

INDIA NIPPON ELECTRICALS LIMITED

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Notice to Shareholders

NOTICE is hereby given that the Twenty Ninth Annual General Meeting of the Shareholders of the Company will be held on Wednesday, the 27th August 2014 at Kasturi Srinivasan Hall, (Music Academy Annexe) No.168 (Old No.306), T.T.K. Road, Royapettah, Chennai 600014 at 10.30 A.M. to transact the following business.

Ordinary Business

1. Adoption of audited accounts for the year ended 31st March 2014 and the Directors' and Auditors' report.

To consider and if thought fit, to pass with or without modification, the following resolution as an ordinary resolution:

RESOLVED THAT the audited Balance Sheet as at 31st March 2014 and the Profit and Loss account of the Company for the year ended on that date, together with the Directors' report and the Auditors' report thereon as presented to the meeting be and are hereby approved and adopted.

2. Declaration of Dividend

To consider and if thought fit, to pass with or without modification, the following resolution as an ordinary resolution:

RESOLVED THAT the first and second interim dividends respectively of ₹ 4 and ₹ 5 per share declared by the Board of Directors of the Company on 28th Jan'14 and 23rd May'14 on 11310712 equity shares of ₹10/- each fully paid, absorbing a total sum of ₹ 1017.97 lacs (excluding dividend tax of ₹ 173 lacs paid) in the aggregate, be and are hereby treated as the final dividend for the year ended 31st March 2014.

3. To appoint Auditors and fix their remuneration

To consider and if thought fit, to pass with or without modification, the following resolution as an ordinary resolution:

RESOLVED THAT, pursuant to the provisions of Section 139 of the Companies Act 2013 and Rules made thereunder, the retiring Auditors M/s Brahmayya & Co., Chartered Accountants (Regn. No.000511S) be and are hereby re-appointed as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the Thirty Second Annual General Meeting of the Company (subject to ratification of the appointment by the members at every AGM held after this AGM) and that the Board of Directors be and are hereby authorised to fix such remuneration as may be determined by the Audit Committee in addition to travelling and other out-of-pocket expenses actually incurred by them in connection with audit.

4. Retirement of a Director by rotation

To consider and if thought fit, to pass with or without modification, the following resolution as an ordinary resolution:

RESOLVED THAT Mr Yuji Tomita, who retires by rotation and does not seek re-election, be not re-appointed as Director of the Company.

Special Business

5. Appointment of Independent Director: Mr G Chidambar

To consider and if thought fit, to pass with or without modification, the following resolution as an ordinary resolution:

RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions if any of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act 2013, Mr G Chidambar (holding DIN 00017015), an Independent Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149 (6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years from the conclusion of the Annual General Meeting of 2014 until the conclusion of the Annual General Meeting in 2019 and the provisions of Section 152 (6) and (7) in respect of retirement of directors by rotation shall not be applicable to appointment of Independent Director Mr G Chidambar.

6. Appointment of Independent Director: Mr V Balaraman

To consider and if thought fit, to pass with or without modification, the following resolution as an ordinary resolution:

RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions if any of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act 2013, Mr V Balaraman (holding DIN 00267829), an Independent Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149 (6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years from the conclusion of the Annual General Meeting of 2014 until the conclusion of the Annual General Meeting in 2019 and the provisions of Section 152 (6) and (7) in respect of retirement of directors by rotation shall not be applicable to appointment of Independent Director Mr V Balaraman.

7. Appointment of Independent Director: Mr K G Raghavan

To consider and if thought fit, to pass with or without modification, the following resolution as an ordinary resolution:

RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions if any of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act 2013, Mr K G Raghavan (holding DIN 00359471), an Independent Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149 (6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years from the conclusion of the Annual General Meeting of 2014 until the conclusion of the Annual General Meeting in 2019 and the provisions of Section 152 (6) and (7) in respect of retirement of directors by rotation shall not be applicable to appointment of Independent Director Mr KG Raghavan.



