Engineering **Excellence.** Driven by **Technology** and **People.**

Annual Report 2023-24

India Nippon Electricals Limited

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Investor Information

Market Cap:	₹ 1,535 Crores (as of 31st March, 2024)
CIN:	L31901TN1984PLC011021
BSE Code:	532240
NSE Symbol:	INDNIPPON
Dividend Declared:	₹ 10.25 per Equity Share
AGM Date:	18th September, 2024
AGM Mode:	Virtual
ISIN	INE092B01025

For more investor related information, please visit
https://indianippon.com/investors/

Or simply scan to view the online version of the report

Disclaimer

This document contains statements about expected future events and financials of India Nippon Electricals Limited ('INEL,' 'We', or 'The Company'), which are forward looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions, and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as several factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis section of this Annual Report.

ENGINEERING EXCELLENCE.
DRIVEN BY TECHNOLOGY AND PEOPLE.

The world is progressively shifting toward sustainable mobility solutions, and India is no exception. In the Indian market, two-wheelers are a dominant mode of transportation, reflecting the country's unique mobility needs. This segment is witnessing a transformation, driven by the growing demand for eco-friendly alternatives. Interestingly, the premium segment within the two-wheeler market is experiencing accelerated growth. Electrification of vehicles is progressing alongside the continued dominance of internal combustion engine (ICE) vehicles, a trend expected to persist in the near and medium term.

However, the rising adoption of electric vehicles (EVs) is creating a shift in the automotive landscape. This transition is presenting a unique opportunity for India Nippon Electricals Limited ('INEL', 'We', or 'the Company') to pursue a two-pronged approach, one to participate in progressing new-age products for ICE by leveraging our development and testing capabilities and the other to explore new opportunities in the emerging EV space by fostering innovation in bringing out unique solutions.

We believe that true engineering excellence is achieved by our experienced and talented people using advanced technology and state-of-the-art facilities. In this regard, at INEL, our commitment to innovation, quality, and sustainability has positioned us as a leader in the automotive components industry.

Our growth strategy is focused on the ICE sector as well as the EV sector, anticipating future demand and enhancing our offerings toward the premium two-wheeler segment applications as well as E2W. In addition, we are making significant strides toward the future of sustainable mobility with a strong commitment toward transition technologies such as ISG, thereby enhancing our value proposition.

In this dynamic era, we harness the power of advanced technology to drive our engineering processes, ensuring precision, efficiency, and reliability in every product we create. Our state-of-the-art manufacturing facilities are equipped with the latest tools and machinery, enabling us to meet the evolving demands of the automotive sector and exceed customer expectations.

However, it is the dedication and expertise of our people that truly set us apart. Our team of engineers, designers, and technicians work collaboratively, leveraging their vast knowledge and experience to innovate and refine our products.

Through the seamless integration of technology and human ingenuity, we are not only meeting today's challenges but also anticipating the needs of tomorrow. Our relentless pursuit of engineering excellence ensures that we remain at the forefront of the industry, delivering superior products that drive performance, safety, and sustainability.

Key Highlights of 2023-24

1. **Revenue**
   ₹ 72,408 Lakhs
2. **PAT**
   ₹ 5,930 Lakhs
3. **PAT Margin**
   8.2%
4. **EBITDA**
   ₹ 9,126 Lakhs
5. **EBITDA Margin**
   12.60%

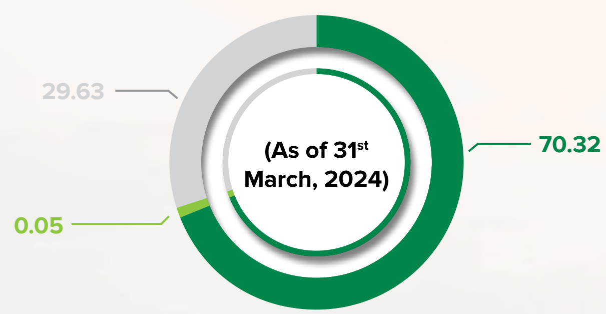
WHERE TECHNOLOGY **MEETS TALENT**

A leader in the two-wheeler automotive landscape, India Nippon Electricals Limited ('INEL', 'We' or 'The Company') has carved a niche in electronic ignition systems, fueled by a drive for innovation. Our pursuit of advanced technology extends beyond electronic ignition, leading us to spearhead the development of advanced mechatronic solutions like sensors and controllers. These innovations, born from our strategic vision, are not only tailored for the automotive domain but also exhibit adaptability for broader industrial applications.

