



INDIA NIPPON ELECTRICALS LTD.

Proceedings of the 30th Annual General Meeting of India Nippon Electricals Limited held on Thursday, the 27th August 2015 at 10.30 A.M. at the Kasturi Srinivasan Hall (Music Academy Annexe), No.168 (Old No.306), T.T.K. Road, Chennai-600014.

Attendance:

In person	: 817 shareholders
Through proxy	: 1 shareholder
Total	: 818 shareholders

Directors Present:

M/s T K Balaji, Chairman
Arvind Balaji, Managing Director
K G Raghavan
K Seshadri
V Balaraman
G Chidambar
R Vijayaraghavan
Dr (Mrs) Jayshree Suresh
M Namatame
T Momose

Statutory Auditors: Mr P S Kumar, M/s Brahmayya & Co

Scrutinizer : Mr S Ananthanarayan, Practicing Company Secretary

Secretarial Auditor: CS Ms. Anuradha from the office of Mrs B Chandra, Practicing Company Secretary

In attendance : Mr Subhasis Dey, CEO
Mr S Sampath, CS
Mr Elango Srinivasan, CFO

After the prayer, Mr T K Balaji, Chairman of the Company took the Chair.

The Register of Directors and Key Managerial Personnel and their shareholdings, in terms of Section 170 read with Section 171 of the Companies Act 2013, was kept open for inspection during the Annual General Meeting and made accessible during the continuance of the said meeting.

The Chairman of the Company called the meeting to order, as the requisite quorum was present.

The Chairman introduced the directors on the dais to the shareholders who were present.

The Chairman, with the consent of the members present, took the Notice dated 25th May 2015 convening the 30th Annual General Meeting of the Company as read. He also took the Statutory Auditors' Report together with its annexure and the Secretarial Audit Report as read with the consent of the members present, in terms of Section 145 of the Companies Act 2013, since they were free from any qualification / observation.

The Chairman then delivered his speech to the members, highlighting various aspects such as the performance of two wheeler industry; performance of the Company for the financial year 2014-2015 industry forecast and the plan of the Company for the year 2015-2016. He also dealt on the matters relating to the proposed assembly unit in Kolhapur and the business outlook for the year.

After concluding his speech, the Chairman explained to the shareholders about the opportunity given to the shareholders through 'remote e-voting' as mandated under statutes viz., the Companies Act 2013 and Clause 35B of the Listing Agreement, for ensuring their wider participation and voting on all the resolutions placed before them in the Annual General Meeting.

The Chairman further explained that the Company provided the remote e-voting facility through the National Securities Depository Limited (NSDL) and the remote e-voting period was kept open from 24th August 2015 (from 9 A.M.) to 26th August 2015 (upto 5 PM). In addition to that, arrangement has also been made for the shareholders attending the Annual General Meeting to vote through ballot paper. The Chairman further informed the members that Mr S Ananthanarayan, Practising Company Secretary, Chennai who was appointed as the Scrutinizer by the Board was also present.

The Chairman, thereafter, invited the members to express their views on the agenda items of the Notice of the AGM.

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Company Secretary



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At the outset, the members expressed their happiness over the performance and declaration of dividends, and thanked the management for achieving the best results under difficult market conditions. The shareholders also appreciated the Board of Director for operating the company as a debt-free company for a long time. They welcomed the proposal to set up a new assembly plant at Kolhapur which was a sign of the expanding business of the company.

Thereafter, some of the members present at the meeting sought certain specific information, clarifications and questions as well as some observations as given below:-

- Issue of Bonus shares and higher dividend
- Suggestion to reduce imports
- Suggestion for spending under CSR on medical and community development
- Reasons for increase in expenses like discount to customers and details for other expenses
- When the rotation of statutory auditors was due
- Future plans for the subsidiary and the performance of the associate company
- Observation on capital expenditure
- Details of other directorships of directors
- Details of energy conservation measures

The Chairman thanked the shareholders for their sincere efforts in going through the annual report and making useful suggestions/ comments, besides seeking clarifications. The responses to the queries, clarifications, observations and questions were given as under:

• **Bonus Issue / Dividend:**

The Chairman informed the shareholders that the company has the reputation for keeping uninterrupted dividend record for over 2 decades and not making any loss once it started making profit. He drew the attention to the fact that the market cap of the company was Rs.476.18 Crores for an initial investment of around Rs.1.3 Cr. With 4 bonus issues so far, a shareholder who invested in 100 shares in IPO will be holding 928 shares now with a market value of around Rs.4 lacs after earning a dividend of around Rs.1 lac. However, the Chairman said that the Board has taken note of the observations of shareholders and a decision will be taken at an appropriate time.