8. Appointment of Independent Director: Mr R Vijayaraghavan

To consider and if thought fit, to pass with or without modification, the following resolution as an ordinary resolution:

RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions if any of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act 2013, Mr R Vijayaraghavan (holding DIN 00026763), an Independent Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149 (6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years from the conclusion of the Annual General Meeting of 2014 until the conclusion of the Annual General Meeting in 2019 and the provisions of Section 152 (6) and (7) in respect of retirement of directors by rotation shall not be applicable to appointment of Independent Director Mr R Vijayaraghavan.

9. Appointment of Independent Director: Dr (Mrs) Jayshree Suresh

To consider and if thought fit, to pass with or without modification, the following resolution as an ordinary resolution:

RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions if any of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act 2013, Dr (Mrs) Jayshree Suresh (holding DIN 06861217), Independent Director of the Company who was appointed by the Board on 26th March 2014 in the casual vacancy caused by the resignation of Mr N S Murthy and shall hold office upto the date of the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director who shall hold office for five consecutive years from the conclusion of this Annual General Meeting until the conclusion of the Annual General Meeting of the Company to be held in 2019 and the provisions of Section 152 (6) and (7) in respect of retirement of directors by rotation shall not be applicable to appointment of Independent Director Dr (Mrs) Jayshree Suresh.

10. Appointment of Mr T Momose as a director liable to retire by rotation

To consider and if thought fit, to pass with or without modification, the following resolution as an ordinary resolution:

RESOLVED THAT Mr T Momose, in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of director, be and is hereby appointed as Director of the Company liable for retirement by rotation.

By order of the Board

S SAMPATH

Chief Financial Officer &
Company Secretary

Chennai
23rd May 2014

Notes:

- a. **A Member entitled to attend and vote at the above meeting is entitled to appoint a proxy and the proxy need not be a member. The instrument appointing proxy and the power of attorney or other authority, if any, should be deposited at the registered office of the Company not later than 48 hours before the time fixed for holding the meeting.**
- b. The Register of Members and Share Transfer Books of the Company will remain closed from 5th June 2014 to 6th June 2014 [both days inclusive] for the purpose of payment of second interim dividend for the year 2013-14.
- c. Consequent upon the amendment to Section 205A read with Section 205C of the Companies Act, 1956, dividends declared for the year ended 31.03.2007 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.
- d. In terms of Clause 49 of the Listing Agreement with Stock Exchanges, a brief resume of Directors who are proposed to be appointed / re-appointed at this meeting is given below:
- e. The Notice of the 29th Annual General Meeting of the Company and instructions for e-voting, along with the Attendance slip and proxy form, is being sent by electronic mode to all members whose e.mail addresses are registered with the Company / Depository Participant(s) unless a member has requested for a hard copy of the same. For members who have not registered their e.mail addresses, physical copies of the aforesaid documents are being sent by the permitted mode.
- f. Members are requested to affix their signature at the space provided on the attendance slip annexed to proxy form and hand over the slip at the entrance of the meeting hall.
- g. As a measure of economy, copies of the annual report will not be distributed at the meeting hall. Members are, therefore, requested to bring their copy of the annual report.

SI No. 4 of the Notice to shareholders

Mr Y Tomita who retires by rotation at this Annual General Meeting, does not seek re-election.

Explanatory Note under Section 102 of the Companies Act 2013 read with the Listing Agreement requirements :

The following explanatory statement sets out all material facts relating to the special business mentioned in the accompanying notice dated 23rd May 2014 and shall be taken as forming part of the notice.

Item Nos. 5 to 9 of the Notice to Shareholders

The Company had, pursuant to the provisions of the Clause 49 of the Listing agreements entered into with the Stock Exchanges, appointed Mr G Chidambar, Mr V Balaraman, Mr K G Raghavan, R Vijayaraghavan and Dr (Mrs.) Jayshree Suresh as Independent Directors at various times in compliance with the requirements of the clause.

