



INDIA NIPPON ELECTRICALS LIMITED

**31st ANNUAL REPORT
2015-2016**

DOMESTIC



EXPORT





INDIA NIPPON ELECTRICALS LIMITED

Board of Directors

T K BALAJI, Chairman
ARVIND BALAJI, Managing Director
T MOMOSE
K SESHADRI
KG RAGHAVAN
V BALARAMAN
G CHIDAMBAR
R VIJAYARAGHAVAN
JAYSHREE SURESH, Woman Director

Audit Committee

K G RAGHAVAN, Chairman
K SESHADRI
V BALARAMAN
G CHIDAMBAR
R VIJAYARAGHAVAN

Stakeholders Relationship Committee

T K BALAJI, Chairman
K SESHADRI
G CHIDAMBAR

Nomination & Remuneration Committee

V BALARAMAN, Chairman
T K BALAJI
R VIJAYARAGHAVAN

CSR COMMITTEE

G CHIDAMBAR, Chairman
ARVIND BALAJI
JAYSHREE SURESH

Chief Financial Officer

ELANGO SRINIVASAN

Company Secretary

S SAMPATH

Auditors

M/s. BRAHMAYYA & CO
48, Masilamani Road, Balaji Nagar
Royapettah
Chennai 600 014

Cost Auditor

K SURYANARAYANAN

Secretarial Auditor

B. Chandra

Bankers

BANK OF BARODA
ICICI BANK LIMITED
AXIS BANK LIMITED

Listing of Shares with

National Stock Exchange of India Ltd., Mumbai
BSE Ltd., Mumbai

Registered Office

'Aalim Centre', 82 Dr. Radhakrishnan Salai,
Mylapore, Chennai 600 004
Ph: 044-28110063/28110074 Fax: 044-28115624
E.mail: inelcorp@inel.co.in,
investorscomplaints@inel.co.in
CIN: L31901TN1984PLC011021
Website : www.indianippon.com.

Subsidiary Company

PT Automotive Systems Indonesia

Associate Company

Synergy Shakthi Renewable Energy P. Ltd.

Factories

1. Hosur-Thalli Road
Ulveeranapalli 635 114
Denkanikotta Taluk, Krishnagiri District - Tamilnadu
Ph : 04347 - 233432 - 233438
2. Madukarai Road
Kariamanickam, Nettapakkam Commune
Puducherry 605 106
Ph : 0413 - 2697801-2697827
3. Masani Village
Rewari District, Haryana 122 106
Ph : 01274-240860/240212

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INDIA NIPPON ELECTRICALS LIMITED

FINANCIAL HIGHLIGHTS OF TEN YEARS PERFORMANCE

₹ lacs

S.No.	Description	Year ended 31 st March									
		2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Profit and Loss Account											
1.	Sales (excluding Excise duty)	14319	12023	12792	16908	22885	26005	26802	26153	32653	33820
2.	Other income	532	732	872	620	624	803	890	846	690	822
3.	Total Income (1+2)	14851	12755	13664	17528	23509	26808	27692	26999	33343	34642
4.	Gross Profit before interest, depreciation and tax	2550	2141	1793	2952	3767	4525	4146	3183	3978	4174
5.	Depreciation	364	326	284	357	415	528	613	562	775	665
6.	Profit before interest & tax	2186	1815	1509	2595	3352	3997	3533	2621	3203	3509
7.	Interest	18	11	17	18	17	21	18	12	16	14
8.	Profit before tax	2168	1804	1492	2577	3335	3976	3515	2609	3187	3495
9.	Profit after tax	1845	1502	1175	1992	2543	3130	2837	1966	2266	2533
Balance Sheet											
10.	Net Fixed Assets (including revaluation reserves)	2144	1867	1798	2633	2832	3710	3935	3970	4236	4301
11.	Investments	8546	9962	7272	9999	8857	9344	10968	11913	14178	15696
12.	Net Current Assets	2469	1951	5221	2943	5477	6059	5859	5654	4160	3883
13.	Total (10+11+12)	13159	13780	14291	15575	17166	19113	20762	21537	22574	23880
14.	Share capital	808	808	808	808	808	1131	1131	1131	1131	1131
15.	Reserves & Surplus	11995	12818	13425	14709	16358	17982	19631	20406	21443	22749
16.	Net Worth (14+15) (including revaluation reserves)	12803	13626	14233	15517	17166	19113	20762	21537	22574	23880
17.	Loan funds	356	154	58	58	-	-	-	-	-	-
18.	Total	13159	13780	14291	15575	17166	19113	20762	21537	22574	23880
19.	Return on Net Worth (%) (excluding revaluation reserves)	15	11	8	13	15	17	14	9	10	11
20.	Return on Capital Employed (%) (excluding revaluation reserves)	17	14	11	17	20	21	17	12	14	15
21.	Earning per share (₹)	23	19	15	25	22	28	25	17	20	22
22.	Dividend per share (₹)	7.5	7.0	6.0	7.5	9.5	9	9	9	9	9
23.	Book value per share (₹) (excluding revaluation reserves)	153	164	171	187	208	165	180	187	196	208
24.	Fixed Assets Turnover (No. of times)	7	6	7	6	8	7	7	7	8	8
25.	Working Capital Turnover (No. of times)	6	6	2	6	4	4	5	5	8	9
26.	Gross profit as % of total income	17	17	13	17	16	17	15	12	12	12
27.	Net profit as % of total income	12	12	9	11	11	12	10	7	7	7
28.	No. of Shareholders	4760	4828	4827	6052	5806	6289	6295	6427	7247	7656

