

INDIA NIPPON ELECTRICALS LIMITED

Regd. Office: 11 & 13, Patullos Road, Chennai 600 002

CIN: L31901TN1984PLC011021

Ph: 044-2846 0063

E-mail: investors@inel.co.in

Website: www.indianippon.com



Notice to Shareholders

NOTICE is hereby given that the 35th Annual General Meeting of the Shareholders of India Nippon Electricals Limited will be held on Monday the 21st September 2020 through Video Conferencing (V.C./ Other Audio Visual Means (O.A.V.M.) at 10 A.M. (I.S.T.) to transact the following businesses:

ORDINARY BUSINESS

1. Adoption of audited accounts for the year ended 31st March 2020 and the Directors' and Auditors' report thereon.

To consider and if thought fit, to pass the following resolution as an ordinary resolution:

RESOLVED THAT the audited balance sheet as at 31st March 2020, the statement of profit and loss, notes forming part thereof, the cash flow statement for the year ended on that date and the consolidated financial statements together with auditors' report thereon and the Board's report as presented to the meeting be and are hereby approved and adopted.

2. Declaration of Dividend for the year 2019-20

To consider and if thought fit, to pass the following resolution as an ordinary resolution:

RESOLVED THAT the first interim dividend of Rs.3.00 declared and paid for every equity share of face value of Rs.5 each on 22621424 equity shares and the second interim dividend of Rs.3.75 declared and paid for every equity share of face of value of Rs.5 each on 22621424 equity shares, by the Board of Directors of the Company as per Resolutions passed on 10th February 2020 and 16th March 2020 respectively, absorbing a total sum of Rs.1526.95 lacs (excluding dividend tax of Rs. 313.89 lacs paid), be and are hereby noted and confirmed as the final dividend for the year ended 31st March 2020.

3. Election of Mr T Momose as Director liable for retirement by rotation

To consider and if thought fit, to pass the following resolution as an ordinary resolution:

RESOLVED THAT Mr T Momose (DIN: 06984707), Director, who retires by rotation and being eligible, offers himself for re-appointment, be and is hereby re-appointed as a Director of the Company liable for retirement by rotation.

SPECIAL BUSINESS

4. Ratification of the remuneration of Mr K Suryanarayanan, the Cost Auditor for the year 2020-21

To consider and if thought fit, to pass the following Resolution as an Ordinary Resolution:

RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the remuneration not exceeding Rs.3.16 lacs (Rupees three lakhs sixteen thousand only) plus taxes as applicable and reimbursement of actual travel and out- of-pocket expenses for the financial year ending 31st March, 2021 to be paid to Mr Suryanarayanan, Cost Accountant (Registration No.24946) as approved by the Board of Directors of the Company to conduct the audit of the cost records, be and is hereby ratified and confirmed.

5. Adoption of Memorandum of Association as per provisions of Companies Act, 2013:

To consider and, if thought fit, to pass the following resolution as a Special Resolution:

RESOLVED THAT pursuant to the provisions of section 4, 13 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), read with the Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and in accordance with the Table A of the Schedule I of the Act, consent of the members be and is hereby accorded for alterations in the Memorandum of Association of the Company as specified below:

INDIA NIPPON ELECTRICALS LIMITED

- a) Renaming Clause III. (A) of the existing Memorandum of Association as "The objects to be pursued by the Company on its Incorporation are:" from "The main objects to be pursued by the Company on its incorporation are:"
- b) Renaming Clause III. (B) of the existing Memorandum of Association as "Matters which are necessary for the furtherance of Objects mentioned in III. (A) are:" from "The objects incidental or ancillary to the attainment of the main objects are:"
- c) Deleting the Clause titled "The other objects of the Company not included in (A) and (B)" of the existing Memorandum of Association and reclassifying sub-clauses contained therein to Clause III. (A) or Clause III. (B) as specified below:
- i. Sub-clauses 1,2,4,5 & 8 under the existing Clause titled "The other objects of the Company not included in (A) and (B)" shall be moved to Clause III. (A) i.e. "The objects to be pursued by the Company on its Incorporation" numbered as follows:
 7. *To carry on the business of manufacture and selling of ceramic, metallic, plastic and polymer goods, metal, ceramic, plastic and polymer, insulants, appliances and goods of all types.*
 8. *To carry on the business of manufacture and selling of chemicals, resins, plastics, adhesives, precipitates or any articles or things that may be required for any of the purposes of the Company.*
 9. *To construct, lay down, establish, fix, erect, equip and maintain generators, machinery, electrical equipment and cables, lines, accumulators, lamps, fittings and apparatus in the capacity of principals, contractors or otherwise.*
 10. *To carry on the business of manufacture and selling of all kinds of apparatus and equipment using electronic devices together with instrumentation intended for testing, controlling, observing and maintaining the equipment and apparatus mentioned above.*
 11. *To carry on the business of hirers of and dealers in computers, electronic calculators and business machines of all kinds, to generally act as consultants and advisors or information systems, and purveyors of information services based on the use of computers, electronic calculators and business machine of all kinds and to furnish to the users, system help, know-how programmes and other software relating to use of such machines and allied peripherals.*
 - ii. Sub-clauses 6,7,10,11 & 12 under the existing Clause titled "The other objects of the Company not included in (A) and (B)" shall be moved to Clause III. (B) i.e. "Matters which are necessary for the furtherance of Objects mentioned in III. (A)" numbered as follows:
 47. *To carry on the business as Technical Consultants, Advisors and Purveyors of technical know-how formulae, processes and applied technology and to organise and pursue research and development in areas chosen from time to time.*
 48. *To take part in the management, supervision or control of the business of operations of any company or undertaking, and for that purpose to appoint and remunerate any Directors, accountants or other experts or agents.*
 49. *To undertake and execute any trusts the undertaking whereof may seem desirable, and also to undertake the office of executors, administrator, receiver, and to keep for any company, Government Authority, or body, any register relating to any stocks, funds or shares or securities, or to undertake any duties in relation to the registration of transfers, the issue of certificate or otherwise,*
 50. *To appoint Trustees to hold securities on behalf of and to protect the interests of the Company.*
 51. *To do all or any of the above things in any part of the world either as principals, agents, contractors, trustees or otherwise and by or through trustees, agents or otherwise, either alone or in conjunction with others.*

RESOLVED FURTHER THAT the words 'Companies Act, 1956' in the existing MOA shall be substituted with the words 'companies Act, 2013', wherever required.

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



6. Adoption of new set of Articles of Association:

To consider and, if thought fit, to pass the following resolution as a Special Resolution:

RESOLVED THAT pursuant to the provisions of Section 14 and any other applicable provisions of the Companies Act, 2013 ("the Act") read with the Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the revised re-stated articles, as contained in the Articles of Association which has been uploaded on the Company's website http://indianippon.com/wp-content/uploads/2020/08/new_articles_of_association.pdf for perusal by the shareholders of the Company, be and are hereby approved and adopted in substitution and to the entire exclusion of the regulations contained in the existing Articles of Association of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

Place : Chennai

Date : 20th August, 2020

By order of the Board

G Venkatram

Company Secretary

IMPORTANT NOTES TO SHAREHOLDERS:

- 1) In view of the situation arising due to COVID-19 global pandemic, the Annual General Meeting shall be conducted through video conferencing (VC) or Other Audio Visual Means (OAVM) as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No.14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020, applicable provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 2) The Company has enabled the Members to participate and vote at the 35th AGM through VC/ OAVM facility provided by Central Depository Services (India) Limited (CDSL). The instructions for participation by Members in the AGM, remote e-voting and e-voting at the AGM are given in the subsequent paragraphs.
- 3) A statement pursuant to Section 102(1) of the Companies Act, 2013 relating to the special businesses to be transacted at the 35th AGM is annexed hereto. All documents referred to in the accompanying Notice and the Explanatory Statement shall be available for inspection electronically at the link mentioned therein, wherever applicable. In other cases, Members seeking to inspect the documents can send an email to investors@inel.co.in.
- 4) Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice. However, in pursuance of Section 112 and Section 113 of the Companies Act 2013, representatives of the Members may be appointed for the purpose of voting through remote e-voting or for the purpose of attending the AGM through VC/OAVM.
- 5) Institutional / Corporate Members (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution, authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through e-voting. The said Resolution/ Authorization shall be sent to the Scrutinizer by email through its registered email address to seshwar@eshwars.com with a copy marked to helpdesk.evoting@cdslindia.com.
- 6) As per Regulation 40 of SEBI Listing Regulations, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, Sundaram Clayton Ltd., (SCL) for assistance in this regard.

INDIA NIPPON ELECTRICALS LIMITED

- 7) Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with the company in case the shares are held by them in physical form.
- 8) Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFS Code, etc., to their DPs in case the shares are held by them in electronic form and to SCL in case the shares are held by them in physical form.
- 9) In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
- 10) Pursuant to Section 125 of the Companies Act, 2013, dividends declared for the year ended 31st March 2014 and for the subsequent years, which remain unclaimed for a period of 7 years will be transferred to the Investors Education and Protection Fund on due dates. Members who have not encashed their dividend warrants are requested to make their claims with the Company by surrendering the unencashed dividend warrants immediately. For more details on shareholders matters, please refer to the section on General Information for Shareholder included as part of the Board's Report under Report on Corporate Governance.
- 11) In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories as on 21st August, 2020. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website www.indianippon.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of CDSL viz, www.cdslindia.com. Since the AGM will be held through VC / OAVM, the Route Map is not annexed to the Notice.
- 12) In case a person becomes a Member after 21st August 2020 such person may write to the Company/ SCL by e.mail at investors@inel.co.in / arockiaraj@scl.co.in providing the e.mail address, mobile number, self attested PAN copy along with Client Master copy (in case of electronic holding)/ copy of share certificate (in case of physical holding) for getting the weblink for the Notice and the Annual Report. Procedure for participation in AGM and e-Voting shall be as detailed elsewhere in the Notice. Only a Member as on 14th September 2020 will be eligible to participate and vote on the resolutions. Person who is not a member as on the cut-off date i.e., 14th September 2020, should treat this Notice for information purpose only.
- 13) The Register of Members and Share Transfer Books of the Company will remain closed from 15th September 2020 to 21st September 2020 [both days inclusive] for the purpose of Annual General Meeting.
- 14) The Board of Directors has appointed Mr. Eshwar Sabapathy, Advocate, Chennai, who is not in full time employment of the company as Scrutinizer, at its meeting held on 20th August, 2020 for scrutinizing the remote e-voting and e-voting at the AGM in a fair and transparent manner.
- 15) The Scrutinizer shall, immediately after the conclusion of e-voting during the AGM, first count the e-votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing.
- 16) The result declared along with the Scrutinizer's Report shall be placed on the Company's website www.indianippon.com and on the website of CDSL www.evotingindia.com forthwith. The Company shall simultaneously forward the results to National Stock Exchange of India Limited and BSE Limited, where the shares of the Company are listed.
- 17) The following documents will be available for inspection by the Members electronically during the 35th AGM:
 - Register of Directors and Key Managerial Personnel and their shareholding
 - Register of Contracts or Arrangements in which the Directors are interested, maintained under the Companies Act, 2013.



18) Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in this Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first serve basis.

INSTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING AND E-VOTING DURING AGM:

a) INSTRUCTIONS FOR REMOTE E-VOTING

- (i) The voting period begins from 9 AM on 18th September, 2020 and ends at 5 PM on 20th September, 2020. During this period, the shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e., 14th September, 2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The voting rights of Members shall be in proportion to their share of the paid-up equity share capital of the Company as on the cut-off date i.e. 14th September 2020.
- (iii) Members who have already voted prior to the meeting date would not be entitled to vote on the meeting date.
- (iv) The shareholders should log on to the e-voting website www.evotingindia.com.
- (v) Click on Shareholders.
- (vi) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vii) Next enter the Image Verification as displayed and Click on Login.
- (viii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (ix) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form:	
PAN	<ul style="list-style-type: none">• Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)• Members who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number the first two letters of their name in Capital letters and the 8 digits of the Client Id/ Folio Number in the PAN field.• In case the sequence number is less than 8 digits, enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details or Date of Birth (DOB)	<ul style="list-style-type: none">• Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

INDIA NIPPON ELECTRICALS LIMITED

After entering these details appropriately, click on "SUBMIT" tab.

- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant Company Name viz., India Nippon Electricals Ltd., on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/ NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) If a demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Members can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while remote voting on your mobile.

b) INSTRUCTIONS FOR MEMBERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Members will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Members may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Members are encouraged to join the Meeting through Laptops / IPads for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Members who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending in their request by e.mail to investors@inel.co.in / arockiaraj@scl.co.in during the period from 15th September 2020 (9:00 A.M.) upto 17th September 2020 (5:00 P.M.) mentioning their name, demat account number/folio number, email id, mobile number. The queries may be raised precisely and in brief to enable the Company to answer the same suitably depending on the availability of time at the meeting. Members who do not wish to speak during the AGM but have queries may send in their queries during the said period mentioning their name, demat account



number/folio number, email id, mobile number at investors@inel.co.in / arockiaraj@scl.co.in. These queries will be replied to by the company suitably by email. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

6. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

c) INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
3. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
4. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

(i) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; seshwar@eshwars.com - scrutinizer id and company id), investors@inel.co.in, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or call 1800225533.

All grievances connected with the facility for voting by electronic means may be addressed to Mr Rakesh Dalvi, Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Maraton Futurex, Mafatal Mill Compounds, NM Joshi Marg, Lower Parel (East), Mumbai-400013 or send an e.mail to helpdesk.evoting@cdslindia.com or call 1800 22 55 33.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) or any other proof issued by the Government by email to investors@inel.co.in / arockiaraj@scl.co.in

INDIA NIPPON ELECTRICALS LIMITED

2. For Demat shareholders -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) or any other proof issued by the Government to investors@inel.co.in / arockiaraj@scl.co.in.
3. The company/RTA shall co-ordinate with CDSL and provide the login credentials to the above mentioned shareholders.

IN TERMS OF SEBI (LODR) REGULATIONS 2015 READ WITH SECRETARIAL STANDARDS ON GENERAL MEETING, A BRIEF PROFILE AND OTHER DETAILS OF MR T MOMOSE WHO RETIRES BY ROTATION AND OFFERS HIMSELF FOR RE-APPOINTMENT AT THIS MEETING IS GIVEN BELOW:

ITEM NO.3

Mr Tadaya Momose was born on 9th September 1959. He holds a Bachelor degree in Law and Economics from Chiba University, Japan. He served Nissan Motor Co Ltd, Japan from 1982 to 2014. He joined Kokusan Denki Co Ltd, Japan (Now Mahle Electric Drives Japan Corporation) in April 2014 as Operating Officer/ Dy. General Manager of Sales division. He became a director of the company at the AGM held on 27th August, 2014. Other details as per the Secretarial Standards and SEBI (LODR) Regulations are as below:

Experience in Specific functional areas	<p>About 37 years of rich experience in the Industry with respect to:</p> <ul style="list-style-type: none"> • Leadership, strategy development & implementation, sales & marketing, business administration, operations and people management. • Managing business operations in respect of manufacture and sale of automobiles, automotive electronics and other auto components. • Performance evaluation of senior management, strategic human capital/succession planning, Industrial relations and organizational change management. • Monitoring and advising on risks • IT governance and systems including privacy, data management and security. • Monitoring risk and compliance and knowledge of legal and regulatory requirements (including industry specific laws).
Shareholding in the company as of 20th August 2020 <ul style="list-style-type: none"> • Individually • Held jointly/ through relatives 	<p>Nil Nil</p>
Directorships, if any, in other companies	Nil
Membership in Board Committees of other companies	Nil
No. of meeting of the Board attended during the FY 19-20.	3 meetings viz., 6th April 2019, 30th October, 2019 and 16th March, 2020.
Relationship with other directors, Manager and other key managerial personnel of the Company	Nil



The resolution regarding re-appointment of Mr T Momose was considered and recommended for approval of shareholders by the Nomination and Remuneration Committee and the Board taking into account the declarations submitted by him. Mr T Momose being the incumbent and Mr Mukesh Kumar Somani, being the other representative of Mahle Electric Drives Japan (a Promoter of the Company and Joint Venturer) are interested in the resolution.

EXPLANATORY STATEMENTS

THE FOLLOWING EXPLANATORY STATEMENTS AS REQUIRED UNDER SECTION 102 OF THE COMPANIES 2013 SET OUT ALL MATERIAL FACTS RELATING TO THE BUSINESSES UNDER ITEM NOS. 4, 5 AND 6 OF THE NOTICE.

ITEM NO.4

At the meeting held on 27th June 2020, the Board had approved, after considering the recommendations of the Audit & Risk Management Committee, the appointment of Mr K Suryanarayanan, Cost Accountant (Registration No.24946), for the conduct of Cost Audit of the Company at a remuneration of Rs.3.16 lacs and reimbursement of actual travel and out-of-pocket expenses for the financial year ending March 31, 2021. The remuneration approved by the Board of Directors needs to be ratified by the shareholders in terms of Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives are concerned or interested, financially or otherwise in the resolution set out at item no. 4 of the Notice. The Board of Directors accordingly recommends, in the interest of the Company, the Ordinary Resolution set out at Item No. 4 of the accompanying Notice for approval by the Members.

ITEM NO.5

The existing Memorandum of Association (MOA) of the Company was framed in terms of the provisions of the Companies Act, 1956 which had three categories of objects namely "The main objects to be pursued by the Company on its incorporation", "Objects incidental or ancillary to the attainment of the main objects" and "Other objects of the Company". However, Companies Act, 2013 recognizes only two categories of objects namely "Objects to be pursued by the Company on its Incorporation" and "Matters which are necessary for the furtherance of the objects". At the meeting held on 20th August, 2020, the Directors had considered and recommended amending the MOA to make it in line with Companies Act, 2013 by deleting "The other objects of the Company" and reclassifying some of the objects contained therein under the remaining two categories of objects. Board had also approved replacing references to Companies Act, 1956 with the new Act. The exact nature of the changes proposed are set out entirely as part of the resolution and hence not reproduced again in the explanatory statement.

The revised MOA is available at the following link http://indianippon.com/wp-content/uploads/2020/08/new_memorandum_of_association.pdf for inspection of the Members till the date of the Annual General Meeting. Copy of the existing Memorandum and Articles of Association is also available in the following link http://indianippon.com/wp-content/uploads/2020/08/existing_memorandum_of_association.pdf / http://indianippon.com/wp-content/uploads/2020/08/existing_articles_of_association.pdf.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives are concerned or interested, financially or otherwise in the resolution set out at item no. 5 of the Notice. The Board of Directors accordingly recommends, in the interest of the Company, the Special Resolution set out at Item No. 5 of the accompanying Notice for approval by the Members.