Pursuant to the provisions of Section 149 of the Act, which came in to effect from April 1, 2014, every listed public company is required to have at least one-third of the total number of directors as independent directors, who are not liable to retire by rotation.

The Board of Directors at their meeting held on 23rd May 2014 recommended the appointment of the above directors as Independent Directors from the conclusion of this Annual General Meeting until the conclusion of the Annual General Meeting to be held in 2019.



M/s G Chidambar, V Balaraman, K G Raghavan, R Vijayaraghavan and Jayshree Suresh have given a declaration to the Board that they meet the criteria of independence as provided under section 149 (6) of the Act. In the opinion of the Board, each of these Directors fulfil the conditions specified in the Act and the Rules framed thereunder for appointment as Independent Directors and they are independent of the management.

The Independent Directors are entitled to receive remuneration by way of fees and reimbursement of expenses for participation in the meetings of the Board and / or Committees and profit related commission in terms of Section 197 and other applicable provisions of the Companies Act, 2013, as determined by the Board from time to time, within the overall limits specified under the Companies Act 2013.

The Company has received a Notice under Section 160 of the Companies Act 2013 from member(s) intimating the intention to propose the appointment of these directors as Independent Directors of the Company at this meeting and for that purpose to move resolutions as set out under item nos. 5 to 9 of the Notice.

Except M/s G Chidambar, V Balaraman, K G Raghavan, R Vijayaraghavan and Jayshree Suresh, directors, being appointees, none of the other directors or key managerial personnel of the company or their relatives is concerned or interested, financially or otherwise, in the appointments as set out under item nos.5 to 9.

In compliance with the provisions of section 149 read with Schedule IV of the Act, the appointment of these directors as Independent Directors is now being placed before the Members for their approval. The Board of Directors recommend each of the resolutions in relation to the appointment of Directors for approval by the shareholders of the Company.

A brief profile of the Independent Directors to be appointed is given below:

Mr G Chidambar was born on 23rd March 1931. He holds a Master's degree in Mathematics from the University of Delhi. He is also an Associate from the Institute of Actuaries, London besides being a Fellow of the Institute of Actuaries of India and Associate of Insurance Institute of India. Mr G Chidambar started his career as an Officer in Ruby General Insurance Company Ltd. Delhi which was taken over by LIC of India consequent to its nationalisation. He held several positions in LIC of India and retired in 1991 as Managing Director of LIC of India after a tenure of about 2 years in that position. Mr G Chidambar currently is a Director of Mahaveer Finance Ltd, Royal Soft Services Ltd and Coromandel Stampings and Stones Ltd. He is also the Chairman of the Audit Committee of Royal Soft Services Ltd and Coromandel Stampings and Stones Ltd. He does not hold any shares in India Nippon Electricals Limited and is not related to any director of the Company.

Mr V Balaraman was born on 18th August 1946. He is a B.Tech. in Chemical Engineering from Madras University and M.B.A. from Indian Institute of Management, Ahmedabad. He held the position of Managing Director of Pond's India Ltd. for a period of 7 years. He was Director Exports of Hindustan Lever Limited for a period of 5 years and was a director of Empower Works Limited, New Jersey and AnandaNidra Sleep Medicine Center Pvt. Ltd. Mr V Balaraman was also the past president of Madras Chamber of Commerce and Industry/ Madras Management Association. He is a Consultant for Strategy, Branding and Marketing for a few companies and also coaches and mentors CEOs / Senior Business Leaders. Currently, he is a Director in Computer Age Management Services Pvt Ltd, Mahindra World City Developers Ltd, Adrenaline eSystems Ltd, CAMS Repository Service Ltd, Parry Enterprises India Ltd, Ponds Exports Ltd, Polaris Financial Technology Ltd and Mother Dairy Fruit & Vegetable P Ltd. He is also the Member of the Audit Committee of Computer Age Management Services P Ltd, Mahindra World City Developers Ltd, Parry Enterprises India Ltd and Mother Dairy Fruit & Vegetable P Ltd. He does not hold any shares in the Company and is not related to any director of the Company.

