

INDIA NIPPON ELECTRICALS LIMITED

**34th Annual Report
2018-2019**





INDIA NIPPON ELECTRICALS LIMITED

Board of Directors

T K BALAJI, Chairman
ARVIND BALAJI, Managing Director
ANANT JAIVANT TALAULICAR
(appointed w.e.f. 06.04.2019)
V BALARAMAN
G CHIDAMBAR
(resigned w.e.f.06.04.2019)

JAYSHREE SURESH
T MOMOSE
MUKESH KUMAR SOMANI
PRIYAMVADA BALAJI
KG RAGHAVAN
R VIJAYARAGHAVAN

Audit & Risk Management Committee

K G RAGHAVAN, Chairman
ANANT JAIVANT TALAULICAR
V BALARAMAN
R VIJAYARAGHAVAN

Stakeholders Relationship Committee

R VIJAYARAGHAVAN, Chairman
T K BALAJI
JAYSHREE SURESH

Nomination & Remuneration Committee

V BALARAMAN, Chairman
T K BALAJI
R VIJAYARAGHAVAN

CSR COMMITTEE

JAYSHREE SURESH, Chairperson
ARVIND BALAJI
PRIYAMVADA BALAJI

President

RAVINDER SHARMA

Chief Technical Officer

R UMA SHANKAR

Chief Financial Officer

ELANGO SRINIVASAN

Company Secretary

G VENKATRAM

Auditors

DELOITTE HASKINS & SELLS LLP, CHENNAI

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

11 & 13, Patullos Road, Chennai 600 002
Ph: 044-2846 0063 E.mail: inelcorp@inel.co.in,
CIN: L31901TN1984PLC011021

Website : www.indianippon.com.

Subsidiary Company

PT Automotive Systems Indonesia

Associate Company

Synergy Shakthi Renewable Energy Pvt. Ltd.

Factories

- Hosur-Thalli Road
Uliveeranapalli 635 114, Tamilnadu
Ph : 04347 - 233432 - 233438
- Madukarai Road
Kariamanickam, Nettapakkam Commune
Puducherry 605 106. Ph:0413-2697801-2697827
- Masani Village
Rewari District, Haryana 122 106
Ph : 01274-240860/240212
- B-36, Five Star Industrial Area, Kagal Hatknangale
City. Kolhapur - 416 216.
Maharashtra.

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INDIA NIPPON ELECTRICALS LIMITED

FINANCIAL HIGHLIGHTS OF TEN YEARS PERFORMANCE

Rs. in lacs

S.No.	Description	Year ended 31st March									
		2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Profit and Loss Account											
1	Sales #	16908	22885	26005	26802	26153	32653	37703	39265	46301	52061
2	Other income	620	624	803	890	846	690	1144	1632	1576	1894
3	Total Income	17528	23509	26808	27692	26999	33343	38847	40897	47877	53955
4	Profit before interest, depreciation and tax	2952	3767	4525	4146	3183	3978	4564	5131	7688	9172
5	Depreciation	357	415	528	613	562	775	418	417	597	773
6	Profit before interest and tax	2595	3352	3997	3533	2621	3203	4146	4714	7091	8399
7	Interest	18	17	21	18	12	16	13	6	7	8
8	Profit before tax	2577	3335	3976	3515	2609	3187	4133	4708	7084	8391
9	Profit after tax	1992	2543	3130	2837	1966	2266	3058	3240	5010	5951
Balance Sheet											
10	Net Fixed Assets	2633	2832	3710	3935	3970	4236	4629	5481	6548	6766
11	Investments	9999	8857	9344	10968	11913	14178	17606	21421	24091	27431
12	Net Current Assets	2943	5477	6059	5859	5654	4160	4364	1897	3863	5930
13	Total	15575	17166	19113	20762	21537	22574	26599	28799	34502	40127
14	Share capital	808	808	1131	1131	1131	1131	1131	1131	1131	1131
15	Reserves & Surplus	14709	16358	17982	19631	20406	21443	25468	27668	33371	38996
16	Net worth	15517	17166	19113	20762	21537	22574	26599	28799	34502	40127
17	Loan funds	58	-	-	-	-	-	-	-	-	-
18	Total	15575	17166	19113	20762	21537	22574	26599	28799	34502	40127
19	Return on Net worth (%)	13	15	17	14	9	10	11	11	15	15
20	Return on capital employed (%)	17	20	21	17	12	14	16	16	21	21
21	Earning per share (Rs.) - Refer note 2	24.65	22.49	27.67	25.08	17.38	20.03	27.04	14.32	22.15	26
22	Dividend per share (Rs.)	7.5	9.5	9.0	9.0	9.0	9.0	9.0	10.0	6.5	7.0
23	Book value per share (Rs.) - Refer note 2	187	208	165	180	187	196	235	127	153	177
24	Fixed assets turnover (No. of times)	6	8	7	7	7	8	8	7	7	8
25	Working capital turnover (No.of times)	6	4	4	5	5	8	9	21	12	9
26	Profit as % of total income	17	16	17	15	12	12	12	13	16	17
27	Net profit as % of total income	11	11	12	10	7	7	8	8	10	11
28	No.of shareholders	6052	5806	6289	6295	6427	7247	7656	8821	12255	12229

