



INDIA NIPPON ELECTRICALS LIMITED

**35th Annual Report
2019-2020**

India Nippon Electricals Limited



www.indianippon.com



Board of Directors

T K BALAJI, Chairman
ARVIND BALAJI, Managing Director
ANANT JAIVANT TALAULICAR
V BALARAMAN
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
HDFC 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: investors@inel.co.in,
CIN: L31901TN1984PLC011021

Website : www.indianippon.com.

Subsidiary Company

PT Automotive Systems Indonesia

Associate Company

Synergy Shakthi Renewable Energy Pvt. Ltd.
(upto 30th March, 2020)

Factories

1. Hosur-Thalli Road
Uliveeranapalli 635 114, Tamilnadu
Ph : 04347 - 233432 - 233438
2. Madukarai Road
Kariamianickam, Nettapakkam Commune
Puducherry 605 106. Ph:0413-2697801-2697827
3. Masani Village
Rewari District, Haryana 122 106
Ph : 01274-240860/240212
- 4*. B-36, Five Star Industrial Area, Kagal Hatknangale
City, Kolhapur - 416 216.
Maharashtra
*closed on 23rd May, 2020.

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INDIA NIPPON ELECTRICALS LIMITED

FINANCIAL HIGHLIGHTS OF TEN YEARS PERFORMANCE

Rs. in lacs

S.No.	Description	Year ended 31st March									
		2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Profit and Loss Account											
1	Sales #	22885	26005	26802	26153	32653	37703	39265	46301	52061	47423
2	Other income	624	803	890	846	690	1144	1632	1576	1894	2972
3	Total Income	23509	26808	27692	26999	33343	38847	40897	47877	53955	50395
4	Profit before interest, depreciation and tax	3767	4525	4146	3183	3978	4564	5131	7688	9172	8205
5	Depreciation	415	528	613	562	775	418	417	597	773	941
6	Profit before interest and tax	3352	3997	3533	2621	3203	4146	4714	7091	8399	7264
7	Interest	17	21	18	12	16	13	6	7	8	55
8	Profit before tax	3335	3976	3515	2609	3187	4133	4708	7084	8391	7209
9	Profit after tax	2543	3130	2837	1966	2266	3058	3240	5010	5951	5520
Balance Sheet											
10	Net Fixed Assets	2832	3710	3935	3970	4236	4629	5481	6548	6766	8922
11	Investments	8857	9344	10968	11913	14178	17606	21421	24091	27431	27389
12	Net Current Assets	5477	6059	5859	5654	4160	4364	1897	3863	5930	5605
13	Total	17166	19113	20762	21537	22574	26599	28799	34502	40127	41916
14	Share capital	808	1131	1131	1131	1131	1131	1131	1131	1131	1131
15	Reserves & Surplus	16358	17982	19631	20406	21443	25468	27668	33371	38996	40785
16	Net worth	17166	19113	20762	21537	22574	26599	28799	34502	40127	41916
17	Loan funds	-	-	-	-	-	-	-	-	-	-
18	Total	17166	19113	20762	21537	22574	26599	28799	34502	40127	41916
19	Return on Net worth (%)	15	17	14	9	10	11	11	15	15	13
20	Return on capital employed (%)	20	21	17	12	14	16	16	21	21	17
21	Earning per share (Rs.) - Refer note 2	22.49	27.67	25.08	17.38	20.03	27.04	14.32	22.15	26.31	24.40
22	Dividend per share (Rs.)	9.5	9.0	9.0	9.0	9.0	9.0	10.0	6.5	7	6.75
23	Book value per share (Rs.) - Refer note 2	208	165	180	187	196	235	127	153	177	185
24	Fixed assets turnover (No. of times)	8	7	7	7	8	8	7	7	8	5
25	Working capital turnover (No. of times)	4	4	5	5	8	9	21	12	9	8
26	Profit as % of total income	16	17	15	12	12	12	13	16	17	16
27	Net profit as % of total income	11	12	10	7	7	8	8	10	11	11
28	No. of shareholders	5806	6289	6295	6427	7247	7656	8821	12255	12229	13720

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:

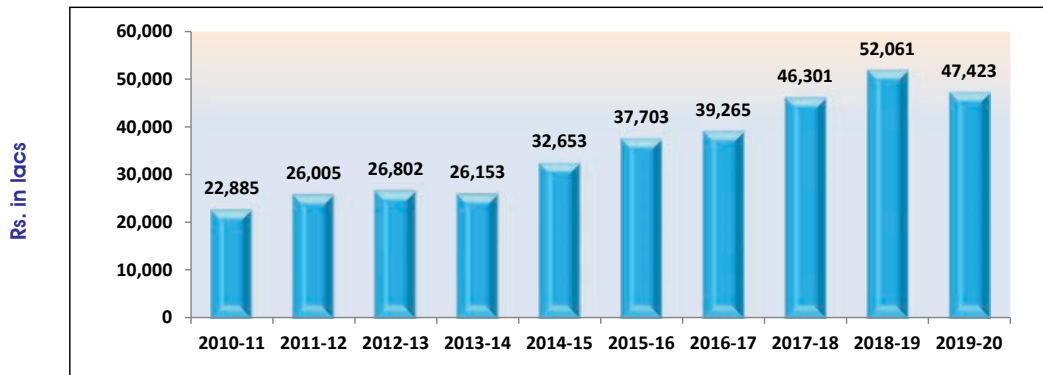
1. Figures in respect of FY's 2009-10 to 2014-15 are as per Indian GAAP and from FY 2015-16 onwards figures are as per Indian Accounting Standards (Ind AS).

2. The Equity shares of Rs. 10 each was sub-divided 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 from FY 2016-17 onwards.