Our dedication to quality and reliability has established us as a frontrunner in the electronic ignition industry. Our products have become synonymous with performance and trust, particularly within the two- and three-wheeler sectors, where they hold a dominant position. Driven by a strategic vision for diversification, we are actively expanding our reach into new automotive segments, enriching our product portfolio, and cementing our position as a versatile player in the market. This growth extends beyond the realm of gasoline engines, as INEL ventures into the world of EVs. Here, we are leveraging our expertise to develop a dedicated product base specifically tailored for the demands of the burgeoning market.

We have strategically positioned our manufacturing units in key locations reaching customers nationwide. Our current focus is on expanding our capacities in all facilities. Our esteemed customer base includes top-tier companies in both the automotive and non-automotive sectors, encompassing a strong presence within India and as well as overseas.

Shareholding Pattern (%)



- Lucas Indian Service Limited
- Promoter Individual
- Public Shareholders

Note: *Both Mahle Holding India Private Limited and Mahle Electric Drives Japan Corporation, promoter entities of the Company had sold their entire holding to Lucas Indian Service Limited, the other promoter entity through inter-se transfer among promoters, on 26th June, 2023. Post this transaction, the holding of Lucas Indian Service Limited in the Company raised from 50.80% to 70.32%.*

Vision

To become a partner of choice for our customers for supply of Electricals and Electronic Products for automotive and non-automotive domain.

Mission

To be a preferred supplier of Ignition Systems for Automotive and General-Purpose engines. To design, develop & supply cost competitive, high-quality products to meet customer requirements through involvement of employees and suppliers through use of contemporary technology.

Our Values

Innovation
Forward thinking, planning and execution to expand our horizons.

Passion
Enthusiasm, desire, and commitment to succeed.

Quality
Service and products we are proud to stand behind.

Thrive
Commitment to growth and prosperity to affect our customer's success.

Our Strengths

Wide Range of Products
Our product offerings cover all custom-built ignition and mechatronic systems and parts for various applications to meet the whole range of OEMs in the vehicle industry.

Strong Customer Focus
Consistently delivering innovative products that meet customer requirements.

Strong Client Base
Over the years, we have developed a range of high-quality, differentiated products, which has allowed us to establish a solid customer base in India and an expanding clientele abroad.

Thrust on Technology
Advancing new technology that addresses the futuristic needs of our customers.

Best-in-Class Manufacturing Practices
Benchmarking products to global standards and focusing on process excellence in manufacturing.

Organizational Agility
Demonstrating a high degree of responsiveness to market trends and offering just-in-time supplies to customers.

Value Addition
Driving operational efficiencies while ensuring strict adherence to quality standards for providing customers with a better value proposition.

Global Footprint

We are actively pursuing our global ambitions, targeting key growth geographies and new applications to expand our presence and achieve growth on an international scale. We are also expanding our exports to the North American market, and we are in the process of partnering with other global OEMs.

Our Stature

40
Years of Experience

2,068
Employees

Tier 1
Supplier to Major OEMs

Debt-Free Company

3
Manufacturing Plants

14.59%
3-Year Revenue CAGR

1
Research Center

30%+
Consistent Dividend Payout Track Record

A JOURNEY POWERED BY
INNOVATION AND EXPERTISE

1984-1988

- Incorporation of the Company and its conversion into a joint venture
- Establishment of a manufacturing unit in Hosur, Tamil Nadu
- Commencement of production and supply to TVS-Suzuki (now TVS Motor Company), Bajaj Auto and Hero Motors