NB : Share capital raised from ₹ 8.08 crores to ₹ 11.31 crores following the allotment of bonus shares during September 2011.

INDIA NIPPON ELECTRICALS LIMITED

Regd. Office: 'Aalim Centre' 2nd Floor, No.82, Dr Radhakrishnan Salai
Mylapore, Chennai-600004 CIN: L31901TN1984PLC011021
Tel: 044-28110063/74. Fax: 044-28115624
E.mail: inelcorp@inel.co.in; investorscomplaints@inel.co.in
Website: www.indianippon.com



Notice to Shareholders

NOTICE is hereby given that the Thirty First Annual General Meeting of the Shareholders of India Nippon Electricals Limited will be held on Saturday the 27th August 2016 at Satguru Gnanananda Hall, 314, T.T.K. Road, Chennai 600018 at 10.35 A.M. to transact the following business.

Ordinary Business

1. Adoption of audited accounts for the year ended 31st March 2016 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 2016 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 for the year 2015-16

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 Rs.4 and Rs.5 declared by the Board of Directors of the company on 29th January 2016 and 26th March 2016 on 11310712 equity shares of Rs.10 each fully paid, absorbing a total sum of Rs.1017.97 lacs (excluding dividend tax of Rs.209.09 lacs paid) in the aggregate, be and are hereby treated as the final dividend for the year ended 31st March 2016.

3. To ratify the appointment of Auditors, Ms Brahmayya & Co., Chennai

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 re-appointment of M/s Brahmayya & Co., Chartered Accountants (Regn.No.000511S) for the third 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.

4. Election of Mr T Momose as Director, liable for retirement 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 (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

5. Appointment of Mr Mukesh Kumar Somani as a Director not liable for retirement by rotation:

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

Resolved that Mr Mukesh Kumar Somani (DIN: 06608983), 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 not liable for retirement by rotation.

6. Ratification of the remuneration of Mr K Suryanarayanan, the Cost Auditor for the year 2016-17

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

"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.2.20 lacs plus service tax as applicable and reimbursement of actual travel and out-of-pocket expenses, for the financial year commencing on 1st April 2016 and ending on 31st March, 2017, as recommended by the Audit Committee and as approved by the Board of Directors of the Company on 28th May 2016, to be paid to Mr K Suryanarayanan, Cost Accountant (Registration No.24946), be and is hereby ratified and confirmed."

Chennai
28th May 2016

By order of the Board
S SAMPATH
Company Secretary



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. A person can act as proxy on behalf of members not exceeding 50 and holding in the aggregate not more than ten percent of the total share capital of the Company. However, a single person may act as a Proxy for a member holding more than ten percent of the total voting share capital of the Company provided that such person shall not act as a Proxy for any other person.**
- b. The Register of Members and Share Transfer Books of the Company will remain closed from 21st August 2016 to 27th August 2016 [both days inclusive] for the purpose of annual general meeting.
- c. Pursuant to Section 205A read with Section 205C of the Companies Act, 1956, dividends declared for the year ended 31st March 2010 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 SEBI (LODR) Regulations 2015, a brief resume of Mr T Momose who is proposed to be re-appointed as director at this meeting and Mr Mukesh Kumar Somani, who is being appointed as a director not liable for retirement by rotation, is given below.
- e. The Notice of the 31st Annual General Meeting of the Company and instructions for remote 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. All documents referred to in the accompanying Notice and the Explanatory Statement will be open for inspection at the Registered Office of the Company on all working days between 10.00 am and 12.00 noon.
- h. 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.