• **Subsidiary and Associate Company**

The Chairman informed the members that the Indonesian subsidiary was started to supply components to TVS Motor Company whose volume of business there doesn't justify putting up a manufacturing unit. The only investment made there is on land which has appreciated substantially. Although there is no dividend from the subsidiary, it is a profitable venture from the investment point of view.

As far as Synergy Shakthi Renewable Energy Ltd is concerned, the Chairman informed, that it is a power generation company based on renewable energy sources like bio mass which is having ups and downs in its business. Compared to the previous year, the company has made lower profit mainly due to the Government's policy of not enforcing Renewable Energy Certificates and also due to improvement in power situation which has made selling of power by this company difficult.

He thereafter asked Mr Subhasis Dey, C.E.O. and Mr S Sampath, C.S. of the Company to handle specific questions raised by the shareholders relating to the operations and accounts.

• **Imports:**

The CEO replied to a query on increase in import of materials which was much higher compared to exports, that the company imports out of compulsion as the electronic items required by the company were not being manufactured in India. While the exports of the company were growing over the years, it will not fully offset the imports.

• **Increase in discount to customers:**

The CEO explained that the sales for the year had gone up by around 25% due to higher share of business from customer. For this reason, the company had to give discounts which have caused the increase. The discount as a percentage of sales works out to around 1.3% which is very minimal.

* **Capital Expenditure:**

The CEO clarified that the capital expenditure of Rs.8 Cr. was not entirely for Kolhapur unit and the capital expenditure for Kolhapur unit was only around Rs.2 Cr.

• **Energy conservation measures:**

The CEO informed the members that the company proposes to establish solar power generation at its Hosur plant which will be extended to other units if found economical.

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- Regarding suggestion on spending under CSR activities towards medical and community development, CS said that the CSR committee will consider the same.
- Regarding break up for the items grouped under other exp, the CS provided the details to the satisfaction of the member.
- Rotation of statutory auditors: The Company Secretary explained that rotation of statutory auditors was due in 2017 as per the Companies Act, 2013.
- Other directorships of Directors: The Company Secretary replied that this information was provided for those directors who retire during the year and also for new directors.

The Chairman then announced that the ballot papers in Form MGT-12 are being issued to shareholders for voting on all the resolutions contained in the ordinary and special business of the Notice of AGM. He further informed the members that the Scrutinizer has been asked to conduct the Poll process. The shareholders and the proxies, after getting the "ballot form" exercised their vote as per the procedures explained to them by the Scrutinizer/ officials of the Company.

The Chairman then announced that the results, declared both on the remote e-voting and through ballot form along with the Scrutinizer's report, will be placed on the Company's website and on the website of NSDL within two days from the conclusion of the annual general meeting and would be communicated to the Stock Exchanges where the Company's shares are listed. The Chairman thanked the shareholders for their active support to the Company and declared the formal closure of the 30th Annual General Meeting of the Company.

After ensuring that all the shareholders and proxies, who were present in meeting hall and participated in the Poll, had cast their votes, the Scrutinizer closed the Poll at around 12:15 PM. Then the Scrutinizer took the custody of the Ballot boxes for counting the votes and submitting the results to the Chairman.

On 28th August 2015, after verification of validity of votes and counting of the votes polled through ballot forms, the Scrutinizer submitted his report on results of both remote e-voting and poll to the Chairman. The results were then announced through the website of the company viz. www.indianippon.com and NSDL as well as the Stock Exchanges, as detailed below:

ORDINARY BUSINESS

Item No. 1. ADOPTION OF AUDITED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2015 AND THE DIRECTORS' AND AUDITORS' REPORT

"RESOLVED THAT the audited Balance Sheet as at 31st March 2015 and the Profit and Loss account of the Company for the year ended on that date, together with the Directors' report and the Auditor's report thereon as presented to the meeting be and are hereby approved and adopted".

Resolution No. 1	Promoter / Public	No. of shares held	No. of votes polled	% of votes polled on outstanding shares	No. of votes - in favour	No. of votes - against	% of votes in favour - on votes polled	% of votes against - on votes polled
Adoption of Accounts for the year ended 31 st March 2015 and the Directors' and Auditors report	Promoter and Promoter Group	75,09,166	75,09,166	100.00%	75,09,166	-	100.00%	0.00%
	Public - Institutional Holders	44,000	35,000	79.55%	35,000	-	100.00%	0.00%
	Public-Others	37,57,546	2,14,310	5.70%	2,14,310	-	100.00%	0.00%
	Total	113,10,712	77,58,476	68.59%	77,58,476	-	100.00%	0.00%

Result: The above ordinary resolution was passed as the requisite majority of votes were cast/ polled in favour of the resolution.

