

DIRECTORS

N VENKATARAMANI	Chairman
A VENKATARAMANI	Managing Director
N GOWRISHANKAR	Whole Time Director (Till 31.05.2013)
R MAHADEVAN	Director
MASAAKI OTANI	Director
P M VENKATASUBRAMANIAN	Director
R NATARAJAN	Director
S R SRINIVASAN	Director
S RAMACHANDRA	Director
S PRIYAMVATHA	Company Secretary

AUDITORS

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

LEGAL ADVISORS

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

BANKERS

STANDARD CHARTERED BANK
CENTRAL BANK OF INDIA
HDFC BANK LIMITED

REGISTERED OFFICE & FACTORY

D 11/12, Industrial Estate
Maraimalai Nagar
Kancheepuram Dist. 603 209
Tel: +91(44) 2745 2816 / 4740 0597 / 4740 0598
E-mail: iprmmn@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

NOTICE TO THE MEMBERS

NOTICE is hereby given that the **TWENTY SECOND ANNUAL GENERAL MEETING** of the Members of **IP Rings Ltd.** will be held at 10.15 a.m. on Monday, 29th July 2013 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 consider and adopt 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 Directors' and of the Auditor's thereon.
2. To appoint a Director in place of Mr Masaaki Otani, who retires by rotation and is eligible for reappointment.
3. To appoint a Director in place of Mr N Venkataramani, who retires by rotation and is eligible for reappointment.
4. To appoint a Director in place of Dr R Mahadevan, who retires by rotation and is eligible for reappointment.
5. To consider and if thought fit to pass with or without modification, the following resolution as an Ordinary Resolution.

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

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

"RESOLVED that subject to the approval of the Central Government, pursuant to the provisions of Sections 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. To consider and if thought fit, to pass with or without modification, the following Resolution as a Special Resolution.

"RESOLVED that subject to the approval of the Central Government, pursuant to the provisions of Sections 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. To consider and if thought fit to pass with or without modification, the following Resolution as an Ordinary Resolution.

"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	: ₹ 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 thereunder (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. To consider and if thought fit, to pass with or without modification, 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 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."

By Order of the Board

S PRIYAMVATHA
Company Secretary

Chennai
May 29, 2013

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

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.
- The relative Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of business under item nos. 6 - 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 Monday, July 22, 2013 to Monday, July 29, 2013 (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 Masaaki Otani, Mr N Venkataramani & Dr R Mahadevan, Directors, retire by rotation and being eligible offer themselves for reappointment. Mr A Venkataramani is being re-appointed for a further period of three years as Managing Director of the Company, effective from November 01, 2013.

As per Clause 49 of the Listing Agreement with Stock Exchanges, the brief background, functional expertise of the Directors proposed for re-appointment are furnished below along with details of Companies in which they are Directors and the Board Committees of which they are members:

- (i) Mr Masaaki Otani, aged about 61 years was inducted to the Board of the Company on 30.07.2009. He is a Director of Nippon Piston Ring Co. Ltd., Japan, Company's Technical Collaborators.

He does not hold Directorship in any other Indian Company.

- (ii) Mr N Venkataramani, aged about 73 years has been a Director of the Company since its incorporation and occupies the position of Chairman from May 30, 2011. He holds a Masters Degree in Production Engineering. 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 Ltd.	Audit Committee (Member)
Amalgamations Private Limited	
Simpson & Co. Limited	Audit Committee (Member)
George Oakes Limited	
IP Pins & Liners Limited	
Amalgamations Repco Ltd.	
Bimetal Bearings Limited	Investor Grievances Committee (Chairman) Audit Committee (Member)
Mahle IPL Limited	Audit Committee (Chairman)
Amalgamations Valeo Clutch Pvt. Ltd.	
Stanesh Amalgamated Estates Ltd.	
Stanadyne Amalgamations Pvt. Ltd.	
Elco NTTF (India) Private Ltd.	
Sundaram Finance Limited	
IPL Engine Components Pvt. Ltd.	
IPL Green Power Pvt Ltd.	
The Adyar Property Holding Co P Ltd	

- (iii) Dr R Mahadevan, aged about 70 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. Limited	
Amco Batteries Limited	
Amalgamations Valeo Clutch Pvt. Limited	
Simpson & Co. Limited	
Mahle IPL Limited	
IPL Green Power Pvt Limited	

- (iv) Mr A Venkataramani, was inducted to the Board of the Company on 27.10.2010. Subsequently he was appointed as the Managing Director of the Company effective from November 01, 2010. He is an Engineer by Profession. Prior to this, he was a Whole Time Director of Mahle IPL Limited.

Details of other Directorships / Committee Memberships held by him.

Directorship	Committee Membership
India Pistons Limited	
IP Pins & Liners Limited	
Mahle IPL Limited	
George Oakes Limited	

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956:

ITEM NO. 6

The remuneration payable to Dr N Gowrishankar, Whole Time Director, under Section I, Part II of Schedule XIII of the Companies Act, 1956 was approved by the shareholders at the Annual General Meeting held on July 26, 2012.

As the Company has no profits / profits are inadequate during 2012-13, the overall managerial remuneration payable to Dr N Gowrishankar, Whole Time Director, for the year ended 31st March 2013, including salary, perquisites & performance allowance together with the managerial remuneration payable to Mr A Venkataramani, Managing Director, which works out to ₹ 1,32,70,819/- shall be paid only with the approval of the Shareholders and the Central Government. Section 309(3) of the Companies Act permits payment of remuneration with the approval of the Central Government and the Shareholders.

The Remuneration Committee has considered the total remuneration payable to the Managing Director & the Whole Time Director and recommended the same to the Board for payment with the approval of the Shareholders and the Central Government.

An application will be made to the Central Government seeking its approval in this regard.

Your Directors recommend the Resolution for approval.

Save and except Dr N Gowrishankar, Whole Time Director, none of the Directors are, in any way, concerned or interested in this Resolution.

ITEM NO. 7

The remuneration payable to Mr A Venkataramani, Managing Director, under Section I, Part II of Schedule XIII of the Companies Act, 1956 was approved by the shareholders at the Annual General Meeting held on July 28, 2011.

As the Company has no profits / profits are inadequate during 2012-13, the overall managerial remuneration payable to Mr A Venkataramani, Managing Director, for the year ended 31st March 2013, including salary & perquisites together with the managerial remuneration payable to Dr N Gowrishankar, Whole Time Director, which works out to ₹ 1,32,70,819/- shall be paid only with the approval of the Shareholders and the Central Government. Section 309(3) of the Companies Act permits payment of remuneration with the approval of the Central Government and the Shareholders.

The Remuneration Committee has considered the total remuneration payable to the Managing Director & the Whole Time Director and recommended the same to the Board for payment with the approval of the Shareholders and the Central Government.

An application will be made to the Central Government seeking its approval in this regard.

Your Directors recommend the Resolution for approval.

Apart from Mr A Venkataramani, Mr N Venkataramani, Chairman is concerned or interested in this Resolution.

ITEM NO. 8

Mr A Venkataramani was appointed as the Managing Director for a period of three years effective from 01.11.2010. With his vast experience in Production, Technical and Operational Management, he is leading the Company in all its ventures successfully and the Board of Directors were of the unanimous opinion that the continued presence of Mr A Venkataramani is essential for your Company at this juncture to maintain continuity in leadership and guidance. Accordingly, at the Board Meeting held on May 29, 2013, the Board of Directors of the Company re-appointed Mr A Venkataramani as the Managing Director for a further period of three years from 01.11.2013, pursuant to Sections 198, 269, 309, 310 and other applicable provisions of the Companies Act, 1956.

The reappointment of Mr A Venkataramani, as Managing Director requires the approval of the Members.

Apart from Mr A Venkataramani, Mr N Venkataramani, Chairman is concerned or interested in this Resolution.

The Board of Directors recommends the resolution for your approval as set out under item no. 8.

This may also be treated as an abstract and terms of re-appointment and memorandum of interest under Section 302 of the Companies Act, 1956.

ITEM NO. 9

Payment of remuneration by way of Commission up to 1% of the net profits to the Non Executive Directors for a period of 5 years commencing from 01.04.2008 to 31.03.2013 was approved by the Shareholders at the Annual General Meeting held on July 24, 2008. In view of the valuable contributions and greater involvement of the Non Executive Directors, in the affairs of the Company, it is thought appropriate to continue to remunerate the eligible Non Executive Directors.

Pursuant to the provisions of Section 309(4) of the Companies Act, 1956, remuneration by way of commission up to 1% of the net profits to the eligible Directors, who are neither in whole-time employment nor managing director, can be paid only with the approval of the members through a special resolution.

Hence this resolution. Your Directors recommend the Resolution for approval.

All Directors except Mr A Venkataramani, Managing Director are interested in this Resolution to the extent of the commission that would become payable to them in accordance with the proposed resolution. Dr N Gowrishankar, Whole Time Director is interested in the resolution with effect from June 01, 2013.

By Order of the Board

S PRIYAMVATHA
Company Secretary

Chennai
May 29, 2013

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

DIRECTORS' REPORT

Your Directors have pleasure in presenting the **Twenty Second Annual Report** together with the Accounts for the year ended March 31, 2013 and the Auditor's Report thereon

FINANCIAL RESULTS

	2012-2013	2011-2012
	(₹ in Lakhs)	
Profit before Finance charges, Depreciation and Tax	554.73	935.72
Finance charges	550.61	360.92
Depreciation	645.75	545.79
Profit / (Loss) before Tax	(641.63)	29.01
Provision for Taxation (Net)	(223.99)	(29.14)
Profit / (Loss) after Tax	(417.64)	58.15
Add : Balance brought forward from previous year	49.92	73.61
Profit available for appropriation	(367.72)	131.76
Less : Dividend	—	70.42
Dividend Tax thereon	—	11.42
Transfer to General Reserve	—	—
Balance carried forward	(367.72)	49.92

DIVIDEND

In view of the loss during the year under review, your Directors do not recommend any Dividend for the year ended March 31, 2013.

OPERATIONS

The Indian auto and auto components industry is currently facing its most formidable challenge – the slowing down of demand in all segments of the industry. The overall earnings growth of the auto component industry during 2012-13 remained subdued in the wake of weak demand, inflation in overheads, acute power shortage and adverse currency volatility. The revenue growth of the auto components industry is typically a close reflection of the blended growth of individual automotive segments viz., passenger vehicles (PV), commercial vehicles (CV) and two-wheelers (2W). The revenue growth of these select entities has been consistently declining over the last six quarters with growth being the slowest in Q1, 2012-13.

For your Company in particular, the sluggish growth of new business in Rings and OCF Divisions and the resultant unutilized high capex and a steep increase in power costs have been the major causes for the middling performance. On a positive note, your Company has been able to achieve much of its cost reduction efforts and price increase targets for the year 2012-13.