1989-1993

- Introduction of electronic ignition systems for TVS Champ
- Supply to Birla Yamaha (Now Birla Power Solutions), Hero Motocorp Ltd. (formerly Hero Honda Motors Limited), Honda Siel Power Products Limited, and India Yamaha Motor Private Limited
- Introduction of Integral Unit (IU) for Mopeds

1994-1998

- Export of ignition coils to Kokusan Denki Co. Limited, Japan
- Recognition by the Department of Science and Technology, Government of India
- Supply to Mahindra Two-Wheelers (formerly Kinetic Honda Limited) and Royal Enfield Motors Limited
- Commencement of supply of multi-pole flywheel magnetos and regulator for BAL Kubota Engine
- Certification by BVQI for ISO 9001 Quality System for Hosur Unit

1999-2003

- Supply to Greaves, LML, Piaggio India, Honda Motorcycle, and Scooter India Limited
- Commencement of supply of digital CDI ignition system
- Introduction of CDI cum flasher unit for 4S Motorcycle
- Supply to Lombardini India for their 422cc engine
- Certification by BVQI for QS-9000 Quality system and ISO 14001 EMS System for Hosur Unit

2004-2008

- Supply to Greaves for their general purpose engine
- Commencement of exports to Lombardini Italy, Modenas Malaysia, Tomos, Slovenia, and Beldeyama/Ramzey, Turkiye
- Start of contract manufacturing of ECU for Delphi-TVS
- Commencement of exports to Yanmar, Italy
- Award for ISO/ TS16949:2002 certification for all three manufacturing locations of INEL by BVCI

2009-2013

- Commencement of exports to Kohler USA, Kawasaki Heavy Industries, Thailand through Mahle EDJC, Arpres, Turkiye, Novamark, Slovenia
- Supply of ignition coils to Dell'Orto, Italy
- Start of CDI business to Hero Motocorp for Scooter
- Awarded ACG business for scooter model by Suzuki, India and 'Excellence in Technology' by ACMA

2014-2018

- Entered into a partnership with Athena, Italy for EFI
- Renewable Energy - wind energy usage

2019-2023

- Expansion into new product line: sensors, display, entry in EV segment through DC-DC
- Entered into a global technical tie-up for ECG and EFU
- Acquiring new customers in North America
- Introduced ISG machine, opened new R&D center and expanded manufacturing plant
- Certified as a 'Great Place to Work' for the 4th time in a row

2023 Onwards

- LIS acquired MEDJ and MHIPL's stake of 44.15 Lakh shares amounting to 19.51% and LIS holding became 70.32%
- Two patents granted for ISG controller and one patent for the machine
- Development completed for ISG systems, including controllers
- Development completed for EFI ECU
- Patent granted for high efficiency system
- Patent granted for a new rotor design

DRIVING EXCELLENCE WITH OUR **COMPREHENSIVE PRODUCT RANGE**

INEL stands at the forefront of the ignition system industry, offering a comprehensive range of custom-built parts tailored to diverse applications for OEMs across the vehicle sector. Renowned for our leadership in electronic ignition system products, we have also made a strategic foray into the burgeoning EV market.

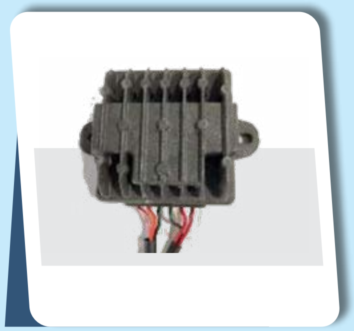
We are committed to expanding our product portfolio and technological capabilities. This includes venturing into future-focused innovations with a range of sensors, controllers, and engine control units. This evolution underlines INEL's dedication to not only advancing ICE technologies but also pioneering solutions for the next generation of automotive engineering.

Conventional Product Range

Ignition System

AC Generator/Flywheel Magneto

This is a permanent magnet generator for powering vehicle electrical loads, including battery.



Regulator and Rectifier

The regulator and rectifier plays a crucial role in controlling the AC output from the generator to suit lighting battery charging requirements.

Integral Unit

This is an electronic unit which provides input to the ignition coil at an appropriate moment to enable production of high voltage.