Item No.2 DECLARATION OF DIVIDEND

Resolved that the interim dividend of Rs.4.50 declared and paid for every equity share of face of value of Rs.10 each, by the Board of Directors of the Company as per Resolution passed on 9th February 2015 be and is hereby noted and confirmed.

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Company Secretary

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Resolved further that the final dividend of Rs.4.50 for every equity share of Rs.10 each for the financial year ended 31st March 2015 as recommended by the Board of Directors at their meeting held on 25th May 2015 be and is hereby declared.

Resolution No. 2	Promoter / Public	No. of shares held	No. of votes polled	% of votes polled on outstanding shares	No. of votes – in favour	No. of votes – against	% of votes in favour – on votes polled	% of votes against – on votes polled
Declaration of Dividend	Promoter and Promoter Group	75,09,166	75,09,166	100.00%	75,09,166	-	100.00%	0.00%
	Public - Institutional Holders	44,000	35,000	79.55%	35,000	-	100.00%	0.00%
	Public-Others	37,57,546	2,14,310	5.70%	2,14,310	-	100.00%	0.00%
	Total	113,10,712	77,58,476	68.59%	77,58,476	-	100.00%	0.00%

Result: The above ordinary resolution was passed as the requisite majority of votes were cast/ polled in favour of the resolution.

Item No. 3. TO APPOINT AUDITORS AND FIX THEIR REMUNERATION

RESOLVED THAT, pursuant to the provisions of Section 139 of the Companies Act 2013 and Rules made thereunder, the re-appointment of M/s Brahmaya & Co., Chartered Accountants (Regn. No.000511S) for the second year out of the total term of three years as approved by the shareholders of the company at the Annual General meeting held on 27th August 2014 be and is hereby ratified.

Resolution No. 3	Promoter / Public	No. of shares held	No. of votes polled	% of votes polled on outstanding shares	No. of votes – in favour	No. of votes – against	% of votes in favour – on votes polled	% of votes against – on votes polled
Reappointment of M/s Brahmaya & Co., Chartered Accountants, Chennai as Auditors of the Company	Promoter and Promoter Group	75,09,166	75,09,166	100.00%	75,09,166	-	100.00%	0.00%
	Public - Institutional Holders	44,000	35,000	79.55%	35,000	-	100.00%	0.00%
	Public-Others	37,57,546	2,14,310	5.70%	2,13,910	400	99.81%	0.19%
	Total	113,10,712	77,58,476	68.59%	77,58,076	400	99.99%	0.01%

Result: The above ordinary resolution was passed as the requisite majority of votes were cast/ polled in favour of the resolution.

Item No. 4. ELECTION OF A DIRECTOR, LIABLE FOR RETIREMENT BY ROTATION

RESOLVED THAT Mr T K Balaji (DIN: 00002010), 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.

Resolution No.4	Promoter / Public	No. of shares held	No. of votes polled	% of votes polled on outstanding shares	No. of votes – in favour	No. of votes – against	% of votes in favour – on votes polled	% of votes against – on votes polled
Reappointment of Mr T K Balaji as Director liable for retirement by rotation	Promoter and Promoter Group	75,09,166	75,09,166	100.00%	75,09,166	-	100.00%	0.00%
	Public - Institutional Holders	44,000	35,000	79.55%	35,000	-	100.00%	0.00%
	Public-Others	37,57,546	2,14,310	5.70%	2,14,240	70	99.97%	0.03%
	Total	113,10,712	77,58,476	68.59%	77,58,406	70	100.00%	0.00%

Result: The above ordinary resolution was passed as the requisite majority of votes were cast/ polled in favour of the resolution.

Item No. 5. ELECTION OF A DIRECTOR, LIABLE FOR RETIREMENT BY ROTATION

RESOLVED THAT Mr K Seshadri (DIN: 00301839), 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.

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S.SAMPATH
Company Secretary

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Resolution No.5	Promoter / Public	No. of shares held	No. of votes polled	% of votes polled on outstanding shares	No. of votes – in favour	No. of votes – against	% of votes in favour – on votes polled	% of votes against – on votes polled
Reappointment of Mr K Seshadri as Director liable for retirement by rotation	Promoter and Promoter Group	75,09,166	75,09,166	100.00%	75,09,166	-	100.00%	0.00%
	Public - Institutional Holders	44,000	35,000	79.55%	35,000	-	100.00%	0.00%
	Public-Others	37,57,546	2,14,310	5.70%	2,13,840	470	99.78%	0.22%
	Total	113,10,712	77,58,476	68.59%	77,58,006	470	99.99%	0.01%

Result: The above ordinary resolution was passed as the requisite majority of votes were cast/ polled in favour of the resolution.