Your Company, though it achieved a Turnover of ₹ 95.18 Crores compared to ₹ 91.26 Crores of Turnover achieved in previous year incurred a loss of ₹ 4.18 crores.

OUTLOOK

The revenue growth prospects of the auto components industry over the near term remain somber as all three automotive segments are likely to grow at a low-to-mid single digit rate in 2013-14. That said, the performance of individual auto component manufacturers may continue to vary depending on the entities' revenue mix (OEMs/Replacement Market/Non-Automotive Segment), segment bias (PV/CV/2W) and geographical diversification (domestic/exports).

For your company, though the current trend is likely to prevail during the first half of the financial year, it is expected that in the second half of the financial year there would be significant improvement. The company has been developing a number of new products, both Rings and forged components, and with a breakthrough in these areas significant improvement in revenue performance is expected next year.

However, looking ahead the various technology improvements and upgrades implemented in product design and development, process engineering, manufacturing, quality and other related areas have strengthened the company's manufacturing base and this is expected to bear fruit in the coming years.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956, Mr Masaaki Otani, Mr N Venkataramani and Dr R Mahadevan, Directors, retire by rotation and are eligible for reappointment.

Mr A Venkataramani, Managing Director is being re-appointed for a further period of 3 years effective 01.11.2013. With effect from 1st June 2013, Dr N Gowrishankar will be a Non Executive Director.

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors confirm:

- that in the preparation of the annual accounts, the applicable accounting standards had been followed;
- that 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 ended March 31, 2013 and of the loss of the Company for that year;
- that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- that the accounts have been prepared on a going concern basis.

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 Exchanges, 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.

PARTICULARS OF EMPLOYEES

There were no employees in receipt of remuneration of ₹ 5,00,000/- p.m. during the year ended 31.03.2013 coming within the purview of Section 217 (2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975, as amended.

DISCLOSURE OF PARTICULARS

The information required under Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988 is given in the Annexure forming part of this Report.

ACKNOWLEDGEMENT

Your Directors wish to place on record their appreciation of the Technical Assistance and Marketing Services extended by M/s Nippon Piston Ring Co. Ltd., Japan and M/s. India Pistons Limited, Chennai, respectively.

Your Directors also wish to place on record their appreciation of the contribution made by the employees at all levels.

For and on behalf of the Board

N Venkataramani
Chairman

Chennai
May 29, 2013

Annexure to the Directors' Report for the year ended 31st March 2013
Statement containing particulars pursuant to the Companies
(Disclosure of particulars in the Report of Board of Directors) Rules, 1988

I. CONSERVATION OF ENERGY

Various energy conserving/saving measures at all points of manufacturing are continuously being implemented.

A. POWER & FUEL CONSUMPTION

Electricity:

	2012-2013	2011-2012
(a) Purchased :		
<i>Units in Lakhs</i>	33.05	43.37
<i>Total Amount (₹ in Lakhs)</i>	306.94	303.53
Rate / Unit - ₹ *	9.29	7.00

* increase due to purchase from private suppliers

(b) Own Generation :

Through Diesel Generator

<i>Units in Lakhs</i>	26.12	14.49
<i>Units per litre of Diesel</i>	3.24	3.16
Cost / Unit - ₹	15.33	14.60

B. CONSUMPTION PER UNIT OF PRODUCTION (ELECTRICITY)

Products	Standards if any	2012 – 2013	2011 – 2012
Piston Rings	No Standards	0.27 kwh / ring	0.33 kwh / ring
Differential Gears	No Standards	0.91 kwh / comp	0.83 kwh / comp
Pole Wheels & Transmission Components			

II. TECHNOLOGY ABSORPTION AND INNOVATION

A. RESEARCH & DEVELOPMENT:

1. Specific areas in which R&D is carried out by the company.

Continuous Research is being undertaken in the following areas:

Piston Rings:

Wide acceptance of PVD coated rings in Euro IV and Euro V for both passenger cars, LCV and commercial applications has been received.

Orbital Cold Forming:

Development of flashless hot forged blanks to achieve raw material savings has started yielding results.
2. Benefits derived as a result of the above R&D:

Applications in Passenger cars, LCV and HCV will yield good type line improvements.

Developments in hot forging have resulted in better availability of input forgings at reduced cost.
3. Future Plan of Action:

Piston Rings:

R & D in High Performance PVD coatings for meeting stringent Euro V and Euro VI emission norms. Work is in progress.

Orbital Cold Forming:

Further improvements in productivity, process flow and heat treatment of orbital cold formed components are planned.

Diffcase assemblies incorporating our Gears have been developed and are undergoing testing.
4. Expenditure on R&D:

Capital	₹	3,20,474/-
Revenue	₹	41,77,271/-
Total	₹	44,97,745/-
Total R & D Expenditure as a % of Total Turnover		0.47%

B. TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION - EFFORTS MADE AND BENEFITS DERIVED:

Imported Technology

Technology	Technology help	Equipment Imported from	Year of absorption	Status of Implementation
Carbon Friction	Miba GmbH	Austria	2005-06	New areas of application under experimentation
PVD	NPR, Japan	Japan	2009-10	Implemented

III. FOREIGN EXCHANGE EARNINGS AND OUTGO

- (i) Activities relating to Exports

Exploring opportunities for export of Transmission Components
- (ii) Total Foreign Exchange used and earned

Foreign Exchange earned	₹	5,49,189/-
Foreign Exchange outgo	₹	23,97,56,128/-

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of IP Rings Ltd, Chennai.

We have reviewed the compliance conditions of Corporate Governance by **IP Rings Ltd.** ("the Company") for the year ended 31st March 2013 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of the Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, the Company has substantially complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

We further state that no material investor grievance is pending for a period exceeding one month against the Company as per records maintained by Registrar and Share Transfer Agent.

We further state that our examination of such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Chennai
29.05.2013

**For R G N Price & Co.,
Chartered Accountants
Firm Regn. No. 002785S**

**Mahesh Krishnan
Partner
Membership No. 206520**

DECLARATION BY CHIEF EXECUTIVE OFFICER (CEO) ON COMPANY'S CODE OF CONDUCT:

This is to confirm that the Company has adopted a Code of Conduct for its Board Members and Senior Management Personnel. This Code is available on the Company's Website.

I confirm that the Company has in respect of the financial year ended March 31, 2013, received from the Board Members and Senior Management Personnel, a Declaration of Compliance with the Code of Conduct as applicable to them.

Chennai
May 29, 2013

**A Venkataramani
Chief Executive Officer
Managing Director**

REPORT ON CORPORATE GOVERNANCE

Company's Philosophy on Code of Governance

The Board of Directors and the Management of IP Rings Ltd. are committed to:

- Enhancing Shareholder value, keeping in view the interests of other Stakeholders, through proactive management and high standards of ethics.
- Ensuring discipline, transparency and accountability and
- Complying with all statutory / regulatory requirements.

1. Board of Directors

The present strength of the Board is nine. The Board comprises of Executive and Non Executive Directors. The Board of Directors of the Company are:

Mr N Venkataramani	Chairman (Non Executive)
Mr A Venkataramani	Managing Director (Executive)
Dr N Gowrishankar	Whole Time Director (Executive)
Dr R Mahadevan	Director (Non Executive)
Mr Masaaki Otani	Director (Non Executive - Independent)
Mr P M Venkatasubramanian	Director (Non Executive - Independent)
Dr R Natarajan	Director (Non Executive - Independent)
Mr S R Srinivasan	Director (Non Executive - Independent)
Mr S Ramachandra	Director (Non Executive - Independent)

2. Attendance of each Director at the Board Meetings held during the FY 2012-2013 and at the last AGM and details of other Directorships

Five Board Meetings were held during the year 2012-2013. The dates on which the meetings were held are: 18.05.2012 (two meetings), 27.07.2012, 29.10.2012 & 31.01.2013. The attendance records of all Directors are as under:

Director	No. of Board Meetings Attended	Last AGM Attended	Directorships in other Companies	Committee Memberships in other Companies
Mr N Venkataramani	5	Yes	16	05
Mr A Venkataramani	5	Yes	04	00
Dr N Gowrishankar	5	Yes	02	01
Dr R Mahadevan	5	Yes	08	00
Mr Masaaki Otani	2	Yes	00	00
Mr P M Venkatasubramanian	5	Yes	05	05
Dr R Natarajan	5	Yes	01	01
Mr S R Srinivasan	5	Yes	02	00
Mr S Ramachandra	5	Yes	01	00

3. Remuneration to Directors

The details of remuneration paid / payable to all the Directors for the year 2012-2013 and shares held by Non-Executive Directors in the Company are:

i. Non-Executive Director(s)

Director	Sitting Fee (₹)	Commission (₹)	No. of Shares Held
Mr N Venkataramani	51,500	—	24050
Mr Masaaki Otani	—	—	—
Dr R Mahadevan	60,500	—	600
Mr P M Venkatasubramanian	62,500	—	—
Dr R Natarajan	62,500	—	—
Mr S R Srinivasan	50,000	—	300
Mr S Ramachandra	52,500	—	—

Apart from sitting fee, the Non Executive Directors are eligible for commission upto 1% of the net profits, cumulatively, as per the provisions of Section 309 (4) of the Companies Act, 1956. Compensation paid to each individual director is limited to a sum as determined by the Board. The Board on an annual basis reviews the performance of the Non Executive Directors.

ii. Managing / Whole Time Director (No Sitting Fee)

	Managing Director (₹)	Whole Time Director (₹)
Fixed Component Salary	39,61,522.00	40,61,812.00
Perquisites	32,04,881.00	42,604.00
Variable Component Commission / Performance Allowance	—	20,00,000.00
Total	71,66,403.00	61,04,416.00

4. Audit Committee

Terms of Reference:

The broad terms of reference of the Audit Committee are as follows:

- Review of the Company's financial reporting process and its financial statements
- Review of accounting and financial policies and practices
- Review of the internal control and internal audit systems
- Review of the Audit Report / work of External Auditors
- Review of risk management policies and practices
- Recommend appointment of Statutory Auditors
- Review of Related Party Transactions
- Approval of appointment of CFO

The Audit Committee comprises of three Directors. The name and members of the Committee are as follows :

Mr P M Venkatasubramanian	Chairman	Non Executive - Independent
Dr R Natarajan	Member	Non Executive - Independent
Dr R Mahadevan	Member	Non Executive

Mrs S. Priyamvatha, Company Secretary is the Secretary of the Committee.

The Audit Committee met four times during the year. The dates on which the meetings were held are: 18.05.2012, 27.07.2012, 29.10.2012 & 31.01.2013. The attendance records of all the members are as under:

Member	No. of Meetings Attended
Mr P M Venkatasubramanian	4
Dr R Natarajan	4
Dr R Mahadevan	4

5. Shareholders / Investors Grievance Committee

The Shareholders/Investors Grievance Committee comprises of two Directors. The name and members of the Committee are as follows:

Dr R Mahadevan	Chairman	Non Executive
Mr A Venkataramani	Member	Executive

Mrs S Priyamvatha, Company Secretary is the Secretary of the Committee.