Item no.4 of the Notice to shareholders

Mr Tadayo Momose was born on 29th Sep 1959. He holds a Bachelor degree in Law and Economics from Chiba University, Japan. He served Nissan Motor Co Ltd, Japan from 1982 to

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2014. He joined Mahle Electric Drives Japan Corporation (erstwhile Kokusan Denki Co Ltd, Japan) in April 2014 as Operating Officer/ Dy. General Manager of Sales division.

He does not hold any share in the Company. He is not related to any director of the company in terms of the Companies Act 2013.

The resolution is recommended for the approval of the shareholders.

EXPLANATORY STATEMENTS

THE FOLLOWING EXPLANATORY STATEMENTS AS REQUIRED UNDER SECTION 102 OF THE COMPANIES 2013 SET OUT ALL MATERIAL FACTS RELATING TO THE BUSINESS UNDER ITEM NOS.5 AND 6 OF THE ACCOMPANYING NOTICE DATED 28TH MAY 2016.

ITEM NO.5 OF THE NOTICE TO SHAREHOLDERS

Mr Mukesh Kumar Somani was born on 16th October 1970. He holds a Bachelor degree in Commerce and is a Chartered Accountant and a Company Secretary. He started his career in the year 1994 as a Senior Project Executive with Indbank Merchant Banking Services Ltd, Mumbai and Delhi and served for 4 years; he thereafter served Vintron Informatics Ltd., Delhi as AGM Finance from 1998 until 2003. He was the Finance Manager in Maruti Suzuki, Gurgaon for 2 years upto 2005 after which he served Emirates Shipping Agencies India & CSAV Group, Delhi as CFO & Company Secretary for 5 years before joining as Sr. GM - Finance & Corporate Affairs with Subros Limited, Delhi in 2010. He joined MAHLE Holding India in the year 2012 and is an India Region CFO (Director) & Company Secretary.

He does not hold any share in the Company. He is not related to any director of the company in terms of the Companies Act 2013.

INTEREST OF DIRECTORS

Mr Mukesh Kumar Somani is interested in this resolution.

The resolution is recommended for the approval of the shareholders.

ITEM NO.6 OF THE NOTICE TO SHAREHOLDERS

At the meeting of the Board of Directors of the Company held on the 28th May 2016, the Board has approved, after considering the recommendation of the Audit Committee, the appointment of Mr K Suryanarayanan, Cost Accountant (Registration No.24946), for the conduct of the Cost Audit of the Company at a remuneration of Rs.2.20 lacs plus service tax as applicable and reimbursement of actual travel and out-of-pocket expenses for the financial year ending March 31, 2017. The remuneration approved by the Board of Directors needs to be ratified by the shareholders under Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014.

The resolution at Item No.6 of the Notice is set out as an Ordinary Resolution for approval and ratification by the members in terms of Section 148 of the Companies Act, 2013.



None of the Directors and/or Key Managerial Personnel of the Company and their relatives is concerned or interested in the resolution set out at Item No.6.

The resolution is recommended for the approval of the shareholders.

INSTRUCTIONS FOR MEMBERS OPTING FOR REMOTE E-VOTING:

a)	<p>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) in compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules 2014.</p> <p>'Electronic voting system' means a secured system based process of display of electronic ballots, recording of votes of the Members and the number of votes polled in favour of or against, in such a manner that the entire voting exercised by way of electronic means gets registered and counted in an electronic registry in a centralised server with adequate cyber security.</p> <p>'Remote e-voting' means the facility of casting votes by a Member using an electronic voting system from a place other than venue of a general meeting.</p>
b)	The facility for voting through ballot paper shall be made available at the meeting and Members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting.
c)	The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date fixed for this purpose, viz., 20 th August 2016.
d)	Mr S Ananthanarayan (CP 1828), Practicing company Secretary, Chennai has been appointed as Scrutinizer for conducting the e-Voting process in a fair and transparent manner.
(e)	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 Participant(s)]:

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	(i)	Open e-mail and then open PDF file viz., "India Nippon Electricals Limited –31st AGM remote 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 remote e-voting opens. Go to "remote e-voting" icon and select "Active Remote E-voting Cycles".
	(vii)	Select "EVEN" of India Nippon Electricals Limited.
	(viii)	Now members are ready for remote 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 'geetakumar2000@yahoo.com' with a copy marked to evoting@nsdl.co.in and kr.raman@scl.co.in .