ITEM NO. 6

As the Members may be aware, the Company is currently a Joint Venture between Lucas Indian Service Limited ("LISL") and Mahle Electric Drives Japan Corporation ("MEDJ") – earlier known as Kokusan Denki Company Limited. The original Joint Venture Agreement (JVA) was executed on 24th August 1985 among LISL, Kokusan Denki Company Limited and Harita Engineers Private Limited (HEPL), with HEPL subsequently exiting the Company. During the year 2019-20, MEDJ, holding 46,41,000 equity shares (which was 20.52% of the Company's equity share capital) proposed an inter-se transfer of 34,28,570 shares (74% of its shareholding in the Company and 15.16% of the equity share capital of the Company) to its another

INDIA NIPPON ELECTRICALS LIMITED

group Company Mahle Holding (India) Private Limited (MHIL). This was an exempted transfer under the SEBI (Acquisition of Shares & Takeovers) Regulations, 2011 and was proposed due to internal re-alignment of Mahle Group with the ultimate parent Company of Mahle GmbH, Germany. A Deed of Adherence was executed between MEDJ, MHIL, LISL and the Company to bring MHIL into the fold of the Joint Venture Agreement (JVA) and to enable MEDJ to continue exercising rights under the JVA.

Consequent to the execution of DOA, MEDJ actually transferred 30,00,000 shares to MHIL on 24th December, 2019 with the result that MHIL holds 13.26% and MEDJ continues to hold 7.26% of the Company's Share Capital. Among the rights contained in JVA, the Articles of Association contains the right to nominate two Directors (one of whom shall not be liable to retire by rotation) to the Board of the Company so long as MEDJ holds not less than 15% of the Company's share capital. The inter-group transfer effected on 24th December, 2019 brought the shareholding of MEDJ to 7.26% of the Company's share capital though, collectively, MEDJ and MHIL continued to hold 20.52% of the Company's share capital. The DOA recognised the shareholding of MHIL to be considered along with MEDJ shareholding so that MEDJ continues to exercise the rights under the JVA and consequently the said right mentioned in the Articles of Association. This shall have to be incorporated suitably in the Articles of Association so that MEDJ can exercise the right in Compliance with it. References to erstwhile Kokusan Denki Company Limited had to be replaced with MEDJ or MEDJ and MHIL as appropriate. Following table represents the position under the new Articles of Association as against the existing Articles of Association in respect of clauses impacted by the DOA:

Sl. No.	Clause as per existing Articles of Association	Clause as per new Article of Association	Summary and reason for change
1.	No existing Article	Article No. 2(i) Deed of Adherence means the deed of adherence dated 17 th December 2019 to the Joint Venture Agreement executed by and between (i) Mahle Electric Drives Japan Corporation (earlier known as Kokusan Denki Co Limited) (MEDJ), (ii) Lucas India Service Limited ("LISL"), (iii) the Company and (iv) Mahle Holding (India) Private Limited (MHIL) effective from 24th December, 2019.	Reference to Deed of Adherence to the JV Agreement is proposed to be included in the Articles so as to recognize MHIL as a party to the JVA and consequently inclusion in the Articles of Association.
2.	No existing Article	Article No. 2(n) Joint Venture Agreement shall mean the agreement dated 24th August, 1985 entered into between (i). LISL, (ii) Harita Engineers Private Limited, and (iii) MEDJ, and shall also include the Deed of Adherence.	JVA definition is brought in since the Deed of Adherence was executed in reference to the JVA.