The Investors Grievance Committee met once during the year. The date on which the meeting was held is 31.01.2013. The attendance records of all the members are as under:

Member	No. of Meetings Attended
Dr R Mahadevan	1
Mr A Venkataramani	1

During the year 12 complaints were received from the shareholders, all of which have been resolved. The Company had no transfers pending at the close of the financial year.

6. Disclosure

All materially significant related party transactions with the Company's Promoters, Directors, the subsidiaries or relatives etc., are disclosed in accounts under note 20 (18) of Notes on Accounts and in the opinion of the Directors, these financial and commercial transactions are not in conflict with the interests of the Company at large.

There was neither non-compliance by the company nor there were any penalties, strictures imposed on the company by stock exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years

7. Annual General Meetings

Location and time of last 3 Annual General Meetings were:

Year	GM	Location	Date	Time
2011-2012	AGM	"The Music Academy" 168, TTK Road, Chennai 600 014	26.07.2012	3.15 p.m
2010-2011	AGM	"Rani Seethai Hall" 603, Anna Salai, Chennai 600 006	28.07.2011	3.15 p.m
2009-2010	AGM	Same as above	29.07.2010	3.15 p.m

8. Postal Ballot

One Special Resolution regarding Shifting of Registered Office to Factory Premise was required to be put through Postal Ballot during the year.

No Special Resolutions on matters requiring Postal Ballot are placed for shareholders' approval at the ensuing Annual General Meeting.

9. Quarterly Results

The quarterly results are published in "The Financial Express" (all editions) and Makkal Kural (all editions). The quarterly results are also posted on the Company's Website (www.iprings.com), periodically.

10. General Shareholder Information

AGM: Date, Time and Venue **29.07.2013 @ 10.15 a.m.**

D 11/12, Industrial Estate
Maraimalai Nagar - 603 209

Financial Calendar

April to March

First Quarter Results - July

Half Year - October

Third Quarter- January

Annual Results - May

Date of Book Closure

22.07.2013 to 29.07.2013 (both days inclusive)

Listing

(i) Madras Stock Exchange Limited (MSE), Chennai

(ii) By virtue of a MOU between MSE and
National Stock Exchange of India Limited (NSE),
our shares are permitted to trade in NSE &

(iii) BSE Limited (BSE), Mumbai

Stock Code

IPRINGS (MSE), 523638 (BSE) & IPRINGLTD (NSE)

ISIN

INE 558 A01019

Market Price in the Financial Year

Month	IPRL (BSE)	
	LOW (₹)	HIGH (₹)
April 2012	50.60	63.00
May 2012	47.05	55.50
June 2012	46.00	53.90
July 2012	44.60	55.00
August 2012	43.00	51.00
September 2012	43.50	48.75
October 2012	46.45	49.95
November 2012	46.00	50.20
December 2012	45.25	51.15
January 2013	42.10	49.80
February 2013	39.00	44.40
March 2013	36.00	43.05

Shareholding Pattern

Category	No. of Shares held	% to Capital
Promoters	36,49,832	51.83
Mutual Funds & UTI	200	0.00
Banks, FI's, Insurance Cos.	2,15,347	3.06
Private Bodies Corporate	7,88,008	11.19
Indian Public	16,78,670	23.85
NRI's / OCB's	5,890	0.08
Foreign Collaborators	7,04,200	9.99
Total	70,42,147	100.00

Share Price Performance in comparison to broad based indices – BSE Sensex

Month	IPRL (BSE)		BSE Sensex	
	LOW (₹)	HIGH (₹)	LOW	HIGH
April 2012	50.60	63.00	17010.16	17664.10
May 2012	47.05	55.50	15809.71	17432.33
June 2012	46.00	53.90	15748.98	17448.48
July 2012	44.60	55.00	16598.48	17631.19
August 2012	43.00	51.00	17026.97	17972.54
September 2012	43.50	48.75	17250.80	18869.94
October 2012	46.45	49.95	18393.42	19137.29
November 2012	46.00	50.20	18255.69	19372.70
December 2012	45.25	51.15	19149.03	19612.18
January 2013	42.10	49.80	19508.93	20203.66
February 2013	39.00	44.40	18793.97	19966.69
March 2013	36.00	43.05	18568.43	19754.66

Share Transfer Agents	BTS Consultancy Services Pvt. Ltd. First Floor, M S Complex Plot No. 8, Sastri Nagar Nr. 200 Feet Road RTO Kolathur, Chennai - 600 099 Phone Nos. 044 – 2556 5121 Fax 044 – 2556 5131 E-mail: helpdesk@btsindia.co.in
Share Transfer System	A Separate Share Transfer committee has been delegated the responsibility of approving transfer and transmission of shares and other related matters. The committee in general meets once in a fortnight. All Share Transfers are completed within the statutory time limit, provided the documents meet the stipulations of statutory provisions in all aspects.
Dematerialisation of Shares	86.93% of the Paid up Capital has been dematerialised as on 31.03.2013.
Plant Location	D 11/12, Industrial Estate Maraimalainagar - 603 209 Tel: +91 (44) 2745 2816 / 4740 0597 / 4740 0598 E-mail: iprmmn@iprings.com
Address for Correspondence	D 11/12, Industrial Estate Maraimalainagar - 603 209 Tel: +91 (44) 2745 2816 / 4740 0597 / 4740 0598 E-mail: iprmmn@iprings.com
E-mail for Investors	investor@iprings.com

NON-MANDATORY REQUIREMENTS

(a) Remuneration Committee:

The Company has a Remuneration committee. Mr P M Venkatasubramanian, Dr R Natarajan & Mr S Ramachandra are the members of the Remuneration Committee. Mr P M Venkatasubramanian is the Chairman of the Committee. Mrs S Priyamvatha is the Secretary of the Committee. During the year under review, the Committee met once viz., 18.05.2012

(b) Publication of half yearly results:

The half yearly results of the Company are published in an English Daily having a wide circulation and in a Tamil Daily. The results are not sent to the shareholders individually. However, the Company is displaying the financial results in its web site.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry Structure & Developments:

The Indian Auto Component Industry is expected to reach a turnover worth USD 113 Billion by 2020-21 from USD 43.4 Billion in 2011-12. The growth of Indian middleclass with increasing purchasing power along with strong growth of economy over a past few years have attracted the major auto manufacturers to Indian market. India is emerging as one of the world's fastest growing passenger car markets and second largest two wheeler manufacturer. The industry is producing about 13 lakhs passenger vehicles, 4 lakhs commercial vehicles, 76 lakhs two wheelers and 3 lakhs tractors per annum. The exports from the industry are expected to grow at a compound annual growth rate (CAGR) of 17 percent during 2012-2021.

Opportunities and Threats:

The Indian automobile and auto component industry can be expected to surpass China's growth path by 2021. The long term prospects of the industry are definitely perceived as a huge opportunity area. The cyclical nature of the automotive industry over several decades has helped hone the survival skills of the industry. Cost consciousness, availability of skilled labour and high quality concerns have spurred the opportunities for your Company.

Recession, escalation in input costs, upward pressure on wages, increase in overheads, vulnerable power situation, fierce competition and adverse currency volatility pose challenges to your Company.

Your Company is confident to mitigate the current challenges by developing new sustainable strategies and skill sets.

Segment-wise Product Performance:

The company's products are all auto components and come under the single product segment.

Outlook:

The revenue growth prospects of the auto components industry over the near term remain somber as all three automotive segments are likely to grow at a low-to-mid single digit rate in 2013-14. That said, the performance of individual auto component manufacturers may continue to vary depending on the entities' revenue mix (OEMs/Replacement Market/Non-Automotive Segment), segment leaning (PV/CV/2W) and geographical diversification (domestic/exports).

Your Company has carefully read the situation and poised to strengthen its position in the market. In addition, further capital expenditure are being planned to improve the capabilities.

Better cost management and improved productivity will continue to be the key thrust areas during the coming years. With installation of dedicated power feeder, capacity enhancement, improved productivity and newer technology, your Company will further explore the growth opportunities.

Risks and Concerns:

Demand outlook in developed markets remains muted; exchange rate volatility adds to concerns of the industry as a whole. Weak bargaining power of the component exporters, high levels of employee attrition and aggressive price led strategy by organized as well as unorganized competitors and low priced imports in an attempt to gain volume share will have an impact on overall industry margin.

Your Company has plans to address the impact of the identified risks and is putting in place the necessary mitigating actions.

Internal Control Systems:

Your company maintains an adequate and effective internal control system to commensurate with its size and complexity. An Independent Internal Audit function is an important element of your Company's internal control system. The internal control system is supplemented through an extensive internal audit program and periodic review by management and audit committee.

Financial Performance:

Your Company achieved a Turnover of ₹ 95.18 Crores during the current year. Both the Divisions of the company i.e. Rings Division and the Transmission Components Division contributed to the overall results.

Human Resource:

Health, Safety, Security and environment is a core value of your Company. The health, safety and security of everyone who works for your Company, is critical to the success of its business. Employee training is continuing to receive top priority in the Management's efforts to reach World Class Standards. Systematic training is given at all levels to improve the knowledge and skill level of all employees.

Corporate Social Responsibility:

IP Rings is continuing its contributions towards corporate social responsibility in contributing to Single Teacher School movement, in participating and running hospitals, conducting computer awareness programs for employees' children and conducting blood donation campaigns.

10 Year Record:

A chart showing 10 years' performance is appended forming part of this Report.