SPECIAL BUSINESS

Item No. 6. APPOINTMENT OF MR ARVIND BALAJI, WHOLE-TIME DIRECTOR AS MANAGING DIRECTOR OF THE COMPANY UNDER SECTIONS 196, 197, 198 AND 203 OF THE COMPANIES ACT 2013

RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198 and 203 read with Schedule V to the Companies Act 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) the Company hereby approves, the appointment of Mr Arvind Balaji as Managing Director with effect from 27th August, 2014 till 31st March 2018 on a remuneration, as detailed below:

- I. **Basic Salary:** Rs.3,00,000 (Rupees three lakhs only) per mensem in the salary range of 2,00,000-10,00,000, subject to revision from time to time, as may be determined by the Board of Directors of the Company on the recommendation of the Nomination and Remuneration Committee.
- II. **Commission:** Such amount as may be determined by the Board, on the recommendation of the Nomination and Remuneration Committee, depending on the Company's performance every year.
- III. **Perquisites:** As set out in the Explanatory Statement annexed hereto, as approved by the Board on the recommendation of the Nomination and Remuneration Committee.
- IV. **Minimum Remuneration:** Where in any financial year, during the currency of his tenure, the Company has no profits or its profits are inadequate, it may pay him remuneration by way of salary, allowances, commission and perquisites not exceeding the limits specified in Part II of Section II of Schedule V of the Companies Act, 2013 or such other limits as may be prescribed by the Government from time to time as minimum remuneration.
- V. **Total remuneration:** The total remuneration as aforementioned, together with the remuneration drawn from M/s Lucas-TVS Limited in his capacity as Joint Managing Director as approved by its shareholders shall not exceed higher of the 5% of the net profits of either of the Companies as computed under Section 198 of the Companies Act, 2013 every year.

Resolution No.6	Promoter / Public	No. of shares held	No. of votes polled	% of votes polled on outstanding shares	No. of votes – in favour	No. of votes – against	% of votes in favour – on votes polled	% of votes against – on votes polled
Appointment of Mr Arvind Balaji, as Managing Director of the Company	Promoter and Promoter Group	75,09,166	75,09,166	100.00%	75,09,166	-	100.00%	0.00%
	Public - Institutional Holders	44,000	35,000	79.55%	35,000	-	100.00%	0.00%
	Public-Others	37,57,546	2,14,310	5.70%	214310	-	100.00%	0.00%
	Total	113,10,712	77,58,476	68.59%	77,58,476	-	100.00%	0.00%

Result: The above ordinary resolution was passed as the requisite majority of votes were cast/ polled in favour of the resolution.

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Company Secretary

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Item No. 7. RATIFICATION OF THE REMUNERATION OF THE COST AUDITOR FOR THE YEAR 2015-16

"RESOLVED THAT pursuant to Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration of Rs.2 lacs plus service tax as applicable and reimbursement of actual travel and out-of-pocket expenses, for the financial year commencing on 1st April 2015 and ending on 31st March, 2016, as recommended by the Audit Committee and as approved by the Board of Directors of the Company on 25th May 2015, to be paid to Mr K Suryanarayanan, Cost Accountant (Registration No.24946), be and is hereby ratified and confirmed."

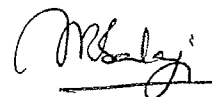
Resolution No. 7	Promoter / Public	No. of shares held	No. of votes polled	% of votes polled on outstanding shares	No. of votes - in favour	No. of votes - against	% of votes in favour - on votes polled	% of votes against - on votes polled
Ratification of the remuneration of the Cost Auditor for the year 2015-16	Promoter and Promoter Group	75,09,166	75,09,166	100.00%	75,09,166	-	100.00%	0.00%
	Public - Institutional Holders	44,000	35,000	79.55%	35,000	-	100.00%	0.00%
	Public-Others	37,57,546	2,14,310	5.70%	2,14,309	1	100.00%	0.00%
	Total	113,10,712	77,58,476	100.00%	77,58,475	1	100.00%	0.00%

Result: The above ordinary resolution was passed as the requisite majority of votes were cast/ polled in favour of the resolution.

All the resolutions as contained in item Nos.1 to 7 of the 30th Annual General Meeting of the Company stood deemed to be passed on 27th August 2015, being the date of the Annual General Meeting of the members.

The Chairman concluded the meeting with a vote of thanks to the shareholders at 12:10 P.M.

Place: Chennai
Date: 4th September 2015


CHAIRMAN

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Company Secretary

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