataramani
Mr A Venkataramani
Dr N Gowrishankar
Dr R Mahadevan
Mr Masaaki Otani
Dr R Natarajan
Mr S R Srinivasan
Mr S Ramachandra**

**Chairman (also Member)
Managing Director (also Member)
Director (also Member)
Director (also Member)
Director
Director
Director (also Member)
Director**

Shareholders

**249 Registered in Person and
84 in Proxy**

Mrs S Priyamvatha

Company Secretary

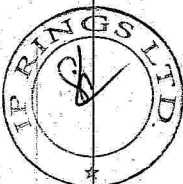
Mr N Venkataramani, Chairman welcomed the members to the Twenty Second Annual General Meeting and thanked them for their presence. He also mentioned that for the first time this meeting is being convened at the Factory Premise, the new registered office of the Company.

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, Dr R Natarajan, Mr S R Srinivasan and Mr S Ramachandra, Directors to the Shareholders.

Mrs S Priyamvatha, Company Secretary read the Notice convening the Meeting.

The Chairman requested the Auditors to read the Auditors' Report and Mr S Subramanian, Senior 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 present status of Indian Economy, 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 longterm prospects of the industry fortunes, the expected growth opportunities for the Company in the coming months even in the midst of uncertain market conditions.



The Chairman also pointed out about Dr N Gowrishankar's resignation as a Whole Time Director and his continuance as a Non Executive Director in the Board. He recalled the contributions made by him as a Whole Time Director. He thanked the Collaborators, Promoters, Management, Employees and the Shareholders for their support and confidence.

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 recession trend prevailing globally. He explained the shareholders about the latest technology developments in the auto sector, introduction of new engine variants and assured the role of NPR to support IP Rings in new product and new customer developments. He also thanked the shareholders of IP Rings Ltd.

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

Four Shareholders [Mr S Gowrishankar (IN300597 / 10000096), Mr Shankar Sundaram (IPR 000261), Mr Vidyashankar (1204470005731511) and Mr S V Raman (IPR 000126) sought few clarifications in the accounts, future prospects and about the performance of the Company. The Chairman clarified these issues to the Shareholders.

Thereafter the Chairman moved the business items, viz.,

ORDINARY BUSINESS:

1. ADOPTION OF ANNUAL ACCOUNTS:

The Shareholders considered the Audited Balance Sheet as at March 31, 2013 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 R Vidyashankar.

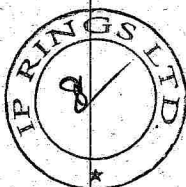
"RESOLVED that the Audited Balance Sheet as at March 31, 2013 together with the Profit and Loss Account for the year ended on that date and the Report of the Auditors and of the Directors thereon as placed before the Meeting be and are hereby adopted."

The Resolution was carried unanimously.

2. REAPPOINTMENT OF DIRECTOR – Mr MASAANKI OTANI:

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

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



3. REAPPOINTMENT OF DIRECTOR – Mr N VENKATARAMANI:

Dr R Mahadevan, Director, took the Chair and put forth the resolution regarding reappointment of Mr N Venkataramani as a Director for adoption.

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

“RESOLVED that Mr N Venkataramani, who retires by rotation and being eligible for reappointment be and is hereby reappointed as a Director of the Company.”

Mr N Venkataramani, Chairman reassumed the Chair.

4. REAPPOINTMENT OF DIRECTOR – Dr R MAHADEVAN:

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

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

5. APPOINTMENT OF AUDITORS:

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

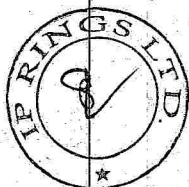
“RESOLVED that the retiring auditors Messrs. R G N Price & Co., Chartered Accountants, Chennai be and are hereby reappointed as auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company on such remuneration as may be fixed in this behalf by the Board of Directors of the Company.”

SPECIAL BUSINESS:

6. PAYMENT OF MANAGERIAL REMUNERATION TO Dr N GOWRISHANKAR, WHOLE TIME DIRECTOR FOR THE FY 2012-13:

Proposed by Mr R Vidyashankar and seconded by Mr Gautam Venkataramani, 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 ₹ 61,04,416/- to Dr N Gowrishankar, Whole Time Director for the financial year 1.4.2012 to 31.3.2013 as Minimum Remuneration notwithstanding the fact that the Company has no profits or inadequate profits and which has been duly recommended by the Remuneration Committee.”



7. PAYMENT OF MANAGERIAL REMUNERATION TO Mr A VENKATARAMANI, MANAGING DIRECTOR FOR THE FY 2012-13:

Proposed by Mr S Gowrishankar and seconded by Mr R Mukundan, 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 ₹ 71,66,403/- to Mr A Venkataramani, Managing Director for the financial year 1.4.2012 to 31.3.2013 as Minimum Remuneration notwithstanding the fact that the Company has no profits or inadequate profits and which has been duly recommended by the Remuneration Committee."

8. REAPPOINTMENT OF Mr A VENKATARAMANI AS MANAGING DIRECTOR OF THE COMPANY FOR THE PERIOD 01.11.2013 TO 31.10.2016:

Proposed by Mr A Krishnamoorthy and seconded by Mr S Ramanujachari, the following Ordinary Resolution was passed unanimously.

"RESOLVED that pursuant to Sections 198, 269, 309, 310, Schedule XIII and 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, commission and perquisites to Mr A Venkataramani, Managing Director from 01.11.2013 to 31.10.2016 on the following terms and conditions as set out in the agreement duly approved by the Remuneration committee and at the meeting of the Board of Directors of the Company 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.

Period : 3 years from 01.11.2013 to 31.10.2016

Salary : Basic Salary of ₹ 2,75,000/- pm with increments as may be decided by the Board of Directors on the recommendation of the Remuneration Committee.

Special Allowance : Rs. 1,00,000/- pm

Commission : Upto 2.5 % of the Net Profits as may be decided by the Board of Directors on the recommendation of the 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 ₹ 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:

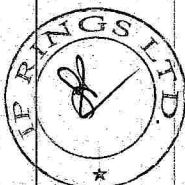
The above salary, commission and perquisites will be subject to the provisions of Income Tax Act, 1961 and the Rules framed there under (as amended from time to time).

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, commission 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.

9. PAYMENT OF COMMISSION OF 1% TO NON EXECUTIVE DIRECTORS:

Proposed by Mr R Mukundan and seconded by Mr Shankar Sundaram, the following Resolution was passed unanimously 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 309(4) of the Companies Act, 1956, consent be and is hereby accorded for the payment of commission to eligible Non Executive Directors of the Company other than Managing / Whole Time Directors upto 1 % of the net profits of the Company computed in the manner laid down in Section 198 (1) of the Companies Act, 1956 for each financial year for a period of five years commencing from 01.04.2013 to 31.03.2018 to be apportioned between such directors in such manner as may be decided by the Board of Directors from time to time."

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

Chennai
August 02, 2013

CHAIRMAN

TRUE COPY

For IP Rings Limited

S. Priyamvatha

**S. Priyamvatha
Company Secretary**