10 Years Performance at a Glance										
Particulars	₹. in Lakhs									
	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013
Sales	4767.79	5152.10	5636.23	5802.74	6274.97	5493.23	7350.79	8762.77	9126.29	9517.64
PBDIT	1016.53	1049.95	1193.51	1075.38	927.02	721.99	1366.79	1269.35	935.72	554.73
Profit after tax	479.77	499.56	512.07	388.70	250.42	108.79	556.53	469.44	58.15	-417.64
Dividend paid	238.33	238.87	283.06	226.57	205.97	82.39	246.35	245.54	81.85	0.00
Dividend %	30.00	30.00	35.00	27.50	25.00	10.00	30.00	30.00	10.00	0.00
Share Capital	704.21	704.21	704.21	704.21	704.21	704.21	704.21	704.21	704.21	704.21
Reserves & Surplus	2886.40	3147.09	3376.09	3538.23	3582.68	3609.08	3919.26	4143.17	4119.47	3701.82
Networth	3587.76	3851.30	4080.30	4242.44	4286.89	4313.29	4623.47	4847.38	4823.68	4406.03
Gross Fixed Assets	4626.19	6158.68	6457.79	7157.32	7436.55	7637.30	8607.94	8780.30	11798.66	12938.46
EPS	6.81	7.09	7.27	5.52	3.56	1.54	7.90	6.67	0.83	-5.93
Book Value/Share	50.95	54.69	57.94	60.24	60.88	61.25	65.65	68.83	68.50	62.57
Debt Equity	0.09	0.14	0.08	0.17	0.23	0.14	0.41	0.45	0.56	0.52

INDEPENDENT AUDITOR'S REPORT

To the Members of IP Rings Limited

Report on the Financial Statements

We have audited the accompanying financial statements of IP Rings Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) in the case of Statement of Profit and Loss, of the loss for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 as amended by Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

2. As required by Section 227(3) of the Act, we report that:

- (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
- (b) In our opinion, proper books of account as required by law, have been kept by the Company so far as appears from our examination of those books;
- (c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- (d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
- (e) On the basis of the written representations received from the Directors, as on 31st March 2013, and taken on record by the Board of Directors, we report that none of the Director is disqualified from being appointed as a Director of the company in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956 on the said date.

Chennai
29.05.2013

**For R G N Price & Co.,
Chartered Accountants
Firm Regn. No. 002785S**

**Mahesh Krishnan
Partner
Membership No. 206520**

Annexure referred to in paragraph 1 of our report of even date.

- I. (a) The Company has maintained proper records for its Fixed Assets showing full particulars including quantitative details and situation of those Assets.
(b) The Company has a policy of physically verifying its Fixed Assets once in two years which in our opinion is reasonable having regard to the size of the Company and nature of its business. During the year Fixed Assets have been physically verified by the Management and no major discrepancies were noticed on such verification.
(c) The fixed assets that have been sold/ disposed off during the year do not constitute a substantial part of the total fixed assets of the Company. Thus the Company's going concern status is not affected.
- II. (a) Physical verification of inventory has been conducted by the management at reasonable intervals.
(b) The procedures for physical verification of inventory followed by the Management are in our opinion, reasonable and adequate in relation to the size of the Company and the nature of its business.
(c) The Company is maintaining proper records of inventory. The discrepancies noticed on physical verification were not material as compared to book records and have been properly dealt with in the books of accounts.
- III. The Company has not granted or taken any loan, secured or unsecured, to/from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956.
- IV. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and for sale of goods and services. During the course of our audit, we have not observed any major weaknesses in internal controls system.
- V. (a) We are of the opinion that particulars of contracts or arrangement referred to in Section 301 of Companies Act, 1956 have been entered into the register maintained under the said Act.
(b) In our opinion and according to the information and explanation given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 have been made at prices which are reasonable having regard to the prevailing market prices for similar transactions. Goods sold to a Company in which a Director was interested are to the specific needs of the customer. Hence prices of such goods are not strictly comparable.
- VI. The Company has not accepted any deposit from the public.
- VII. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- VIII. The Central Government has prescribed maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956 for manufacture of Automotive Parts and Accessories. We have broadly reviewed the books and records of the Company in this connection and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records to ascertain whether they are accurate and complete.
- IX. The Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other statutory dues applicable to it. There are no arrears of undisputed amount of outstanding statutory dues as at 31st March 2013 for a period of more than six months from the date they become payable.
- X. According to the information and explanations given to us, there are no disputed amounts that remain unpaid in respect of Wealth Tax, Customs Duty, Excise Duty, Cess and Service Tax as at 31st March 2013. However, in respect of Income Tax & VAT, disputed amounts that remain unpaid are disclosed hereunder:

Applicable Statute	Assessment Year	Disputed Amount Unpaid (₹ in Lakhs)	Pending Before
Income Tax Act,1961	1997-1998	2.46	ITAT
Income Tax Act,1961	1999-2000	38.00	High Court
Income Tax Act,1961	2000-2001	11.36	High Court
Income Tax Act,1961	2001-2002	4.75	ITAT
Income Tax Act,1961	2002-2003	6.61	High Court
Income Tax Act,1961	2003-2004	6.05	High Court
Income Tax Act,1961	2004-2005	41.98	High Court
Income Tax Act,1961	2005-2006	3.73	High Court
Income Tax Act,1961	2006-2007	5.03	CIT(Appeals)
Income Tax Act,1961	2008-2009	18.32	CIT(Appeals)
Income Tax Act,1961	2009-2010	32.81	CIT (Appeals)
TN VAT Act, 2006	2007-2008	1.92	DCCT (Appeals)
	Total	173.03	

- XI The Company has no accumulated losses. The Company has not incurred cash losses during this financial year and in the immediately preceding financial year.
- XII The Company has not defaulted in repayment of loans availed from banks. The company has no borrowings from financial institutions and has not issued debentures.
- XIII The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- XIV The provisions of special statute applicable to chit funds / nidhi / mutual benefit funds / society do not apply to the Company.
- XV The Company has made investments in shares. Proper investment records have been maintained by the Company. Transactions have been regularly updated as and when taken place. All investments of the Company are held in its own name.
- XVI The Company has not given any guarantee for loans taken by others from bank or financial institutions.
- XVII Term Loans availed from banks has been utilized towards the intended purpose.
- XVIII According to the information and explanations given to us and on an overall review of utilization of funds, we observed that short-term funds to the extent of Rs.9.75 crores have been used for long-term investments.
- XIX During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
- XX During the year, the Company has not raised any money by public issue.
- XXI According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported.

**For R G N Price & Co.,
Chartered Accountants
Firm Regn. No. 002785S**

**Mahesh Krishnan
Partner
Membership No. 206520**

Chennai
29.05.2013

PART - I BALANCE SHEET AS AT 31ST MARCH 2013

	Note No.	March 31, 2013 ₹	March 31, 2012 ₹
I. EQUITY AND LIABILITIES			
1. Shareholders' funds			
(a) Share capital	1	7,04,21,470	7,04,21,470
(b) Reserves and surplus	2	37,01,82,334	41,19,46,807
2. Non-current liabilities			
(a) Long-term borrowings	3	12,35,13,754	18,34,52,554
(b) Deferred tax liabilities (Net)	4	2,44,78,215	4,68,77,497
(c) Long-term provisions	6	41,30,597	42,80,637
3. Current liabilities			
(a) Short-term borrowings	3	23,56,95,009	12,07,54,729
(b) Trade payables	5	10,01,78,790	8,99,95,355
(c) Other current liabilities	5	17,12,80,089	12,13,11,279
(d) Short-term provisions	6	—	81,84,559
TOTAL		109,98,80,258	105,72,24,887
II. ASSETS			
Non-current assets			
(a) Fixed assets	7		
Tangible assets		64,09,44,125	58,73,89,274
Intangible assets		1,30,67,353	1,66,42,849
Capital work-in-progress		1,23,06,559	2,91,85,765
Intangible assets under development		—	5,38,000
(b) Non-current investments	8	88,000	88,000
(c) Long-term loans and advances	12	1,08,53,064	3,07,65,736
Current assets			
(a) Inventories	9	17,76,28,044	15,39,08,396
(b) Trade receivables	10	18,67,09,657	16,99,55,822
(c) Cash and cash equivalents	11	36,45,007	1,65,70,875
(d) Short-term loans and advances	12	5,46,38,449	5,21,80,170
TOTAL		109,98,80,258	105,72,24,887
Significant Accounting Policies	19		
Notes on Accounts	20		

The Notes 1 to 12 and 19 & 20 form an integral part of the Balance Sheet

This is the Balance Sheet referred to in our Report of even date

S PRIYAMVATHA
Company Secretary

A. VENKATARAMANI
Managing Director

N. GOWRISHANKAR
Whole Time Director

For R.G.N. PRICE & CO
Chartered Accountants
Firm Regn. No. 002785S

Chennai
29.05.2013

N. VENKATARAMANI
P. M. VENKATASUBRAMANIAN
Directors

MAHESH KRISHNAN
Partner
Membership No. 206520

PART-II – STATEMENT OF PROFIT AND LOSS

		For the year ended	For the year ended
	Note No.	March 31, 2013	March 31, 2012
		₹	₹
I. Sales	13	95,17,63,936	91,26,28,552
Less Excise Duty		<u>10,34,06,518</u>	<u>8,42,57,124</u>
Net Sales		84,83,57,418	82,83,71,428
II. Other income	14	20,04,373	22,53,604
III. Total Revenue (I + II)		<u>85,03,61,791</u>	<u>83,06,25,032</u>
IV. Expenses:			
Cost of materials consumed	15	33,61,02,100	31,84,74,453
Employee benefits expense	16	13,86,56,970	12,48,77,086
Finance costs	17	5,50,60,719	3,60,91,763
Depreciation and amortization expense		6,45,75,586	5,45,78,696
Other expenses	18	32,01,30,171	29,37,01,964
Total expenses		<u>91,45,25,546</u>	<u>82,77,23,962</u>
V. Profit before tax (III- IV)		<u>(6,41,63,755)</u>	<u>29,01,070</u>
VI. Tax expense:			
(1) Current tax Payable		—	—
(2) MAT Payable		—	4,55,990
(3) MAT credit Entitlement		—	(4,55,990)
(4) Deferred tax		<u>(2,23,99,282)</u>	<u>(29,13,725)</u>
VII. Profit (Loss) for the period from continuing operations (V-VI)		<u>(4,17,64,473)</u>	<u>58,14,795</u>
VIII. Earnings per equity share:		(5.93)	0.83
(1) Basic & Diluted		(5.93)	0.83
Nominal Value Per Equity Share (₹)		10.00	10.00
Significant Accounting Policies	19		
Notes on Accounts	20		

The Notes 13 to 18 and 19 & 20 form an integral part of the Statement of Profit and Loss

This is the Statement of Profit and Loss referred to in our Report of even date

S PRIYAMVATHA
Company Secretary

A. VENKATARAMANI
Managing Director

N. GOWRISHANKAR
Whole Time Director

For R.G.N. PRICE & CO
Chartered Accountants
Firm Regn. No. 002785S

Chennai
29.05.2013

N. VENKATARAMANI
P. M. VENKATASUBRAMANIAN
Directors

MAHESH KRISHNAN
Partner
Membership No. 206520

NOTES TO BALANCE SHEET

	As at March 31, 2013 ₹	As at March 31, 2012 ₹
1. SHARE CAPITAL		
i) Authorised		
1,50,00,000 Equity Shares of ₹ 10 each	15,00,00,000	15,00,00,000
50,00,000 Preference Shares of ₹ 10 each	5,00,00,000	5,00,00,000
	20,00,00,000	20,00,00,000

	In Numbers		₹
	As at Mar 31, 2013	As at Mar 31, 2012	As at Mar 31, 2013
Issued, Subscribed & Paid - up Equity Shares of ₹ 10 each fully paid up	70,42,147	70,42,147	7,04,21,470
Total	70,42,147	70,42,147	7,04,21,470