Mr K G Raghavan was born on 2nd May 1954. He is a Senior Advocate in Karnataka High Court. He holds a commerce degree and is a Bachelor of Law. His areas of specialisation are Corporate and Commercial Law, Arbitration, Intellectual Property Law, Central Excise, Customs, Labour and Constitutional Law and he has represented parties at pleadings before the Supreme Court, High Courts, Company Law Board, MRTS Commission, CEGAT, Consumer Fora and Civil Courts. He is a director in Karnataka Hybrid Micro Devices Ltd., Bangalore. He does not hold any shares in India Nippon Electricals Limited and is not related to any director of the Company.

Mr R Vijayaraghavan was born on 2nd January 1950. He is an Advocate in Chennai and has been practising Law for over 29 years. He has a vast breadth of experience in the fields of Corporate Law, Mergers and Acquisitions, Tax Laws, Commercial aspects of doing business in India. He holds a Master Degree in Science from Madurai University and MBA from Syracuse University, USA besides being a Law graduate from Dr. Ambedkar Law College, Chennai. He is a Director in Sanco Trans Ltd, Sundaram Clayton Ltd, T.Stanes Ltd, Currents Technology Retail (India) Ltd, Redington (India) Investment Ltd, Lucas-TVS Ltd, Thiru Arooran Sugars Ltd and Bimetal Bearings Ltd. He is also the Chairman of the Audit Committee of Sanco Trans Ltd, Thiru Arooran Sugars Ltd and Lucas TVS Ltd and Member of the Audit Committee of Bimetal Bearings Ltd. He is a Member of the Stakeholders Relationship Committee of Sundaram Clayton Ltd. He does not hold any shares in India Nippon Electricals Limited and is not related to any director of the Company.

Dr (Mrs.) Jayshree Suresh was appointed as an Independent Director at the Board Meeting held on 26th March 2014 in the casual vacancy caused by the resignation of Mr N S Murthy. The company has received a consent letter from Dr Jayshree Suresh to act as a director of the company in terms of Sections 264 (2)/ 266 (1) (a) and 266 (1) (b) (iii) of the Companies Act 1956 and also the declaration under section 149 of the Companies Act 2013 that she qualifies to be the Independent Director. Dr. Jayshree Suresh was born on 2nd October, 1952. She had done her Ph.D, M.B.A. and B.A. She is Dean, Faculty of Management, SRM University. She has won 3 Best Faculty Awards: Citation from Asia, a gold medal from Cognizant Technologies in SRM and silver plate in MOP Vaishnav College. She is author of "Entrepreneurial Development" and co-author of "Human Values and Professional Ethics". She has worked in IIMA for 10 years in the Marketing Area. At present she is the Vice-President of Society for Entrepreneurship Educators (SEE) at ISB. She does not hold any shares in India Nippon Electricals Limited and is not related to any director of the Company.

Item No. 10 of the Notice

Mr Tadayama Momose was born on 29th September 1959. He acquired Law and Economics degree from Chiba University, Japan. He started his career in 1982 and he served as General Manager of Nissan Motor Co Ltd, Japan until 2014 and in April 2014, he joined Kokusan Denki Co Ltd as Operating Officer and Dy. GM of Sales Division.

He does not hold any shares in India Nippon Electricals Limited and is not related to any director of the Company.

The Company has received from a shareholder a Notice under Section 160 of the Companies Act 2013 intimating the intention to propose the appointment of Mr T Momose as a Director of the Company, liable for retirement by rotation, at this meeting and for that purpose to move a resolution as set out under item 10 of the Notice.



Mr T Momose is interested in the resolution relating to his appointment as a Director of the Company and none of the other directors is interested or key managerial personnel of the company or their relatives is concerned or interested, financially or otherwise, in the resolution for appointment as set out under item no.10.

The resolution is recommended for the approval of the shareholders.