Ignition Coil

The ignition coil is a high voltage transformer used in an automobile's ignition system. It transforms the battery's voltage into the thousands of volts needed to create an electric spark in the spark plug to ignite the air -fuel mixture.

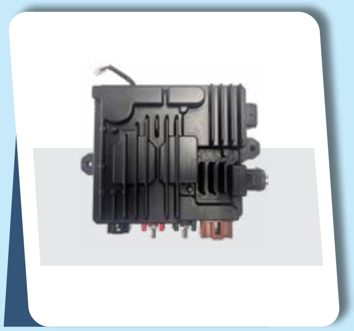
INEL’s products include a wide variety to suit different customer and application requirements.

New Product Range for ICE

ISG System

ISG Machine

This is a permanent magnet machine designed to work as a motor for starting the engine (in a conventional system, a starter motor is used) and as a generator (function same as magneto in the conventional system) for powering electrical loads of the vehicle.



ISG Controller

The controller is designed to work with the associated machine to drive as a motor till the engine starts and later to enable battery charging.

EFI ECU

The ECU controls the fuel and ignition in an ICE for smooth and efficient operation of the vehicle under dynamic operating conditions by processing information collected through various sensors. It also plays a crucial role in controlling vehicle emissions.

New Product Range for ICE

Sensors

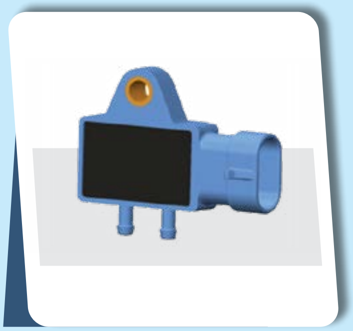
Sensors play a critical role in a vehicle in generating appropriate electrical output to truly reflect the parameter being measured under various conditions. Those parameters are collected by the ECU, processed and is used for controlling various functions of the vehicle including safety. INEL range includes the following sensors:

Speed Sensor

Temperature Sensor

Angular/Linear Position Sensor

Lever Sensor



Differential/Absolute Pressure Sensor

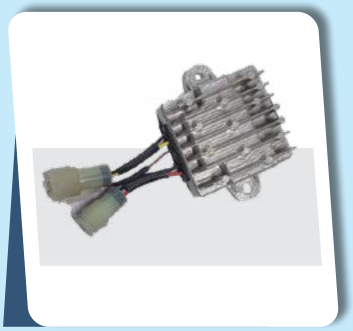
TMAP Sensor

Steering Angle Sensor

RPAS Ultrasonic Sensor

Tire Pressure Monitoring Sensor

Product Range for E-Mobility



DC-DC Converter

These are needed for EVs to convert power from EV battery (48V or more) to vehicle accessories, including lamps, and displays, among others, which operate on a 12V system. INEL has a range of converters to suit different application voltage and current ratings.

Traction Motor

INEL has developed a unique motor (patent pending) to cater applications requiring a power output of < 6KW in the first phase. The proto is undergoing extensive field testing before it is ready for offering to customers.

Motor Controller

INEL is actively developing a motor controller to be supplied as part of a system along with the motor. The unit has completed field testing and a tooled-up part development is under progress.

After-Market

A dedicated team is focusing on the after-market, taking several measures to strengthen our brand image, expand our product portfolio though engagement activities with channel partners to enhance our distribution network to maximize business value. INEL also conducts skill development programs for two-wheeler mechanics. We have demonstrated significant growth in our after-market sales over the past few years. In last five years, we witnessed a robust compound annual growth rate (CAGR) of 33%. Looking ahead, we aim to grow further by exploring the overseas market, reflecting our strategic focus and commitment to expanding our after-market segment.

SHAPING THE FUTURE WITH
TECHNOLOGY AND PEOPLE

"Our expanding market share and consistent sales growth of new products throughout the fiscal year underline our strong performance and successful strategy."