- ii) Details of Equity shares in the company held by its holding company including shares held by subsidiaries or associates of the holding company in aggregate

Shareholder- Relationship	Mar 31, 2013		Mar 31, 2012	
	No. of Shares	%	No. of Shares	%
India Pistons Ltd.- Fellow subsidiary	20,78,862	30	20,78,862	30
Tractors & Farm Equipment Limited - Fellow Subsidiary	7,78,440	11	7,78,440	11
Simpson & Co. Ltd. - Fellow Subsidiary	4,05,930	6	4,05,930	6
Amalgamations Pvt. Ltd. - Holding Company	3,84,100	5	3,84,100	5
The United Nilgiri Tea Estates Co. Ltd. - Associate	2,000	0	2,000	0
Higginbothams Private Ltd. - Fellow Subsidiary	500	0	500	0

- iii) Details of Member holding more than 5 percent shares

Shareholder	No. of Shares	%	No. of Shares	%
India Pistons Ltd.	20,78,862	30	20,78,862	30
Tractors & Farm Equipment Limited	7,78,440	11	7,78,440	11
Simpson & Co. Ltd.	4,05,930	6	4,05,930	6
Amalgamations Pvt. Ltd.	3,84,100	5	3,84,100	5
Nippon Piston Ring Co. Ltd.	7,04,200	10	7,04,200	10
Enam Shares & Securities Pvt Ltd	5,01,625	7	5,01,625	7

- iv) Directors share holding

Shareholder	No. of Shares	%	No. of Shares	%
Mr. N Venkataramani	24,050	0.34	24,050	0.34
Mr. A Venkataramani	18,400	0.26	18,400	0.26
Dr. R Mahadevan*	600	—	600	—
Dr. N Gowrishankar*	500	—	500	—
Mr. S R Srinivasan*	300	—	300	—

*Negligible shareholding percentage

NOTES TO BALANCE SHEET – (Contd.)

	As at March 31, 2013 ₹	As at March 31, 2012 ₹
2. RESERVES AND SURPLUS		
(a) Securities Premium Reserve		
Balance as per last Balance Sheet	10,54,28,400	10,54,28,400
	<u>10,54,28,400</u>	<u>10,54,28,400</u>
(b) General Reserve		
Balance as per last Balance Sheet	30,15,26,723	30,15,26,723
	<u>30,15,26,723</u>	<u>30,15,26,723</u>
(c) Profit and Loss Account		
Balance as per last Balance Sheet	49,91,684	73,61,448
Add : Balance of Profit carried forward from Profit and Loss account	(4,17,64,473)	58,14,795
Proposed Dividend - Equity Shares	–	70,42,147
Corporate Dividend Tax	–	11,42,412
	<u>(3,67,72,789)</u>	<u>49,91,684</u>
	<u>37,01,82,334</u>	<u>41,19,46,807</u>
3. BORROWINGS		
Long Term Borrowings		
Secured Loans		
Term Loans		
– From Banks	12,25,71,924	16,47,11,472
– From Other Parties	9,41,830	7,41,082
Total Secured Loans	<u>12,35,13,754</u>	<u>16,54,52,554</u>
Unsecured Loans		
Loans and advances from Related Parties		
– Fellow Subsidiary	–	1,80,00,000
Total Unsecured Loans	<u>–</u>	<u>1,80,00,000</u>
	<u>12,35,13,754</u>	<u>18,34,52,554</u>
I. Security offered		
(a) The term loans are all availed for purchase of assets relating to Capital Projects and are secured by hypothecation of specific assets purchased out of the said loan.		
(b) The Loans availed for purchase of Vehicles are secured by hypothecation of vehicles purchased out of the said loan.		
II. Terms of Repayment		
Loan Description	Repayment Terms	
(a) Buyers Credit Term loan	Yearly installment	
(b) Term Loans - Banks	Quarterly installment	
(c) Term Loans - other parties	Monthly installment	
Short Term Borrowings		
Secured Loans		
Loans repayable on demand		
– From Banks	19,76,95,009	10,07,54,729
Total Secured Loans	<u>19,76,95,009</u>	<u>10,07,54,729</u>
Unsecured Loans		
Loans and advances from Related Parties		
– Fellow Subsidiary	3,80,00,000	2,00,00,000
Total Unsecured Loans	<u>3,80,00,000</u>	<u>2,00,00,000</u>
	<u>23,56,95,009</u>	<u>12,07,54,729</u>

Working capital loans are secured by hypothecation of stocks and book debts present and future.

NOTES TO BALANCE SHEET – (Contd.)

	As at March 31, 2013 ₹	As at March 31, 2012 ₹
4. DEFERRED TAX (ASSET) / LIABILITY		
Deferred Tax Asset:		
Unabsorbed depreciation	(6,08,60,425)	(2,23,60,397)
Expenses allowable on payment	(15,43,422)	(20,57,981)
	<u>(6,24,03,847)</u>	<u>(2,44,18,378)</u>
Deferred Tax Liability:		
Fixed Assets (Depreciation / Amortization)	8,68,82,062	7,12,95,875
Net Deferred Tax Liability / (Asset)	<u>2,44,78,215</u>	<u>4,68,77,497</u>
5 SHORT TERM LIABILITIES		
Trade Payables		
Trade Payables	6,72,41,315	4,85,39,264
Trade Payables to Micro, Small & Medium Enterprises	44,84,321	66,00,899
Trade Payables - Due to fellow subsidiary	2,84,53,154	3,48,55,192
	<u>10,01,78,790</u>	<u>8,99,95,355</u>
Other Liabilities		
Acceptances	3,84,77,423	2,21,19,771
Interest accrued but not due on borrowings	29,96,071	33,48,378
Unpaid dividends	16,81,060	18,06,352
Bank overdraft as per books	1,37,82,844	–
Other Payables - Statutory payments to Government authorities	79,81,734	88,64,222
Current Maturities of Long term Debt		
– From Banks	10,59,44,123	8,37,60,542
– From Other Parties	4,16,834	14,12,014
	<u>17,12,80,089</u>	<u>12,13,11,279</u>
*Amount due to Directors shown under Trade Payable – ₹ in Lakhs	63.35	43.35
6. PROVISIONS		
Long Term Provisions		
Provision for Employee benefits		
Leave Salary	41,30,597	42,80,637
	<u>41,30,597</u>	<u>42,80,637</u>
Short Term Provisions		
Proposed Dividend (including tax)	–	81,84,559
	<u>–</u>	<u>81,84,559</u>

NOTES TO BALANCE SHEET – (Contd.)

7. FIXED ASSETS	GROSS BLOCK			DEPRECIATION/AMORTIZATION			NET BLOCK	
	As at 1.04.2012 ₹	Additions/ (Disposals) during the year ₹	As at 31.03.2013 ₹	Upto 31.03.2012 ₹	Depreciation for the Year ₹	Upto 31.03.2013 ₹	As at 31.03.2013 ₹	As at 31.03.2012 ₹
Tangible Assets								
Land – Leasehold	13,23,080	–	13,23,080	–	–	–	13,23,080	13,23,080
– Freehold	19,16,525	–	19,16,525	–	–	–	19,16,525	19,16,525
Buildings - Owned	7,73,69,209	3,32,48,301	11,06,17,510	2,64,87,415	34,84,621	2,99,72,036	8,06,45,474	5,08,81,794
Plant & Machinery*	96,05,70,936	7,42,42,921	103,48,13,857	46,17,99,845	5,07,29,694	51,25,29,539	52,22,84,318	49,87,71,091
Electrical Installations	2,55,84,803	31,68,427	2,87,53,230	1,15,75,734	11,37,027	1,27,12,761	1,60,40,469	1,40,09,069
Furniture & Fixtures	1,00,35,734	4,23,131	1,04,58,865	74,79,833	3,97,334	78,77,167	25,81,698	25,55,901
Vehicles	1,33,20,385	–	1,16,44,480	46,05,233	11,57,941	57,63,174 (5,56,341)	64,37,647	87,15,152
Office Equipment	4,72,17,318	38,55,211 (60,421)	5,10,12,108	3,80,00,656	33,15,162	4,13,15,818 (18,624)	97,14,914	92,16,662
	113,73,37,990	11,32,01,665	125,05,39,655	54,99,48,716	6,02,21,779	60,95,95,530	64,09,44,125	58,73,89,274
Intangible Assets								
Technical Knowhow Fee	3,23,76,578	–	3,23,76,578	1,74,41,108	33,77,254	2,08,18,362	1,15,58,216	1,49,35,470
Product Development	1,01,51,409	7,78,311	1,09,29,720	84,44,030	9,76,553	94,20,583	15,09,137	17,07,379
	4,25,27,987	7,78,311	4,33,06,298	2,58,85,138	43,53,807	3,02,38,945	1,30,67,353	1,66,42,849
Total Tangible and Intangible	117,98,65,977	11,39,79,976	129,38,45,953	57,58,33,854	6,45,75,586	63,98,34,475	65,40,11,478	60,40,32,123
Capital Work - in - Progress							1,23,06,559	2,91,85,765
Intangible assets under development							–	5,38,000
							66,63,18,037	63,37,55,888

*Note

2012-13 2011-12

Amount in Addition includes Interest Capitalised for (₹ in lakhs)

–

36.25

IP Rings Ltd.



NOTES TO BALANCE SHEET – (Contd.)

	As at March 31, 2013 ₹	As at March 31, 2012 ₹
8. INVESTMENTS		
Investments		
(a) Quoted at Cost		
(i) other non current investments		
1,100 equity shares of ₹ 10 each fully paid in Corporation Bank	88,000	88,000
	88,000	88,000

Note : Market Value of the above is ₹ 4.21 lakhs

9. INVENTORIES

Inventories

(a) Raw materials	7,31,14,180	6,19,42,450
Raw Material - Intransit	1,24,88,932	23,31,363
	8,56,03,112	6,42,73,813
(b) Work-in-progress	3,57,97,800	3,04,71,743
(c) Finished goods	1,68,96,157	1,43,72,684
(d) Stores and spares	3,12,98,427	3,83,86,490
(e) Loose tools	80,32,548	64,03,666
	17,76,28,044	15,39,08,396

MODE OF VALUATION

Type of Inventory	Valuation	
Raw Materials	At Cost on Weighted Average Basis	
Work-in-Progress	At Lower of the Cost and Net Realisable Value	
Finished Goods	At Lower of the Cost and Net Realisable Value and includes Excise Duty.	
Stores and Spares	At Cost on Weighted Average Basis.	
General Purpose Tooling	At Cost on Weighted Average Basis.	
Special Purpose Tooling	Amortised over a period of 3 years	
Goods - in Transit	At Cost	
Goods under Bond	At Cost including Customs Duty	
Value of Closing Inventories includes Excise Duty with regard to the following items		₹ in Lakhs
Finished Goods at Factory	15.34	16.67
Finished Goods at Depots	5.61	3.00

The inclusion of Excise duty in closing inventories does not have any impact on the Profit for the Year

NOTES TO BALANCE SHEET – (Contd.)