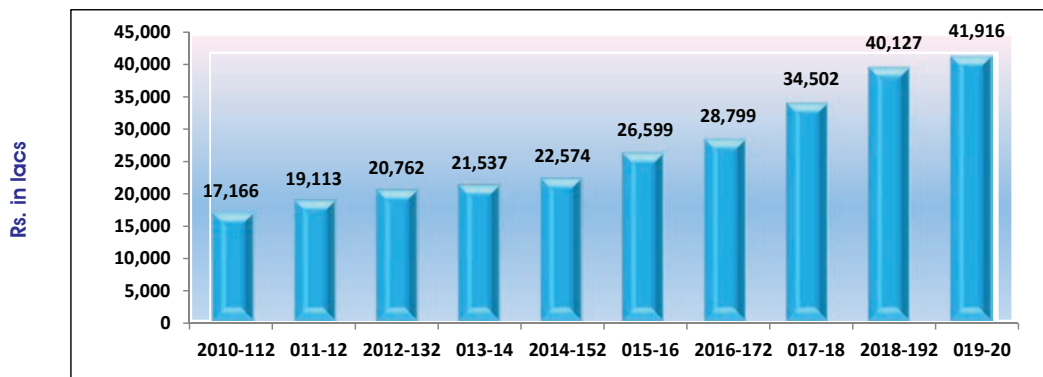


FINANCIAL HIGHLIGHTS 2011 - 2020

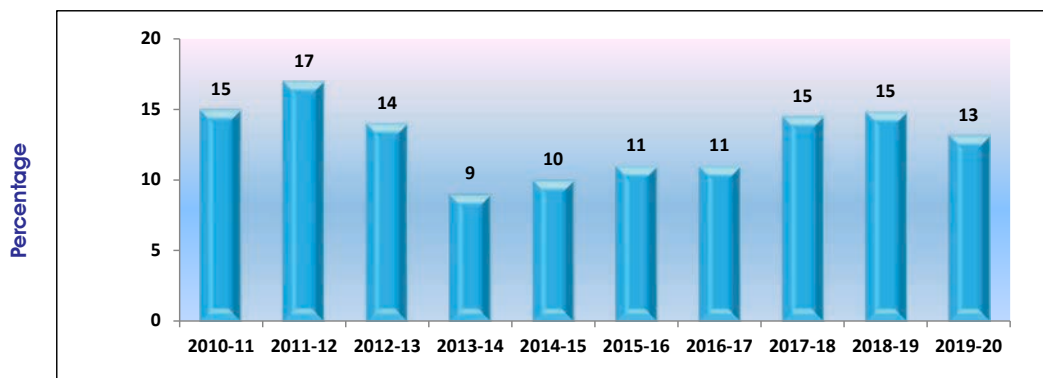
SALES



NETWORTH



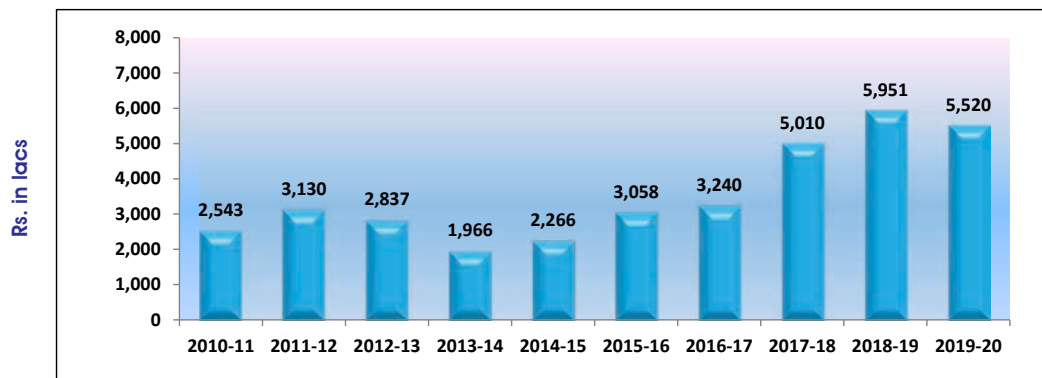
RETURN ON NETWORTH



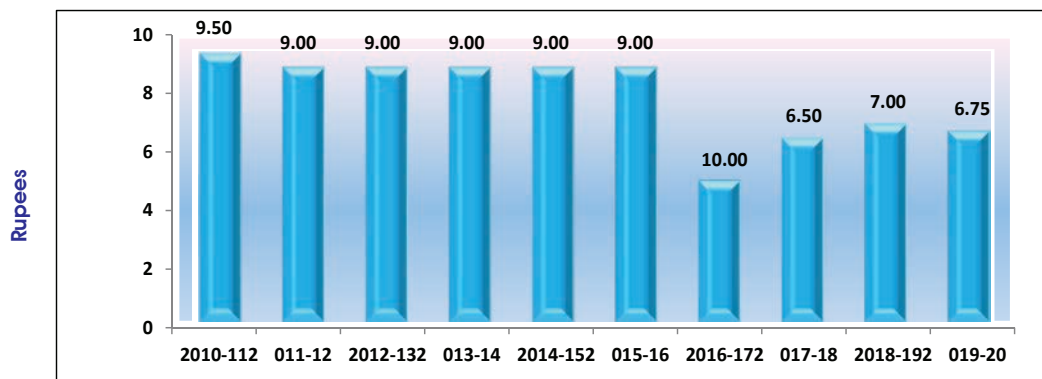
to read alongwith Notes in page 2

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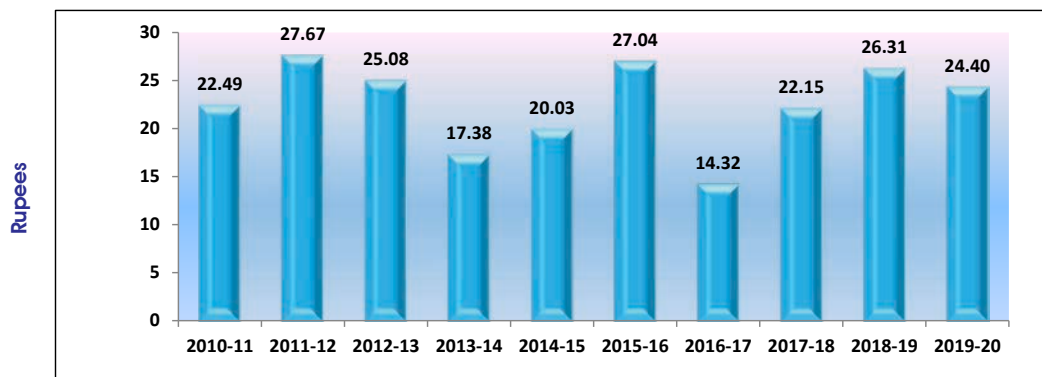
PROFIT AFTER TAX



DIVIDEND PER SHARE



EARNING PER SHARE



to read alongwith Notes in page 2



Notice to Shareholders

NOTICE is hereby given that the 35th Annual General Meeting of the Shareholders of India Nippon Electricals Limited will be held on Monday the 21st September 2020 through Video Conferencing (V.C.)/ Other Audio Visual Means (O.A.V.M.) at 10 A.M. (I.S.T.) to transact the following businesses:

ORDINARY BUSINESS

1. Adoption of audited accounts for the year ended 31st March 2020 and the Directors' and Auditors' report thereon.

To consider and if thought fit, to pass the following resolution as an ordinary resolution:

RESOLVED THAT the audited balance sheet as at 31st March 2020, 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 2019-20

To consider and if thought fit, to pass the following resolution as an ordinary resolution:

RESOLVED THAT the first interim dividend of Rs.3.00 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.3.75 declared and paid for every equity share of face of value of Rs.5 each on 22621424 equity shares, by the Board of Directors of the Company as per Resolutions passed on 10th February 2020 and 16th March 2020 respectively, absorbing a total sum of Rs.1526.95 lacs (excluding dividend tax of Rs. 313.89 lacs paid), be and are hereby noted and confirmed as the final dividend for the year ended 31st March 2020.