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

Includes Excise duty and net of turnover discount for the FY's 2015-16, 2016-17 & 2017-18 (included from Apr 17 to Jun 17)

Note:

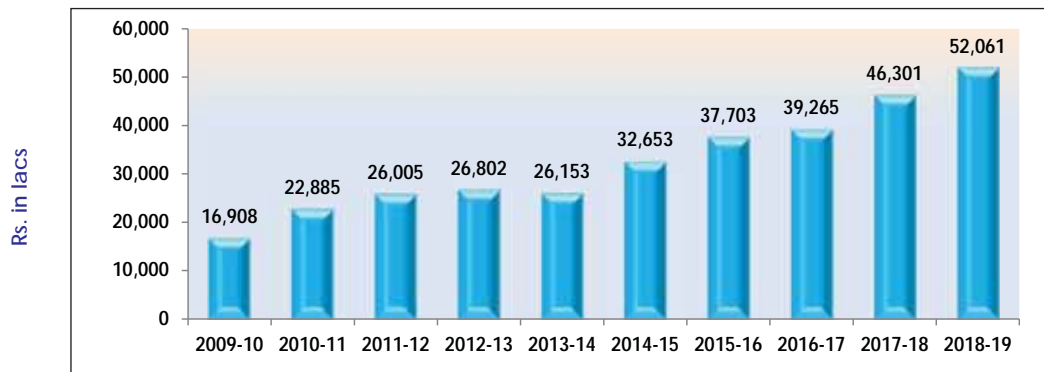
1. Figures in respect of FY's 2009-10 to 2014-15 are as per Indian GAAP and that of FY's 2015-16, 2016-17, 2017-18 & 2018-19 are as per Indian Accounting Standards (Ind AS).

2. The Equity shares of Rs. 10 each is split in to 2 equity shares of Rs. 5 each, accordingly the EPS, Dividend per share and Book value per share has been computed by taking the increased number of shares for FY 2016-17 and 2017-18.