	As at March 31, 2013 ₹	As at March 31, 2012 ₹
10. TRADE RECEIVABLES		
Unsecured considered good;		
– Receivables outstanding for more than six months	77,80,458	50,31,886
– Receivables outstanding for Less than six months	17,89,29,199	16,49,23,936
	<u>18,67,09,657</u>	<u>16,99,55,822</u>
11. Cash and cash equivalents		
Cash on hand	46,186	34,553
Bank Balances		
(a) Balances with banks:		
– in current accounts	19,17,761	1,47,29,970
– in dividend accounts	16,81,060	18,06,352
	<u>36,45,007</u>	<u>1,65,70,875</u>
12. Loans and advances		
Short term Loans & Advances		
Unsecured, considered good		
(a) Security Deposits		
– Lease Rent Deposits	22,13,500	21,88,500
– Other Deposits	53,33,840	40,60,478
Loans to Others		
– Advance given to Fellow Subsidiary	13,14,000	13,14,000
(b) Other loans and advances		
– Prepaid expenses	42,88,089	32,67,031
– Service tax recoverable (net)	14,81,927	29,58,324
– Central Excise	17,40,214	35,29,554
– Advance tax and tax deducted at source (net)	2,12,02,604	2,01,78,781
– Other advances recoverable in cash or in kind or for value to be received	1,70,64,275	1,46,83,502
	<u>5,46,38,449</u>	<u>5,21,80,170</u>
Doubtful		
(a) Other loans and advances	16,81,000	16,81,000
Less:		
Provison for Doubtful Advances	16,81,000	16,81,000
	<u>5,46,38,449</u>	<u>5,21,80,170</u>
Long term Loans & Advances		
Unsecured, considered good		
(a) Capital Advances	1,03,97,074	3,03,09,746
(b) Other loans and advances		
– MAT credit receivable	4,55,990	4,55,990
	<u>1,08,53,064</u>	<u>3,07,65,736</u>

NOTES TO PROFIT & LOSS ACCOUNT – (Contd.)

	For the year ended March 31, 2013 ₹	For the year ended March 31, 2012 ₹
13. REVENUE FROM OPERATIONS		
Rings Sales	57,05,87,636	57,71,79,720
OCF Sales	30,51,91,814	31,33,12,681
Piston Pin Sales	2,13,32,299	—
Sale of Scrap	23,14,758	31,21,557
Revenue from sub contract & Jobbing	5,23,37,429	1,90,14,594
Less: Excise Duty	10,34,06,518	8,42,57,124
	84,83,57,418	82,83,71,428
14. Other Income		
Interest income	1,34,270	6,92,055
Dividend income	22,550	4,41,578
Excess provision written back	4,54,398	5,99,765
Other non-operating income (Net)	13,93,155	5,20,206
	20,04,373	22,53,604
15. Cost of Material Consumed		
Opening Stock	6,19,42,450	5,95,44,808
Add: Purchases	35,77,83,044	30,52,86,167
Less: Closing Stock	7,31,14,180	6,19,42,450
	34,66,11,314	30,28,88,525
(Increase) / Decrease in Work-in-Progress	(53,26,057)	45,45,125
(Increase) / Decrease in Finished Goods	(25,23,473)	47,01,512
Exchange (Gain)/Loss	(26,59,684)	63,39,291
Total	33,61,02,100	31,84,74,453
16. Employee benefit expenses		
Salaries and wages	11,33,52,612	10,03,07,931
Contribution to provident fund	44,89,311	38,73,560
Contribution to gratuity fund	28,78,511	23,37,807
Contribution to superannuation fund	14,35,555	8,11,164
Contribution to ESIC fund	10,89,603	18,36,112
Staff welfare expenses	1,54,11,378	1,55,77,327
Others (Reimbursement of Expenses for seconded Employees)	—	1,33,185
Total	13,86,56,970	12,48,77,086
17. Finance cost		
Interest expenses	5,19,76,638	3,36,73,895
Other borrowing costs	30,84,081	24,17,868
Total	5,50,60,719	3,60,91,763

NOTES TO PROFIT & LOSS ACCOUNT – (Contd.)

18. OTHER EXPENSES	For the year ended March 31, 2013 ₹	For the year ended March 31, 2012 ₹
Sub - Contracting Expenses	5,27,79,860	6,09,32,415
Power and Fuel	6,88,69,197	4,98,90,675
Stores Consumed	8,75,37,693	6,89,50,925
Rent	43,10,488	36,44,953
Rates and Taxes	28,89,459	20,10,385
Insurance	17,39,240	21,12,339
Travelling and Conveyance	1,13,97,989	1,33,99,964
Packing and Forwarding	94,01,220	91,12,907
Advertisement	3,75,566	6,91,135
Royalty	94,56,248	95,24,111
Service Fee	2,09,79,408	2,14,11,991
Directors' Sitting Fees	3,39,500	4,43,500
Payment to Auditors		
Statutory Audit Fee	3,85,000	3,25,000
Tax audit fees	60,000	60,000
Certification Fees	3,53,500	7,49,960
Reimbursement of Expenses	4,320	5,200
Repairs and Maintenance		
Buildings	11,13,655	30,72,553
Machinery & Electrical Installations	1,25,80,720	1,13,56,586
Vehicles	33,49,353	32,60,058
Operating Expenses - Computer System	36,74,545	30,27,077
Loss on Sale of Assets	7,15,947	—
Research and Development	41,77,271	44,52,729
Miscellaneous Expenses	2,36,39,992	2,52,67,501
	32,01,30,171	29,37,01,964

NOTES TO BALANCE SHEET AND PROFIT AND LOSS ACCOUNT – (Contd.)

19. SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Accounting

The Financial Statements have been prepared on accrual basis in accordance with the generally accepted accounting norms, except insurance claims, which are accounted when accepted by the insurance company.

2. Revenue Recognition

Sales are recognised at the point of despatch of goods to the customers and include excise duty but exclude Sales Tax and other levies.

3. Fixed Assets

- (a) Fixed Assets including Assets for Research and Development other than Land are accounted at Cost Less Depreciation and impairment loss, if any.
- (b) Assets acquired under Hire Purchase Agreements / Financial Lease Agreements are capitalised to the extent of their Principal Value, while Hire charges / Finance charges on Lease are charged to revenue in the years in which they are payable.
- (c) Depreciation is provided on Straight Line Method in accordance with the rates as per Schedule XIV of the Companies Act, 1956 as amended from time to time.
- (d) Application Software, Die and Core and New Product Development are amortised over a period of 3 years. Technical know-how fee is amortised over a period of 5 years.
- (e) Borrowing Costs, if any are capitalised as part of qualifying fixed assets when it is probable that they will result in future economic benefits. Other borrowing costs are expensed.

4. Investments

Investments are categorised into Long Term and Current Investments. Long Term Investments are normally valued at cost, unless there is a permanent fall in value. Current Investments are valued at cost or Market Value whichever is lower. Dividend on Investments is accounted as and when the right to receive the payment is established.

5. Trade Receivable

Trade Receivable amount is exclusive of the value of Bills Discounted, the liability for which is disclosed under "Contingent Liabilities."

6. Excise Duty

Excise Duty on goods manufactured is accounted only at the time of removal of goods from the factory except in respect of year end inventory of finished goods, excise duty is included as part of inventory.

7. Foreign Currency Transactions

- (a) Foreign Currency Transactions are recognised in the books at the exchange rates prevailing on the date of transaction.
- (b) In the case of Current Assets/Liabilities the difference (Gain or Loss) between the actual payment and the amount recognised in the books is accounted as Exchange Gain or Loss. Where the transaction is not settled within the year, profit/loss arising on the restatement at the year-end rates is recognised as exchange gain or loss in the profit and loss account

NOTES TO BALANCE SHEET AND PROFIT AND LOSS ACCOUNT – (Contd.)

19. SIGNIFICANT ACCOUNTING POLICIES (Contd.....)

7. Foreign Currency Transactions – (Contd.)

- (c) In case of Depreciable Capital assets having long term foreign currency monetary arrangement the Company opts to add or deduct the exchange differences to the cost of the depreciable capital assets and depreciate it over the balance life of the asset. In case of other long term foreign currency monetary items the company opts to accumulate the exchange differences in a “foreign currency monetary translation difference account” which are amortised over the balance period of such long term asset or liability not beyond 31st March 2020, by recognition as income or expense in each of such periods.

8. Employee Benefits

1. Defined Contribution Plan

The Company’s Provident Fund Scheme, Superannuation Scheme and ESI plans are Defined Contribution Plans and the Company’s contribution paid/payable is recognised as expense in the Profit and Loss Account during the period in which the employees render the related service.

2. Defined Benefit Plan / Other long term employee benefits

- (a) The Company’s Gratuity and Long-Term compensated absences are Defined Benefit Plans / other long term employee benefits respectively. The Company’s liability towards Gratuity are determined using the Projected Unit Credit Method which recognises each period of service as giving rise to additional unit of Employee Benefit Entitlement. The Gratuity scheme is operated through Group Gratuity Scheme of LIC.
- (b) The Gratuity liabilities are provided based on Actuarial Valuation certified by LIC. Actuarial gains and losses are charged to Profit and Loss account.
- (c) Long term compensated absences are provided for based on independent Actuarial valuation. Actuarial gains and losses are charged to Profit and Loss account.
3. Short term employee benefits are recognised as an expense at the undiscounted amount in the year in which the employee render the services/vesting period of the benefit.

9. Impairment of Assets

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the profit and loss account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

10. Provision, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

11. Product Warranty Expenses

Product Warranty expenses are accounted based on the claims received and accepted during the year and estimates in accordance with the warranty policy of the company.

NOTES TO BALANCE SHEET AND PROFIT AND LOSS ACCOUNT – (Contd.)

20. NOTES ON ACCOUNTS

2013
(₹ in Lakhs)

2012

1. The factory land at C-15/3 Maraimalai Nagar for expansion activities was acquired from C.M.D.A., under Lease-Cum-Sale Agreement for a total consideration of ₹ 13.23 Lakhs. The title for the land will be transferred by C.M.D.A., after completion of one year of commencement of commercial production and completion of 8 years of lease period. Discussions are in progress with C.M.D.A. regarding the compliance of the conditions for transfer of land to the company.