3. Election of Mr T Momose as Director liable for retirement by rotation

To consider and if thought fit, to pass 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

4. Ratification of the remuneration of Mr K Suryanarayanan, the Cost Auditor for the year 2020-21

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 lakhs sixteen thousand only) plus taxes as applicable and reimbursement of actual travel and out- of-pocket expenses for the financial year ending 31st March, 2021 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.

5. Adoption of Memorandum of Association as per provisions of Companies Act, 2013:

To consider and, if thought fit, to pass the following resolution as a Special Resolution:

RESOLVED THAT pursuant to the provisions of section 4, 13 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), read with the Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and in accordance with the Table A of the Schedule I of the Act, consent of the members be and is hereby accorded for alterations in the Memorandum of Association of the Company as specified below:

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- a) Renaming Clause III. (A) of the existing Memorandum of Association as "The objects to be pursued by the Company on its Incorporation are:" from "The main objects to be pursued by the Company on its incorporation are:"
- b) Renaming Clause III. (B) of the existing Memorandum of Association as "Matters which are necessary for the furtherance of Objects mentioned in III. (A) are:" from "The objects incidental or ancillary to the attainment of the main objects are:"
- c) Deleting the Clause titled "The other objects of the Company not included in (A) and (B)" of the existing Memorandum of Association and reclassifying sub-clauses contained therein to Clause III. (A) or Clause III. (B) as specified below:
 - i. Sub-clauses 1,2,4,5 & 8 under the existing Clause titled "The other objects of the Company not included in (A) and (B)" shall be moved to Clause III. (A) i.e. "The objects to be pursued by the Company on its Incorporation" numbered as follows:
 - 7. *To carry on the business of manufacture and selling of ceramic, metallic, plastic and polymer goods, metal, ceramic, plastic and polymer, insulants, appliances and goods of all types.*
 - 8. *To carry on the business of manufacture and selling of chemicals, resins, plastics, adhesives, precipitates or any articles or things that may be required for any of the purposes of the Company.*
 - 9. *To construct, lay down, establish, fix, erect, equip and maintain generators, machinery, electrical equipment and cables, lines, accumulators, lamps, fittings and apparatus in the capacity of principals, contractors or otherwise.*
 - 10. *To carry on the business of manufacture and selling of all kinds of apparatus and equipment using electronic devices together with instrumentation intended for testing, controlling, observing and maintaining the equipment and apparatus mentioned above.*
 - 11. *To carry on the business of hirers of and dealers in computers, electronic calculators and business machines of all kinds, to generally act as consultants and advisors or information systems, and purveyors of information services based on the use of computers, electronic calculators and business machine of all kinds and to furnish to the users, system help, know-how programmes and other software relating to use of such machines and allied peripherals.*
 - ii. Sub-clauses 6,7,10,11 & 12 under the existing Clause titled "The other objects of the Company not included in (A) and (B)" shall be moved to Clause III. (B) i.e. "Matters which are necessary for the furtherance of Objects mentioned in III. (A)" numbered as follows:
 - 47. *To carry on the business as Technical Consultants, Advisors and Purveyors of technical know-how formulae, processes and applied technology and to organise and pursue research and development in areas chosen from time to time.*
 - 48. *To take part in the management, supervision or control of the business of operations of any company or undertaking, and for that purpose to appoint and remunerate any Directors, accountants or other experts or agents.*
 - 49. *To undertake and execute any trusts the undertaking whereof may seem desirable, and also to undertake the office of executors, administrator, receiver, and to keep for any company, Government Authority, or body, any register relating to any stocks, funds or shares or securities, or to undertake any duties in relation to the registration of transfers, the issue of certificate or otherwise,*
 - 50. *To appoint Trustees to hold securities on behalf of and to protect the interests of the Company.*
 - 51. *To do all or any of the above things in any part of the world either as principals, agents, contractors, trustees or otherwise and by or through trustees, agents or otherwise, either alone or in conjunction with others.*

RESOLVED FURTHER THAT the words 'Companies Act, 1956' in the existing MOA shall be substituted with the words 'companies Act, 2013', wherever required.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution. "



6. Adoption of new set of Articles of Association:

To consider and, if thought fit, to pass the following resolution as a Special Resolution:

RESOLVED THAT pursuant to the provisions of Section 14 and any other applicable provisions of the Companies Act, 2013 ("the Act") read with the Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the revised re-stated articles, as contained in the Articles of Association which has been uploaded on the Company's website http://indianippon.com/wp-content/uploads/2020/08/new_articles_of_association.pdf for perusal by the shareholders of the Company, be and are hereby approved and adopted in substitution and to the entire exclusion of the regulations contained in the existing Articles of Association of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

Place : Chennai

Date : 20th August, 2020

By order of the Board

G Venkatram

Company Secretary

IMPORTANT NOTES TO SHAREHOLDERS:

- 1) In view of the situation arising due to COVID-19 global pandemic, the Annual General Meeting shall be conducted through video conferencing (VC) or Other Audio Visual Means (OAVM) as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No.14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020, applicable provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 2) The Company has enabled the Members to participate and vote at the 35th AGM through VC/ OAVM facility provided by Central Depository Services (India) Limited (CDSL). The instructions for participation by Members in the AGM, remote e-voting and e-voting at the AGM are given in the subsequent paragraphs.
- 3) A statement pursuant to Section 102(1) of the Companies Act, 2013 relating to the special businesses to be transacted at the 35th AGM is annexed hereto. All documents referred to in the accompanying Notice and the Explanatory Statement shall be available for inspection electronically at the link mentioned therein, wherever applicable. In other cases, Members seeking to inspect the documents can send an email to investors@inel.co.in.
- 4) Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice. However, in pursuance of Section 112 and Section 113 of the Companies Act 2013, representatives of the Members may be appointed for the purpose of voting through remote e-voting or for the purpose of attending the AGM through VC/OAVM.
- 5) Institutional / Corporate Members (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution, authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through e-voting. The said Resolution/ Authorization shall be sent to the Scrutinizer by email through its registered email address to seshwar@eshwars.com with a copy marked to helpdesk.evoting@cdslindia.com.
- 6) As per Regulation 40 of SEBI Listing Regulations, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, Sundaram Clayton Ltd., (SCL) for assistance in this regard.

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- 7) Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with the company in case the shares are held by them in physical form.
- 8) Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFS Code, etc., to their DPs in case the shares are held by them in electronic form and to SCL in case the shares are held by them in physical form.
- 9) In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
- 10) Pursuant to Section 125 of the Companies Act, 2013, dividends declared for the year ended 31st March 2014 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. For more details on shareholders matters, please refer to the section on General Information for Shareholder included as part of the Board's Report under Report on Corporate Governance.
- 11) In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories as on 21st August, 2020. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website www.indianippon.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of CDSL viz, www.cdslindia.com. Since the AGM will be held through VC / OAVM, the Route Map is not annexed to the Notice.
- 12) In case a person becomes a Member after 21st August 2020 such person may write to the Company/ SCL by e.mail at investors@inel.co.in / arockiaraj@scl.co.in providing the e.mail address, mobile number, self attested PAN copy along with Client Master copy (in case of electronic holding)/ copy of share certificate (in case of physical holding) for getting the weblink for the Notice and the Annual Report. Procedure for participation in AGM and e-Voting shall be as detailed elsewhere in the Notice. Only a Member as on 14th September 2020 will be eligible to participate and vote on the resolutions. Person who is not a member as on the cut-off date i.e., 14th September 2020, should treat this Notice for information purpose only.
- 13) The Register of Members and Share Transfer Books of the Company will remain closed from 15th September 2020 to 21st September 2020 [both days inclusive] for the purpose of Annual General Meeting.
- 14) The Board of Directors has appointed Mr. Eshwar Sabapathy, Advocate, Chennai, who is not in full time employment of the company as Scrutinizer, at its meeting held on 20th August, 2020 for scrutinizing the remote e-voting and e-voting at the AGM in a fair and transparent manner.
- 15) The Scrutinizer shall, immediately after the conclusion of e-voting during the AGM, first count the e-votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing.
- 16) The result declared along with the Scrutinizer's Report shall be placed on the Company's website www.indianippon.com and on the website of CDSL www.evotingindia.com forthwith. The Company shall simultaneously forward the results to National Stock Exchange of India Limited and BSE Limited, where the shares of the Company are listed.
- 17) The following documents will be available for inspection by the Members electronically during the 35th AGM:
 - Register of Directors and Key Managerial Personnel and their shareholding
 - Register of Contracts or Arrangements in which the Directors are interested, maintained under the Companies Act, 2013.