



INDIA NIPPON ELECTRICALS LTD.

Proceedings of the 28th Annual General Meeting of India Nippon Electricals Limited held on Monday, the 26th August 2013 at the Kasturi Srinivasan Hall (Music Academy Annexe), 168, T.T.K. Road, Chennai-600014 at 10.30 A.M.

Attendance:

In person : 565 shareholders
Through proxy : 2 shareholders

Total : 567 shareholders

Directors Present:

M/s T K Balaji, Chairman
Arvind Balaji, Whole-time Director
K Seshadri
K G Raghavan
V Balaraman
G Chidambar
R Vijayaraghavan
M Namatame
Yuji Tomita

The Register maintained under Section 307 of the Companies Act, 1956 was kept open throughout the meeting.

After the prayer, Mr T K Balaji, Chairman of the Company took the Chair and called the meeting to order.

Mr S Sampath, Chief Financial Officer & Company Secretary read the Notice convening the meeting.

Mr S Sampath, Chief Financial Officer & Company Secretary read the Auditors' Report.

Mr T K Balaji, Chairman of the Company delivered the Chairman's speech.

ORDINARY BUSINESS

1. Adoption of Audited Accounts for the year ended 31st March 2013 and the Directors' and Auditors' Report

Following discussions, Mr R Vidyasankar, a shareholder, proposed the following resolution as an ordinary resolution:

RESOLVED THAT the audited Balance Sheet as at 31st March 2013 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.

Mr R Rengarajan, a shareholder, seconded the resolution.

The resolution was put to vote by show of hands and was declared passed unanimously.

2. Declaration of Dividend

Mr AR Venkataraman, a shareholder, proposed the following resolution as an ordinary resolution:

Resolved that the first and second interim dividends respectively of Rs.4.00 and Rs.5.00 per share declared by the Board of Directors of the Company on 6th Feb'13 and 28th May'13 on 11310712 equity shares of Rs.10/- each fully paid, absorbing a total sum of Rs.1017.97 lacs (excluding dividend tax of Rs.169.51 lacs paid) in the aggregate, be and are hereby treated as the final dividend for the year ended 31st March 2013.

Mr V Giri, a shareholder, seconded the resolution.

The resolution was put to vote by show of hands and was declared passed unanimously.

3. To appoint Auditors and fix their remuneration

Mr Kanthimathinathan, a shareholder proposed the following resolution as an ordinary resolution:

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RESOLVED THAT the retiring Auditors M/s Brahmayya & Co., Chartered Accountants be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as may be determined by the Board of Directors of the Company in addition to travelling and other out-of-pocket expenses actually incurred by them in connection with audit, and fees if any, for the professional services rendered by them in any other capacity from time to time.

Mr Magesh Sivaramakrishnan, a shareholder, seconded the resolution.

The resolution was put to vote by show of hands and was declared passed unanimously.

4. Election of a Director, liable to retire by rotation

Mr Vaithianathan, a shareholder, proposed the following resolution as an ordinary resolution:

RESOLVED THAT Mr R D Flint, who retires by rotation and does not seek re-election, be not re-appointed as a director of the Company.

Mr R Rengarajan, a shareholder, seconded the resolution.

The resolution was put to vote by show of hands and was declared passed unanimously.

5. Election of a Director, liable to retire by rotation

Mr Kanthimathinathan, a shareholder, proposed the following resolution as an ordinary resolution:

RESOLVED THAT Mr K Seshadri, be and is hereby appointed as Director of the Company liable for retirement by rotation.

Mr Vaithianathan, a shareholder, seconded the resolution.

The resolution was put to vote by show of hands and was declared passed unanimously.

6. Election of a Director, liable to retire by rotation

Mr V Giri, a shareholder, proposed the following resolution as an ordinary resolution:

RESOLVED THAT Mr K G Raghavan, be and is hereby appointed as Director of the Company liable for retirement by rotation.

Mr R Rengrajan, a shareholder, seconded the resolution.

The resolution was put to vote by show of hands and was declared passed unanimously.

Special Business

7. Appointment of Mr Arvind Balaji as a director not liable to retire by rotation

Mr S Sukumar, a shareholder, proposed the following resolution as an ordinary resolution:

RESOLVED THAT Mr Arvind Balaji, be and is hereby appointed as Director of the Company not liable for retirement by rotation.

Mr Mythreyan, a shareholder, seconded the resolution.

The resolution was put to vote by show of hands and was declared passed unanimously.

8. Appointment of Mr R Vijayaraghavan as a director liable to retire by rotation

Mr Kanthimathinathan, a shareholder, proposed the following resolution as an ordinary resolution:

RESOLVED THAT Mr R Vijayaraghavan, be and is hereby appointed as Director of the Company liable for retirement by rotation.

Mr Magesh Sivaramakrishnan, a shareholder, seconded the resolution.

The resolution was put to vote by show of hands and was declared passed unanimously.

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9. Appointment of Mr Arvind Balaji as Whole-time Director of the Company u/s 269 of the Companies Act 1956

Mr Mythreyan, a shareholder, proposed the following resolution as an ordinary resolution:

"Resolved that pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 (the Act), as amended or re-enacted from time to time, read with schedule XIII to the Act, the Company hereby approves the appointment of Mr Arvind Balaji, as a Whole-time Director of the Company for a period of five years, subject to renewal for further periods of five years at a time, with effect from 1st April 2013 on a remuneration, as set out in the agreement dated 1st April 2013 entered into between the Company and Mr Arvind Balaji and as detailed below:

- I. **Salary:** Rs.2,00,000 (Rupees two lakhs only) 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 there under or otherwise.

Mr S Sukumar, a shareholder, seconded the resolution.

The resolution was put to vote by show of hands and was declared passed unanimously.

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10. Commission to Directors

Mr V Giri, a shareholder, proposed the following resolution as a special resolution:

RESOLVED THAT pursuant to the provisions of Articles 118 (b) (ii) of the Articles of Association of the Company, Section 198, Section 309 and other applicable provisions, if any, of the Companies Act, 1956, a sum not exceeding one percent per annum of the net profits of the Company calculated in accordance with the provisions of Sections 198, 349 and 350 of the Companies Act, be paid to and distributed amongst the Directors (other than Managing/ whole-time Directors) or some or any of them in such amounts or proportions and in such manner as may be decided by the Board of Directors and such payments shall be made in respect of the profits of the Company for each year for a period of five financial years commencing from 1st April 2013.

Mr R Rengarajan, a shareholder, seconded the resolution.

The resolution was put to vote by show of hands and was declared passed unanimously.

The Chairman thereafter announced the formal closure of the meeting.

Place: Chennai
Date: 26th August 2013


CHAIRMAN

CERTIFIED TRUE COPY
For India Nippon Electricals Ltd.


S. Sampath
Chief Financial Officer & Company Secretary



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