2. Contingent liability exists in respect of

(a) Bills Discounted	527.44	871.83
(b) Outstanding Letters of Credit	45.75	98.03
(c) Bank Guarantees	1.00	2.71
(d) Income Tax / Sales Tax matters under appeal	279.60	279.60

(Amounts remitted against the disputed tax upto March 2013 - ₹106.57 lakhs and included in advance tax under the schedule Loans and Advances – Schedule 12)

- (e) The Company had imported Plant and Machinery (Capital Goods) in the earlier years at concessional rate of duty under the Export Promotion Capital Goods Scheme. The Export Obligation to be met in this regard by the Company / Group Company, as per the Scheme before 2014-15 amounts to ₹ 2712.91 Lakhs. The Company / Group Company has met obligation to the extent of ₹.1767.37 lakhs by March 2013.

The Company has to meet the export obligation to the extent of ₹.945.54 lakhs by August 2014.

The EPCG Regulation provides for seeking extension of obligation period. However, in case of non-fulfillment of export obligation, unless the period is extended, liability to pay the proportionate duty saved along with interest will arise.

3. Estimated value of contracts on Capital Account not provided for (net of advances) 202.06 704.85

4. Figures for the previous year have been regrouped / reclassified wherever necessary to make them comparable with current year figures.

5. Figures are rounded off to the nearest Rupee.

		2013		2012	
		Quantity	Value ₹	Quantity	Value ₹
6. Sales					
Piston Rings	Nos	1,19,85,903	49,76,38,798	1,11,45,707	52,25,67,796
Differential Gears, Pole Wheel and other Transmission Components	Nos	23,60,437	27,70,43,006	23,53,982	28,36,67,481
Piston Pin	Nos	8,70,746	1,90,23,427	–	–
Sale of Scrap		–	23,14,758	–	31,21,557
Revenue from Sub-contracts and Jobbing Charges		–	5,23,37,429		1,90,14,594
			<u>84,83,57,418</u>		<u>82,83,71,428</u>

NOTES TO BALANCE SHEET AND PROFIT AND LOSS ACCOUNT – (Contd.)

20. NOTES ON ACCOUNTS (Contd...)		2013		2012	
		Quantity	Value ₹	Quantity	Value ₹
7. Consumption of Raw Materials					
Steel Wire	Kgs.	54,924	10,73,93,966	58,711	10,78,99,905
Bought-out Components	Nos.	14,49,127	82,84,791	19,17,130	1,29,03,053
Ring Blanks	Nos.	41,78,145	8,65,28,010	42,06,868	8,37,54,011
Plasma Powder	Lbs.	16,096	3,34,67,159	11,964	2,14,30,595
Pin	Nos.	8,71,320	1,74,07,852	—	—
Steel Rods	Kgs.	5,54,692	9,08,69,852	5,71,488	8,32,40,252
			<u>34,39,51,630</u>		<u>30,92,27,816</u>
8. Opening and Closing Stocks of Goods Produced (P)					
Piston Rings (P) Nos.					
Opening Stock		3,76,417	1,41,15,678	5,37,710	1,88,11,890
Closing Stock		2,98,586	1,64,73,785	3,76,417	1,41,15,678
Differential Gears, Pole Wheel and other Transmission Components (P) Nos.					
Opening Stock		1,023	2,57,006	1,219	2,62,306
Closing Stock		3,174	4,22,372	1,023	2,57,006
9. Capacities of Production					
Piston Rings (Nos.)					
Licensed Capacity per annum			150.00 Lakhs		150.00 Lakhs
Installed Capacity per annum (as Certified by the Management)			150.00 Lakhs		120.00 Lakhs
Production during the year			1,27,78,818*		1,09,84,414
*This includes 39,32,294 nos. (27,47,369 for 2011-12) of piston rings for the purpose of making into sets and piston pins 8,70,746 nos. purchased from outside.					
Differential Gears, Pole Wheel and other Transmission Components (Nos.)					
Licensed Capacity per annum			40.00 Lakhs		40.00 Lakhs
Installed Capacity per annum (as Certified by the Management)			40.00 Lakhs		40.00 Lakhs
Production during the year			23,62,588		23,53,786
10. Consumption of Materials		₹	%	₹	%
Raw Materials	Imported	17,95,99,912	53.51	16,59,41,969	55.29
	Indigeneous	15,60,66,927	46.49	13,41,67,025	44.71
		<u>33,56,66,839</u>	<u>100.00</u>	<u>30,01,08,994</u>	<u>100.00</u>
Components	Imported	4,14,853	5.01	10,14,239	11.12
	Indigeneous	78,69,938	94.99	81,04,583	88.88
		<u>82,84,791</u>	<u>100.00</u>	<u>91,18,822</u>	<u>100.00</u>
Machinery Spares	Imported	13,45,193	9.39	14,14,930	10.61
	Indigeneous	1,29,82,789	90.61	1,19,16,722	89.39
		<u>1,43,27,982</u>	<u>100.00</u>	<u>1,33,31,652</u>	<u>100.00</u>

NOTES TO BALANCE SHEET AND PROFIT AND LOSS ACCOUNT – (Contd.)

20. NOTES ON ACCOUNTS (Contd...)	2013	2012
11. Value of Imports on CIF basis	₹	₹
Raw Materials	17,79,61,079	15,57,16,639
Machinery Spares	11,89,642	10,96,694
Capital Goods	4,60,70,577	2,33,08,659
Stores	8,57,589	40,49,134
12. Earnings in Foreign Currency (on Receipt Basis)		
Exports	5,49,189	25,78,279
13. Expenditure in Foreign Currency (on Payment Basis)		
Royalty	82,53,138	85,61,146
Travel	23,32,152	29,56,219
Professional Fee/ Technical Services	16,89,159	2,73,797
Interest Paid	–	10,10,213
Capital expenditure / advance	3,94,406	25,86,153
Others	3,04,186	77,516
14. Amounts remitted in Foreign Currency on account of Dividends to non-resident Shareholder(s)		
Number of Shareholders	1	1
Number of Shares held	7,04,200	7,04,200
Amount remitted	7,04,200	21,12,600
15. Remuneration to Managing Director/ Whole Time Director	1,32,70,819	1,24,10,274
The said amount of Rs.1,32,70,819/- is in excess of the limits of overall Managerial Remuneration U/s.198(1) of the Companies Act, 1956. This payment is subject to the approval of the Shareholders and the Central Government. The approval for the years 2010-11 & 2011-12 are awaited from the Central Govt.		
16. Employee Benefits under Accounting Standard – 15 (Revised)		
Defined Contribution Plan		
Contribution to Defined Contribution Plan, are charged off for the year as under		
Employer's Contribution to Provident Fund – Rs.44,89,311		
Employer's Contribution to Superannuation Fund – Rs.14,35,555		
Employer's Contribution to Employees State Insurance – Rs.10,89,603		
Defined Benefit Plan		
Gratuity		
The Company operates gratuity plan through Life Insurance Corporation of India. Every employee is entitled to the benefit equivalent to fifteen days salary last drawn for each completed year of service depending on the date of joining, subject to a maximum of Rs.10,00,000/-, except in the case of Managing Director and Whole Time Director where there is no maximum limit. The benefit vests after five years of continuous service. The present value of obligation is determined based on actuarial valuation.		
Leave Salary Encashment		
Eligible employees can carry forward and encash leave on superannuation or death or permanent disablement subject to a maximum accumulation of 120 days except in the case of Managing Director where there is no limit to maximum accumulation. The present value of obligation is determined based on actuarial valuation.		
The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.		

SCHEDULES TO BALANCE SHEET AND PROFIT AND LOSS ACCOUNT – (Contd.)

20. NOTES ON ACCOUNTS (Contd....)

₹.

	2012 – 2013		2011 – 2012		2010 – 2011		2009 – 2010	
	Gratuity (Funded)	Leave Encashment (Unfunded)	Gratuity (Funded)	Leave Encashment (Unfunded)	Gratuity (Funded)	Leave Encashment (Unfunded)	Gratuity (Funded)	Leave Encashment (Unfunded)
a. Reconciliation of Opening and closing balances of Defined Benefit Obligation								
Defined Benefit Obligation at the beginning of the year	1,15,81,884	42,80,637	89,56,656	40,85,448	91,44,252	49,64,692	70,32,958	42,28,815
Current Service Cost	10,19,364	1,31,846	8,78,864	5,58,360	8,10,455	5,17,375	6,08,503	4,19,732
Interest Cost	9,26,551	3,66,730	7,16,532	3,18,908	7,31,540	3,28,183	5,62,637	3,37,380
Actuarial (gain)/loss	28,91,007	(98,916)	15,33,117	(4,83,885)	2,20,081	–	11,08,259	2,349
Benefits paid	(14,04,592)	(1,50,037)	(5,03,285)	(1,98,194)	(19,49,672)	(17,24,802)	(1,68,105)	(23,584)
Defined Benefit obligation at year end	1,50,14,214	45,30,260	1,15,81,884	42,80,637	89,56,656	40,85,448	91,44,252	49,64,692
b. Reconciliation of Opening and closing balances of fair value of plan assets								
Fair value of plan assets at beginning of the year	92,44,077	–	78,75,253	–	74,96,699	–	60,96,276	–
Expected return on plan assets	10,89,100	–	7,90,706	–	6,80,673	–	6,31,846	–
Actuarial gain/(loss)	–	–	–	–	–	–	–	–
Employer contribution	32,07,118	–	10,81,403	–	16,47,553	–	9,36,682	–
Benefits paid	(14,04,592)	–	(5,03,285)	–	(19,49,672)	–	(1,68,105)	–
Fair value of plan assets at year end	1,21,35,703	–	92,44,077	–	78,75,253	–	74,96,699	–
Actual return on plan assets	10,89,100	–	7,90,706	–	6,80,673	–	6,31,846	–
c. Reconciliation of fair value of plan assets and obligations								
Fair value of plan assets as at 31 st March, 2013	1,21,35,703	–	92,44,077	–	78,75,253	–	74,96,699	–
Present value of obligation as at 31 st March, 2013	1,50,14,214	45,30,260	1,15,81,884	42,80,637	89,56,656	40,85,448	91,44,252	49,64,692
Amount recognised in Balance Sheet	28,78,511	45,30,260	23,37,807	42,80,637	10,81,403	40,85,448	16,47,553	49,64,692
d. Expenses recognised during the year								
Current Service Cost	10,19,364	1,31,846	8,78,864	5,58,360	7,31,540	5,17,375	6,08,503	4,19,732
Interest Cost	9,26,551	3,66,730	7,16,532	3,18,908	8,10,455	3,28,183	5,62,637	3,37,380
Expected return on plan assets	(10,89,100)	–	(7,90,706)	–	(6,80,673)	–	(6,31,846)	–
Net Actuarial (gain) / loss	28,91,007	(98,916)	15,33,117	(4,83,885)	2,20,081	–	11,08,259	2,349
Net Cost	37,47,822	3,99,660	23,37,807	3,93,383	10,81,403	8,45,558	16,47,553	7,59,461
e. Actuarial assumptions Mortality Table (L.I.C.)								
Discount rate (per annum)	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
Expected rate of return on plan assets (per annum)	8.00%	–	8.00%	–	8.00%	–	8.00%	–
Rate of escalation in salary (per annum)	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%

NOTES TO BALANCE SHEET AND PROFIT AND LOSS ACCOUNT – (Contd.)

