

**Sub: Quarterly Compliance Report on Corporate Governance**

The status in respect of compliance in terms of Listing Agreement for the quarter ended 31<sup>st</sup> March 2012 is as follows:

Name of the Company : India Nippon Electricals Limited  
 Quarter ended on : 31<sup>st</sup> March 2012

| Particulars  | Clause of Listing agreement | Compliance Status Yes/No | Remarks   |
|--|-----------------------------|--------------------------|---|
| <b>I. Board of Directors</b>   | 49I                         |                          |   |
| (A) Composition of Board   | 49 (IA)                     | Yes                      |   |
| (B) Non-executive Directors' compensation & disclosures                  | 49 (IB)                     | Yes                      | Resolutions already passed at AGM [1992 and 2003] |
| (C) Other provisions as to Board and Committees                          | 49 (IC)                     | Yes                      |   |
| (D) Code of Conduct  | 49 (ID)                     | Yes                      |   |
| <b>II. Audit Committee</b>   | 49 (II)                     |                          |   |
| (A) Qualified & Independent Audit Committee                              | 49 (IIA)                    | Yes                      |   |
| (B) Meeting of Audit Committee   | 49 (IIB)                    | Yes                      |   |
| (C) Powers of Audit Committee  | 49 (IIC)                    | Yes                      |   |
| (D) Role of Audit Committee  | 49 II(D)                    | Yes                      |   |
| (E) Review of Information by Audit Committee                             | 49 (IIE)                    | Yes                      |   |
| <b>III. Subsidiary Companies</b>   | 49 (III)                    | N.A.                     | We do not have Indian subsidiary *                |
| <b>IV. Disclosures</b>   | 49 (IV)                     |                          |   |
| (A) Basis of related party transactions                                  | 49 (IV A)                   | Yes                      |   |
| (B) Disclosure of Accounting Treatment                                   | 49 (IV B)                   | Yes                      |   |
| (C) Board Disclosures  | 49 (IV C)                   | Yes                      |   |
| (D) Proceeds from public issues, rights issues, preferential issues etc. | 49 (IV D)                   | N.A.                     |   |
| (E) Remuneration of Directors  | 49 (IV E)                   | Yes                      | Complied from the Annual Report[2005-06]          |
| (F) Management   | 49 (IV F)                   | Yes                      |   |
| (G) Shareholders   | 49 (IV G)                   | Yes                      | Complied from the Annual Report[2005-06]          |
| <b>V. CEO/CFO Certification</b>  | 49 (V)                      | Yes                      | Complied from the Annual Report[2005-06]          |
| <b>VI. Report on Corporate Governance</b>                                | 49 (VI)                     | Yes                      |   |
| <b>VII. Compliance</b>   | 49 (VII)                    | Yes                      |   |

(\* ) The Company has invested in a foreign subsidiary - 'PT Automotive Systems Indonesia' by investing 99.97% of equity share capital amounting to Rs.12.08 crores