₹ 72,408 Lakhs
Total Revenue for 2023-24

₹ 7,578 Lakhs
PBT for 2023-24

Dear Stakeholders,

It is with great pleasure that I present the Annual Report for 2023-24 for INEL. Over the past year, we have showcased our ability to anticipate trends, drive innovation, and capitalize on opportunities. This focus on adaptability and future-oriented thinking is at the heart of our growth efforts through our people and advanced technology products.

The Big Picture

India's economic resilience and stability are underpinned by the Government's substantial investments in infrastructure and local manufacturing, along with the consistent performance of service industries. Economic momentum remains steady, driven by robust urban demand and a gradual recovery in rural areas. The significant role of public sector investments cannot be overstated in fostering these progressions.

The Interim Union Budget 2024-25 was guided by the ethos of 'Sabka Saath, Sabka Vikas, and Sabka Vishwas' and propelled by the nationwide initiative of 'Sabka Prayas.' Towards this end, it concentrated on the upliftment of four major segments: the '*Garib*' (Poor), '*Mahilayen*' (Women), '*Yuva*' (Youth), and '*Annadata*' (Farmer). The Central Government increased the infrastructure outlay by 11.11% from ₹ 10 Lakh Crores to ₹ 11.11 Lakh Crores, contributing 3.4% to the GDP, aiming to contain the fiscal deficit within the 4.5% threshold by 2025-26.

The Year Gone By

Our expanding market share and consistent sales growth of new products throughout the fiscal year underline our strong performance and successful strategy. This upward trajectory positions us for continued success in the future. We have forged a global technical partnership for Electronic Fuel Injection (EFI) technology. This will allow us to harness specialized expertise and collaborate on creating advanced EFI solutions. This alliance will drive optimal engine performance and emissions control. We are also currently developing ISG System for various customers, thereby showcasing our strong capabilities in electronics. We are also dedicated to expanding our customer base by introducing other innovative products and exploring new market opportunities. Our strong connect with customers is driven by our collaborative approach in developing bespoke products by aligning with new opportunities.

Our sound financial performance and strong balance sheet position us well to embark on a new wave of growth. Our profit before tax (PBT) for the year 2023-24 stood at ₹ 7,578 Lakhs and the operational profit for the year recorded at ₹ 5,138 Lakhs. Our total revenue for the year stood at ₹ 72,408 Lakhs, recording a 10.3% year-on-year (y-o-y) growth while the profit after tax (PAT) for the year stood at ₹ 5,930 Lakhs, clocking in a 2.5% growth y-o-y and 48.7% excluding onetime dividend of ₹ 1,800 lakhs received from Indonesia subsidiary in the previous year. Our EBITDA for 2023-24 reached ₹ 9,126 Lakhs, compared to ₹ 8,510 Lakhs in 2022-23. Our efforts to improve the gross margin through material cost reduction activities and focus on exports and after-market, has resulted in increase of gross margin from 30.9% to 31.2%. We have successfully reduced our working capital days from 57 to 42, demonstrating our commitment to efficient management of working capital and financial discipline at INEL while supporting capex for future business growth. Fixed expenses are kept under control despite increase in inflation. We are pleased to declare a dividend of ₹ 10.25 per share for 2023-24, continuing on our culture of rewarding shareholders.

We are strengthening our position in the rapidly expanding EV market by offering a diverse range of advanced solutions. Our current focus is on broadening the applications of our converters to meet the evolving needs of the market. To address the rapidly increasing demand for EVs, we have leveraged our existing generator technology to develop a diverse e-mobility product.

To meet future demand and support our new product initiatives, INEL is expanding its manufacturing capabilities across our facilities to cater to the emerging needs of the customers. Our commitment to growth extends beyond domestic boundaries as we actively pursue international opportunities. We continue to widen our customer base worldwide and are in the process of forging strategic partnerships with global OEMs. We are also forging strategic partnerships in future technology areas, driving innovation, and fostering collaborative advancements to stay at the forefront of industry transformation. These efforts are part of our broader strategy to strengthen our presence in key growth geographies and explore new applications on a global scale.