3.	<p>Article No. 111(a) (ii) - Nominated Directors</p> <p>So long as Kokusan Denki Co. Ltd. holds not less than 15% of the total number of issued shares, it shall be entitled to nominate two directors on the Board, one of whom shall not be liable to retire by rotation.</p>	<p>Article No. 85(b) - Nominated Directors</p> <p>So long as MEDJ and MHIL together holds not less than 15% of the Company's Share Capital, MEDJ shall be entitled to nominate two Directors on the Board, one of whom shall not be liable for retirement by rotation.</p>	<p>Reference to MHIL is introduced to consider their holding along with MEDJ's shareholding to enable the right to nominate two Directors on the Board of the Company.</p>
4.	<p>Article No. 111(a) - Nominated Directors</p> <p>The Nominated Directors shall hold office at the pleasure of Lucas Indian Service Ltd and/or its nominees, and Kokusan Denki Co. Ltd and/ or its nominees as the case may be.</p>	<p>Article No. 85(c) - Nominated Directors</p> <p>The directors nominated under sub-clause (a) and (b) above, shall hold office at the pleasure of LISL and/or its nominees and MEDJ and/or its nominees as the case may be. If the aggregate shareholding of LISL and/or its nominees or that of MEDJ and MHIL, falls below the respective threshold limits mentioned under sub-clause (a) or (b) above, the respective party shall cause their nominated directors to resign from their Directorship in the Company in accordance with the provisions of this Articles.</p>	<p>Clauses 85 (a) and 85 (b) of the Articles of Association respectively specifies the threshold share holding of LISL and/ or its nominees (30%) and MEDJ & MHIL (15%) to nominate Directors to Board of the Company. While the Directors nominated by MEDJ and LISL shall continue on the Board till they hold the pleasure of the MEDJ and/or its nominees and LISL and/or its nominees as the case may be, if the shareholding of LISL and/ or its nominees falls below 30% or that of MEDJ & MHIL falls below 15% the party whose shareholding falls below the threshold limit shall cause their Nominated Directors to resign from the Board.</p>

In addition to the above new changes arising out of the DOA, the Articles of Association contains regulations under and references to the erstwhile Companies Act, 1956 and the same shall have to be aligned with Companies Act, 2013 and some regulations in the existing Articles of Association are no longer in conformity with Companies Act, 2013. Since the Articles of Association are proposed to be amended to give effect to the DOA, the Directors feel that the Articles of Association needs to be aligned with the Companies Act, 2013 to be Compliance with Section 5(9) of the Companies Act, 2013. However, due to the numerous changes that it would entail, it is proposed that the new Articles of Association be substituted in place of the existing Articles of Association. The regulations contained in Table F in Schedule I to the Companies Act, 2013, as amended from time to time, shall apply to the Company and constitute its regulations to the extent that they are applicable to public companies save and except in so far as they are inconsistent or specifically excluded or modified or altered by the new Articles of Association.

INDIA NIPPON ELECTRICALS LIMITED

Further certain provisions of the existing Articles of Association have been simplified by providing reference to the provisions of the Companies Act, 2013 and the Rules framed thereunder, to avoid repetition in its entirety. Further certain articles have been deleted as the process for the same is explicitly mentioned in the Companies Act 2013 and the rules made thereunder. Certain other articles have been deleted as the same have become redundant pursuant to introduction of the Companies Act 2013.

In addition to the changes necessitated by the Companies Act, 2013 and SEBI Listing Regulations, certain other changes are proposed in the Articles, to facilitate ease of business without compromising the stakeholders involvement in the governance of the Company.

The Board, at its meeting held on 20th August, 2020 had approved alteration of the Articles of Association of the Company and the Board now seeks Members' approval for the same. Pursuant to Section 14 of the Companies Act, 2013, consent of the Members by way of Special Resolution is required for alteration of Articles of Association of the Company. The Board recommends the Special Resolution set forth in Item No. 6 of the Notice for approval of the Members. A copy of the proposed set of new Articles of Association of the Company would be available at the following link www.indianippon.com for inspection of the Members till the date of the Annual General Meeting. The copy of the existing Memorandum and Articles of Association is also available in the following link http://indianippon.com/wp-content/uploads/2020/08/existing_memorandum_of_association.pdf / http://indianippon.com/wp-content/uploads/2020/08/existing_articles_of_association.pdf.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives are concerned or interested, financially or otherwise in the resolution set out at item no. 6 of the Notice. The Board of Directors accordingly recommends, in the interest of the Company, the Special Resolution set out at Item No. 6 of the accompanying Notice for approval by the Members.

By order of the Board

Place : Chennai
Date : 20th August, 2020

G Venkatram
Company Secretary