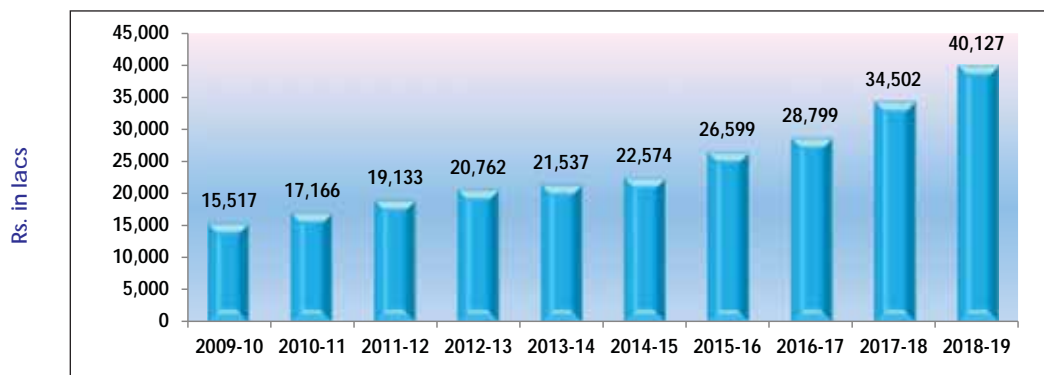


FINANCIAL HIGHLIGHTS 2010 - 2019

SALES



NETWORTH



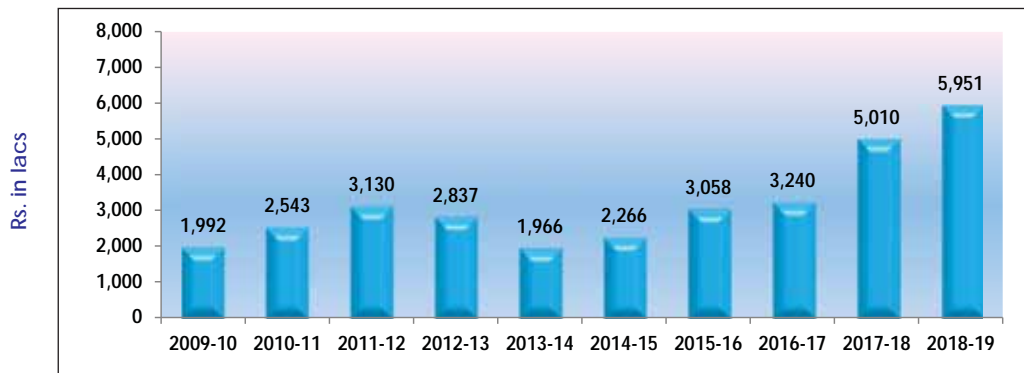
RETURN ON NETWORTH



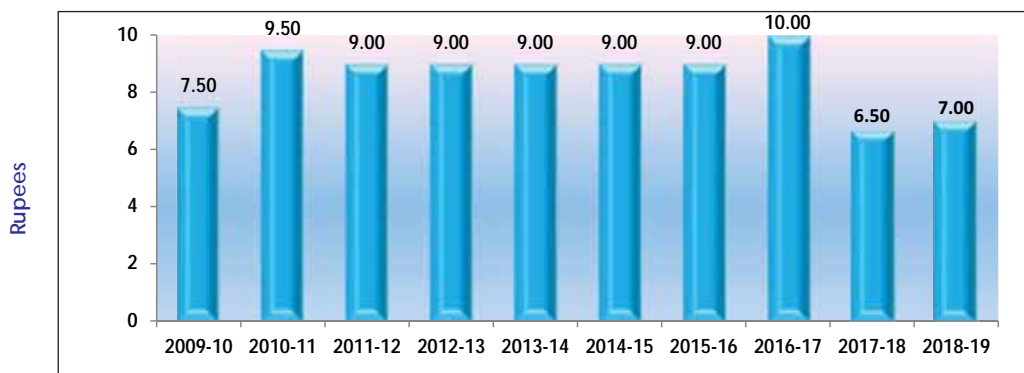
to read alongwith Notes in page 2

INDIA NIPPON ELECTRICALS LIMITED

PROFIT AFTER TAX



DIVIDEND PER SHARE



EARNING PER SHARE



to read alongwith Notes in page 2



Notice to Shareholders

NOTICE is hereby given that the 34th Annual General Meeting of the Shareholders of India Nippon Electricals Limited will be held on Friday the 16th August 2019 at Kasturi Srinivasan Hall, No.168 T.T.K. Road, Chennai 600014 at 10.00 A.M. to transact the following business.

ORDINARY BUSINESS

1. Adoption of audited accounts for the year ended 31st March 2019 and the Directors' and Auditors' report thereon.

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 2019, the statement of profit and loss, notes forming part thereof, the cash flow statement for the year ended on that date and the consolidated financial statements together with auditors' report thereon and the Board's report as presented to the meeting be and are hereby approved and adopted.

