



India Nippon Electricals Limited

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To: All Members of the Company

Dear Members,

Abstract of the terms of appointment of Mr Arvind Balaji as Whole-time Director and Memorandum of interest pursuant to Section 302 of the Companies Act, 1956.

The Board of Directors of the Company at their meeting held on 25th March 2013 appointed Mr Arvind Balaji as Whole-time Director for the period from 1st April 2013 to 31st March 2018. The said appointment is subject to approval of the members at the ensuing Annual General Meeting of the Company. In compliance with Section 302 of the Companies Act, 1956, an abstract of the terms of the appointment of Mr Arvind Balaji is set out at Annexure A below:

Mr T K Balaji, Chairman and Mr Arvind Balaji may be deemed to be interested to the extent of remuneration payable to Mr Arvind Balaji.

By Order of the Board
For India Nippon Electricals Ltd.

Place: Chennai
Date: 1st April 2013

S Sampath
Chief Financial Officer & Company Secretary

Annexure A

ABSTRACT OF THE TERMS OF THE APPOINTMENT OF MR ARVIND BALAJI AS WHOLE-TIME DIRECTOR OF INDIA NIPPON ELECTRICALS LIMITED.

- I. **Salary:** Rs.2,00,000 per mensem in the salary range of Rs.2,00,000 - Rs.4,00,000, for five years, subject to revision from time to time, as may be determined by the Board of Directors of the Company.
- II. **Commission:** Such amount as may be determined by the Board depending on the Company's performance every year.
- III. **Perquisites:**
 - a. **PF, Pensionary and other benefits:**
 - Company's contribution to provident fund, which will not exceed 12% of the salary or such other higher rate as may be notified by the Central Government, from time to time.

- Gratuity as per rules of the Company, not exceeding half a month's salary for each completed year of service.
 - Earned leave: As per rules of the Company, but not exceeding one month's leave for every eleven months of service. Leave accumulated shall be encashable at the end of the tenure.
- b. Entertainment and Travel:** Reimbursement of all actual expenses, including expenses incurred by him on entertainment and travelling in the course of the Company's business.
- c. Sitting Fees:** No sitting fees be paid for attending the meetings of the Board of Directors or Committees thereof.
- d. Benefits and Amenities:**
- (i) Loan and other schemes – Benefits under loan and other schemes in accordance with the practices, rules and regulations in force, in the Company, from time to time; and
 - (ii) Other benefits and amenities – Such other benefits and amenities as may be provided by the Company to other senior officers from time to time.

Total remuneration as aforementioned together with the remuneration drawn from any other company shall not exceed higher of the 5% of the net profits of either of the Companies as computed under Section 349 of the Companies Act, 1956 every year.

IV. Minimum Remuneration:

In the event of any loss or inadequacy of profits, the remuneration payable to Mr Arvind Balaji shall be restricted to such amount as may be agreed to by the Board of Directors and the Whole-Time Director and within the limits prescribed in this regard under Schedule XIII to the Companies Act, 1956.

V. Variation / Modification:

The terms and conditions shall be subject to such variation and/or modification as may be mutually agreed or as may become desirable or necessary or as may be permitted or authorized by or under the Companies Act, 1956, for the time being in force or any statutory modification or re-enactment thereof or any rules and regulations framed thereunder or otherwise.

By Order of the Board
For India Nippon Electricals Ltd.

Place: Chennai
Date: 1st April 2013

S Sampath
Chief Financial Officer & Company Secretary