20. NOTES ON ACCOUNTS (Contd...)

17. Segment Reporting under Accounting Standard – 17

The Company operates in a single primary business segment namely, manufacture of Auto Component – Piston Rings, Differential Gears, Pole Wheel and other Transmission Components. Hence no separate disclosure is required.

18. Related Party Disclosures under Accounting Standard - 18

Names of Related Parties and description of relationship:

Holding Company	Amalgamations Private Ltd.,
Subsidiaries	NIL
Fellow Subsidiaries	Simpson & Company Ltd., Addison & Company Ltd., Amco Batteries Ltd., George Oakes Ltd., India Pistons Ltd., IP Pins & Liners Ltd., Shardlow India Ltd., Simpson & General Finance Company Ltd., Sri Rama Vilas Service Ltd., Tractors & Farm Equipment Ltd., TAFE International Traktor Ve Tarim Ekipmani Sanayi Ve Ticaret Ltd., Sirketi TAFE Access Ltd., Southern Tree Farms Ltd., TAFE USA Inc, T.Stanes & Company Ltd., Stanes Motors (South India) Ltd., Stanes Agencies Ltd., Wheel & Precision Forgings India Ltd., Associated Printers (Madras) Pvt Ltd., Associated Publishers (Madras) Pvt Ltd., Higginbothams Pvt Ltd., The Madras Advertising Company Pvt Ltd., Speed-A-Way Pvt Ltd., Bimetal Bearings Ltd., Amalgamations Repco Ltd., Stanes Amalgamated Estates Ltd., Stanes Motor Parts Ltd., Wallace Cartwright & Company Ltd., London, W.J.Groom & Company Ltd., London, L.M.Van Moppes Diamond Tools India Pvt Ltd., BBL Daido Pvt Ltd., TAL Precision Parts Ltd., TAFE Reach Ltd., TAFE Motors & Tractors Limited, Alpump Limited, IPL Engine Components Pvt Ltd., Tafe Tractors Changshu Company Limited, China
Associates	NIL
Key Management Personnel (Whole Time Directors)	Mr. A. Venkataramani, Dr. N. Gowrishankar
Relatives of Key Management Personnel	
Personnel	Mr. N. Venkataramani, Mrs. Sita Venkataramani, Mr. Gautam Venkataramani

SCHEDULES TO BALANCE SHEET AND PROFIT AND LOSS ACCOUNT – (Contd.)

20. NOTES ON ACCOUNTS (Contd...)

		₹ in Lakhs			
	Year	Holding Company	Fellow Subsidiaries	Key Management Personnel	Relatives of Key Management Personnel
Sale of goods	2012-13	—	1564.85	—	—
	2011-12	—	1721.23	—	—
Rendering of services – Income	2012-13	—	600.67	—	—
	2011-12	—	190.02	—	—
Purchase of goods	2012-13	—	1140.93	—	—
	2011-12	—	986.09	—	—
Receiving of services – Expense	2012-13	3.85	164.52	132.71	—
	2011-12	3.72	266.90	124.10	—
Management contracts including for deputation of employees – Expense	2012-13	—	—	—	—
	2011-12	—	1.33	—	—
Dividend Paid	2012-13	3.84	32.66	0.18	0.67
	2011-12	11.52	97.98	0.57	2.02
Finance (including loans) – ICD					
– Granted	2012-13	—	—	—	—
	2011-12	—	—	—	—
– Outstanding	2012-13	—	380.00	—	—
	2011-12	—	380.00	—	—
– Interest Paid	2012-13	—	44.06	—	—
	2011-12	—	40.87	—	—
Amounts Outstanding Dr / (Cr)	2012-13	(2.08)	553.82	(63.35)	—
	2011-12	(0.99)	100.90	(43.35)	—

19. Earnings Per Share under Accounting Standard – 20

Description	2013 ₹	2012 ₹
Profit after Taxation as Per Profit & Loss Account	(4,17,64,473)	58,14,795
Number of Equity Shares Outstanding	70,42,147	70,42,147
Basic and Diluted Earnings Per Share	(5.93)	0.83
Nominal Value Per Equity Share	10.00	10.00

20. Research and Development Expenditure

Capital		
– Intangible Assets – New Product Development	2,28,311	17,40,711
– Tangible Assets	92,163	—
(A)	3,20,474	17,40,711
Revenue		
– Salaries, wages and bonus	21,90,141	26,82,751
– Materials, consumables and spares	2,12,372	5,65,364
– Other Expenditure	17,74,758	12,04,614
(B)	41,77,271	44,52,729
Total (A + B)	44,97,745	61,93,440

This disclosure is being made pursuant to the requirement of the guidelines published by the Department of Scientific and Industrial Research (Ministry of Science & Technology) with regard to the approval of Research and Development expenditure U/s.35 (2AB) of the Income Tax Act, 1961.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2013

	2013 ₹	2012 ₹
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and Extraordinary Items	(6,41,63,755)	29,01,070
ADJUSTMENTS FOR		
Depreciation	6,45,75,586	5,45,78,696
(Gain) / Loss in Foreign Exchange	(26,59,684)	63,39,291
Interest received	(1,34,270)	(6,92,055)
Dividend Received	(22,550)	(4,41,578)
Interest and Finance charges	5,50,60,719	3,60,91,763
Loss on Sale of Fixed Asset	7,15,947	—
Profit on Sale of Fixed Asset	—	—
Total Adjustments	11,75,35,748	9,58,76,117
Operating Profit Before Working Capital Changes	5,33,71,993	9,87,77,187
ADJUSTMENTS FOR		
Trade and Other Receivables	(1,81,88,293)	(4,79,62,154)
Inventories	(2,37,19,648)	52,35,793
Trade Payables	4,19,51,087	97,87,287
Total Adjustments	43,146	(3,29,39,074)
Cash Generated from Operations	5,34,15,139	6,58,38,113
Interest Paid	(5,54,13,026)	(3,50,32,748)
Direct Taxes Paid	(10,23,823)	(63,37,695)
CASH FLOW BEFORE EXTRAORDINARY ITEMS	(30,21,710)	2,44,67,670
Extraordinary Items	—	—
NET CASH FROM OPERATING ACTIVITIES	(30,21,710)	2,44,67,670
(TOTAL A)		

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2013 – (Contd.)

	2013 ₹	2012 ₹
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(7,83,86,424)	(11,68,14,898)
Sale of Fixed Assets	4,45,414	—
Purchase of Investment	—	(3,84,19,578)
Sale of Investment	—	3,84,19,578
Interest Received	1,34,270	6,92,055
Dividend Received	22,550	4,41,578
NET CASH USED IN INVESTMENT ACTIVITIES	(7,77,84,190)	(11,56,81,265)
(TOTAL B)		
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Secured Loans	23,11,83,157	21,31,16,527
Proceeds from Unsecured Loan	—	—
Repayment of Secured Loan	(15,49,93,274)	(9,86,46,943)
Repayment of Unsecured Loans	—	—
Dividend Paid	(71,67,439)	(2,10,37,381)
Dividend Tax Paid	(11,42,412)	(34,27,236)
NET CASH USED IN FINANCING ACTIVITIES	6,78,80,032	9,00,04,967
(TOTAL C)		
D. NET INCREASE / (DECREASE) IN CASH OR CASH EQUIVALENTS	(1,29,25,868)	(12,08,628)
(A+B+C)		
E. Cash and Cash Equivalents (Opening Balance)	1,65,70,875	1,77,79,503
F. Cash and Cash Equivalents (Closing Balance)	36,45,007	1,65,70,875
(D+E)		

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2013

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2013

	2013 ₹	2012 ₹
CASH AND CASH EQUIVALENTS		
Cash and bank balances as per Balance Sheet - (Note below)	36,45,007	1,65,70,875
Cash and Cash Equivalents as per Cash Flow Statement	36,45,007	1,65,70,875
Note : Includes Balance in Unpaid Dividend Account	16,81,060	18,06,352
The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard - 3 on Cash Flow Statement issued as per Companies Accounting Standard Rules, 2006.		

This is the Cash Flow referred to in our Report of even date

S PRIYAMVATHA
Company Secretary

A. VENKATARAMANI
Managing Director

N. GOWRISHANKAR
Whole Time Director

For R.G.N. PRICE & CO
Chartered Accountants
Firm Regn. No. 002785S

Chennai
29.05.2013

N. VENKATARAMANI
P. M. VENKATASUBRAMANIAN
Directors

MAHESH KRISHNAN
Partner
Membership No. 206520



D 11/12, Industrial Estate, Maraimalai Nagar, Kancheepuram Dist. 603 209

ATTENDANCE SLIP
22ND ANNUAL GENERAL MEETING

Folio : DP ID / Client ID : Name of the Shareholder / Proxy :	TIME	Monday The 29 th July 2013 at 10.15 a.m.
	VENUE	D 11/12, Industrial Estate, Maraimalai Nagar, Kancheepuram Dist. 603 209

I hereby record my presence at the 22nd Annual General Meeting

Signature of the Member / Proxy



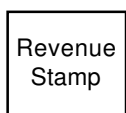
D 11/12, Industrial Estate, Maraimalai Nagar, Kancheepuram Dist. 603 209

FORM OF PROXY

I/We of being
a Member / Members of **IP Rings Ltd.**, hereby appoint
of or failing him of
..... as my/our proxy in my/our absence to attend
and vote for me / us and on my / our behalf at the 22nd Annual General Meeting of the Company, to be held
on Monday, the 29th July 2013 and at any adjournment thereof.

Signed this day of2013

Signature / s



.....

NOTE: This form duly completed should be deposited at the Office of the Company's Share Transfer Agents
M/s. BTS Consultancy Services Pvt. Ltd., First Floor, M S Complex, Plot No. 8, Sastri Nagar, Nr. 200 Feet Road RTO,
Kolathur, Chennai - 600 099 not less than 48 hours before the time for holding the meeting. A proxy need not be a member.



FORM A

Format of covering letter of the annual audit report to be filed with the stock exchanges

1. Name of the Company: IP Rings Ltd.
2. Annual financial statements for the year ended 31st March 2013
3. Type of Audit observation Un-qualified
4. Frequency of observation Not Applicable


Managing Director


Chief Financial Officer


Chairman, Audit
Committee

For R. G. N. PRICE & CO.
Chartered Accountants

Mahesh Krishnan
Partner
M. No. 206520
FR No. 002785S
Auditor of the Company