2. Declaration of Dividend for the year 2018-19

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

RESOLVED THAT the first interim dividend of Rs.3 declared and paid for every equity share of face value of Rs.5 each on 22621424 equity shares and the second interim dividend of Rs.4 declared and paid for every equity share of face value of Rs.5 each on 22621424 equity shares, by the Board of Directors of the Company as per Resolutions passed on 9th February 2019 and 6th April 2019 respectively, absorbing a total sum of Rs.1583.50 lacs (excluding dividend tax of Rs.325.49 lacs paid) in the aggregate, be and are hereby noted and confirmed as the final dividend for the year ended 31st March 2019.

3. Election of Mr T K Balaji 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 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.

SPECIAL BUSINESS

4. Appointment of Independent Director: Mr Anant Jaivant Talaulicar

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 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr Anant Jaivant Talaulicar (holding DIN 00031051), who, based on the recommendations of the Nomination and Remuneration Committee of the Company, was appointed as an Independent additional Director on the Board and has submitted

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a declaration that he meets the criteria for independence as provided under Section 149 (6) of the Act and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director and is eligible for appointment, be and is hereby appointed as an Independent Director of the Company to hold office for four consecutive years from 6th April 2019 and the provisions of Section 152 (6) and (7) in respect of retirement of directors by rotation shall not be applicable to him during his tenure..

5. Re-Appointment of Independent Director: Mr V Balaraman

To consider and if thought fit, to pass with or without modification, the following resolution as a Special 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 recommended by the Nomination and Remuneration Committee of the Company for re-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 re-appointed as an Independent Director of the Company to hold office from the conclusion of this Annual General Meeting i.e. 16th August, 2019 until the conclusion of the Annual General Meeting to be held in the year 2022 and the provisions of Section 152 (6) and (7) in respect of retirement of directors by rotation shall not be applicable to him during his tenure.

6. Re-Appointment of Independent Director: Mr K G Raghavan

To consider and if thought fit, to pass with or without modification, the following resolution as a Special 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 recommended by the Nomination and Remuneration Committee of the Company for re-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 re-appointed as an Independent Director of the Company to hold office from the conclusion of this Annual General Meeting i.e. 16th August, 2019 until the conclusion of the Annual General Meeting to be held in the year 2023 and the provisions of Section 152 (6) and (7) in respect of retirement of directors by rotation shall not be applicable to him during his tenure.

7. Re-Appointment of Independent Director: Mr R Vijayaraghavan

To consider and if thought fit, to pass with or without modification, the following resolution as a Special 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 recommended by the Nomination and Remuneration Committee of the Company for re-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 re-appointed as an Independent Director of the Company to hold office from the conclusion of this Annual General Meeting i.e. 16th August, 2019 until the conclusion of the Annual General Meeting to be held in the year 2023 and the provisions of Section 152 (6) and (7) in respect of retirement of directors by rotation shall not be applicable to him during his tenure.



8. Re-Appointment of Independent Director: Dr Jayshree Suresh

To consider and if thought fit, to pass with or without modification, the following resolution as a Special 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 Jayshree Suresh (holding DIN 06861217), an Independent Director of the Company, who has submitted a declaration that she meets the criteria for independence as provided in Section 149 (6) of the Act and who is recommended by the Nomination and Remuneration Committee of the Company for re-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 re-appointed as an Independent Director of the Company to hold office from the conclusion of this Annual General Meeting i.e. 16th August, 2019 until the conclusion of the Annual General Meeting to be held in the year 2022 and the provisions of Section 152 (6) and (7) in respect of retirement of directors by rotation shall not be applicable to him during his tenure.

9. Ratification of the remuneration of Mr K Suryanarayanan, the Cost Auditor for the year 2019-20

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

RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the remuneration not exceeding Rs. 3.16 lacs (Rupees Three Lacs and Sixteen Thousand only) plus taxes as applicable and reimbursement of actual travel and out-of-pocket expenses for the financial year ending 31st March, 2020 to be paid to Mr Suryanarayanan, Cost Accountant (Registration No.24946) as approved by the Board of Directors of the Company to conduct the audit of the cost records, be and is hereby ratified and confirmed.

By order of the Board

Place : Chennai
Date : May 30, 2019

G Venkatram
Company Secretary

NOTES:

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.