INSTRUCTIONS FOR VOTING ELECTRONICALLY:

- a) The Company is pleased to provide members a facility to exercise their right to vote on the resolutions as set out in the Notice calling for the Annual General Meeting (AGM) by 'electronic means' and all the businesses may be transacted through e-Voting services provided by National Securities Depository Limited (NSDL) / Central Depository Services (India) Limited (CDSL), in compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules 2014.
- b) Voting rights are reckoned on the basis of the shares registered in the names of the members / beneficial owners as on the record date fixed for this purpose, viz., 23rd July 2014.
- c) Mr S Ananthanarayan, Practicing company Secretary, Chennai has been appointed as scrutinizer for conducting the e-Voting process in a fair and transparent manner.
- d) Members are requested to read the instructions given below:

(A) The instructions for e-Voting are as under:

In case of members' receiving e-mail from NSDL [for members whose email IDs are registered with the Company / Depository Participants(s)]:

- (i) Open e-mail and then open PDF file viz., "India Nippon Electricals Limited – 29th AGM e-Voting.pdf" with their Client ID or Folio No. as password. The said PDF file contains the User ID and password for e-Voting. Please note that the password is an initial password.
- (ii) Launch internet browser by typing the following URL in the address bar: www.eVoting.nsdl.com
- (iii) Click on shareholder – Login
- (iv) Enter User ID and password as initial password noted in step (i) above. Click Login.
- (v) Password change menu appears. Change the password with new password with minimum 8 digits / characters or combination thereof. Note the new password. It is strongly recommended not to share the password with any other person and take utmost care to keep the password confidential.
- (vi) Home page of e-Voting opens. Go to "eVoting" icon and select "Active Evoting Cycles".
- (vii) Select "EVEN" of India Nippon Electricals Limited.
- (viii) Now members are ready for e-Voting as Cast Vote page opens.
- (ix) Cast the vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
- (xi) Once the member has voted on the resolution, such member will not be allowed to modify their vote, subsequently.
- (xii) Institutional members (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF / JPG Format) of the relevant board resolution / authority letter etc. together with the attested specimen signature of the duly authorized signatory(ies), who are authorized to vote, to the Scrutinizer through e-mail to 'geethakumar2000@yahoo.com' with a copy marked to evoting@nsdl.co.in and kr.raman@scl.co.in.

(B) In case of members receiving physical copy of the Notice of AGM:

- (i) Initial password is provided as below / at the bottom of the Attendance Slip for the AGM:

EVEN (e-Voting Event Number)	USER ID	PASSWORD / PIN

- (ii) Please follow all steps carefully as explained in sl no.(d) (A) (ii) to (xii) above to cast vote.

- (e) In case of any queries, members may refer to the Frequently Asked Questions (FAQs) for Members and e-Voting user manual for Members available at the downloads section of www.evoting.nsdl.com or contact NSDL at the following Telephone No: 022- 24994600.
- (f) If members are already registered with NSDL for e-Voting, then they can use their existing user ID and password for casting the vote.
- (g) Members can also update their mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- (h) The e-Voting period commences on 20th August 2014 (9:00 A.M.) and ends on 22nd August 2014 (6:00 P.M.). During this period, members holding shares either in physical form or in dematerialized form, as on 23rd July 2014, may cast their votes electronically. The e-Voting module will be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by a member, such member will not be allowed to change it subsequently.
- (i) The Scrutinizer shall within a period not exceeding three working days from the conclusion of the e-Voting period unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast "in favour" or "against", if any, forthwith to the Chairman of the Company.
- (j) The Results declared along with the Scrutinizer's Report will be placed on the Company's website www.indianippon.com and on the website of NSDL within two days of passing of the resolutions at the AGM and communicated to the Stock Exchanges where the stocks of the Company are listed.
- (k) All documents referred to in the accompanying Notice and the Explanatory Statement will be open for inspection at the Registered Office of the Company during 10.00 am to 12.00 noon on all working days up to and including the date of the AGM.