The Register of Members and Share Transfer Books of the Company will remain closed from 10th August 2019 to 16th August 2019 [both days inclusive] for the purpose of Annual General Meeting.

Pursuant to Section 125 of the Companies Act, 2013, dividends declared for the year ended 31st March 2012 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.

The Notice of the 34th 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.

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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.

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.

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.

IN TERMS OF SEBI (LODR) REGULATIONS 2015 READ WITH SECRETARIAL STANDARDS ON GENERAL MEETING, A BRIEF PROFILE AND OTHER DETAILS OF MR T K BALAJI WHO RETIRES BY ROTATION AND OFFERS HIMSELF FOR RE-APPOINTMENT AT THIS MEETING IS GIVEN BELOW

Mr T K Balaji was born on 12th July 1948. He is a Bachelor of Engineering, securing first rank from Madras University and is also a Master of Business Administration from IIM Ahmedabad with a Gold medal for outstanding scholastic performance. Mr T K Balaji was a member of Development Council for Automobiles & Allied Industries, Government of India. He was the past President of Automotive Component Manufacturers Association of India (ACMA). He had served on the CII National Council for a number of years. He was conferred a Special Award by the FIE Foundation of Maharashtra in March 1995 in recognition of his contribution to the development of automotive component industry.

He is the Chairman of India Japan Lighting P Ltd and Lucas Indian Service Ltd. He is the Chairman and Managing Director of Lucas TVS Ltd, Managing Director of Delphi TVS Technologies Ltd and Director in Sundaram Clayton Ltd, Titan Company Ltd, TVS Automotive Systems Ltd, TVS Credit Services Ltd, SB Industrial Ventures P Ltd, TVS & Sons P Ltd, TVS Investments P Ltd and Cheema Industrial Ventures P Ltd. Further details as required under the Secretarial Standards are available in the report on Corporate Governance, which forms part of the Board's Report.

The resolution regarding re-appointment of Mr T K Balaji is recommended for the approval of the shareholders. Mr T K Balaji, Chairman, Mr Arvind Balaji, Managing Director and Ms. Priyamvada Balaji, Director are interested in the resolution.

EXPLANATORY STATEMENTS

THE FOLLOWING EXPLANATORY STATEMENTS AS REQUIRED UNDER SECTION 102 OF THE COMPANIES 2013 SET OUT ALL MATERIAL FACTS RELATING TO THE BUSINESSES UNDER ITEM NOS. 4-9 OF THE ACCOMPANYING NOTICE DATED MAY 30, 2019.

ITEM NO.4

At the meeting held on 6th April 2019 the Board, on the recommendation of the Nomination & Remuneration Committee (NRC), appointed Mr Anant Jaivant Talaulicar (DIN 00031051) as an Independent additional Director. The term of his appointment as an additional Director shall be up to the date of AGM while the term as Independent Director was proposed to be 4 (four) years from 6th April, 2019, subject to the approval of the shareholders. Mr Anant Jaivant Talaulicar has given a declaration to the Board that he meets the criteria of independence as provided under section 149(6) of the Act. In the opinion of the NRC and the Board, Mr Anant Jaivant Talaulicar fulfils the conditions specified under the Companies Act, 2013, SEBI (LODR) Regulations, 2015 for appointment as Independent Director and his appointment would benefit the Company in terms of his rich Industry experience and broad range of skill sets. The Company has also received notice in writing from a member proposing the candidature of Mr Anant Jaivant Talaulicar as Independent Director of the Company.

All the relevant documents and the terms and conditions of appointment of Mr Anant Jaivant Talaulicar as Independent Director of the Company shall be open for inspection by the Members at the Registered Office of the Company between 8:30 am to 5:00 pm on all working days (Monday to Saturday) except Sundays and holidays up to the date of Annual General Meeting and the same shall be available at the time of Annual General Meeting. Further, at the meeting of the NRC and the Board held on 6th April, 2019, the Nomination and Remuneration Policy Guidelines was approved. As per the said Policy Guidelines, appointment of Independent Directors shall be for a maximum period of 4 years at a time and Independent Directors above the age of 70 shall be recommended by the Nomination and Remuneration Committee for appointment/ re-appointment