Cybersecurity and Digitalization

During the past year, we have made significant strides in bolstering our cybersecurity framework. We have effectively deployed contemporary Security Information and Event Management (SIEM) tools and software to detect and protect against cyber threats in real time, ensuring continuous monitoring and timely mitigation. As a result, no data breaches have been reported. Additionally, we established a 24/7 Security Operations Center (SOC) with external support, operating in real time to detect threats and send alerts for necessary actions.

Our commitment to cybersecurity extends to our employees, with periodical programs designed to enhance their cyber awareness. Furthermore, we successfully completed an ISMS (Information Security Management Systems) surveillance audit with zero non-conformances. To drive our digital transformation, we have formed a Digitalization Committee tasked with identifying areas for digitization across all functions, thereby improving productivity and process efficiency on a project basis.

Sustainability Commitment

We understand the importance of nurturing the environment and taking proactive measures to ensure sustainable practices. Our commitment to reducing our carbon footprint is reflected in the integration of eco-friendly technologies into our manufacturing processes. This has resulted in reduced energy consumption and emissions. We actively promote waste recycling and water conservation initiatives across our facilities and support reforestation programs. We also encourage our employees and stakeholders to participate in community-based environmental projects.

Additionally, we recognize that our success is driven by our people, whose operational scale and excellence have been pivotal to our achievements. Over the years, the teamwork and commitment of our employees at all levels of the Company have been the cornerstone of our success. We firmly believe in investing in their professional growth through engaging initiatives and competitive compensation policies, which have solidified our reputation as a preferred employer.

Way Forward

The automotive industry is navigating significant challenges in testing and approving new platform products, particularly controllers. Our rigorous testing protocols and stringent safety standards, essential for ensuring reliability and regulatory compliance, inevitably extend the lead times for customer approvals. The rapid pace of technological advancements necessitates comprehensive validation, while the integration of new controllers with existing vehicle systems demands extensive compatibility testing. These complexities highlight the critical need for streamlined processes and advanced testing methodologies. By addressing these challenges

head-on, we can expedite product development and meet market demands efficiently, reinforcing our commitment to excellence and innovation.

With our agile and flexible business model, we continuously recalibrate our strategies to align with evolving realities. We are taking several measures to strengthen our brand image, expand our product range, implement constant sales promotion efforts, and enhance our distribution network to maximize business value through our aftermarket reach. We are enthusiastic about the future and dedicatedly pursuing a pipeline of opportunities that will propel the Company to new heights.

At the core of our strategic framework is a fundamental principle: to position ourselves as a leading player in the ICE domain. Despite the rise of EVs, we are committed to enhancing the value proposition of ICEs, which are expected to maintain a stable market presence for the foreseeable future. We are focused on enriching our ICE offerings, expanding our customer base, strengthening aftermarket support, optimizing costs, and boosting our export efforts.

We also plan to channel our surplus towards R&D investment and product line expansion. In response to the growing demand for EVs, we have leveraged our existing generator technology to develop a diverse range of EV motors. Additionally, we are concentrating on our expansion efforts on the E2W sector, which represents a significant growth opportunity for the future.

Our debt-free balance sheet and robust free cash flow provide a strong foundation for investing in new technology, product development, and essential infrastructure. With a focus on innovation and adaptability, we are well-positioned to thrive in the evolving EV industry landscape.

Note of Thanks

Going forward, we will remain committed to strengthening our business model to deliver substantial shareholder value. By consolidating our capabilities across products and markets, we are poised to enter a new era of growth and opportunity.

I would like to take this opportunity to express my heartfelt gratitude to our Board of Directors, management team, employees, customers, supplier partners, bankers, investors, and the Government for their unwavering support and contributions to our progress.

Warm regards,

Arvind Balaji
Managing Director

OUR STRATEGIC **BLUEPRINT FOR SUCCESS**

At INEL, we allocate resources with a focus on creating value. This deliberate approach aligns our efforts and strategies to not only build operational and financial strength but also consistently deliver meaningful benefits to our stakeholders. By prioritizing initiatives that generate impactful value, we ensure sustainable growth and solidify our commitment to a mutually thriving ecosystem.

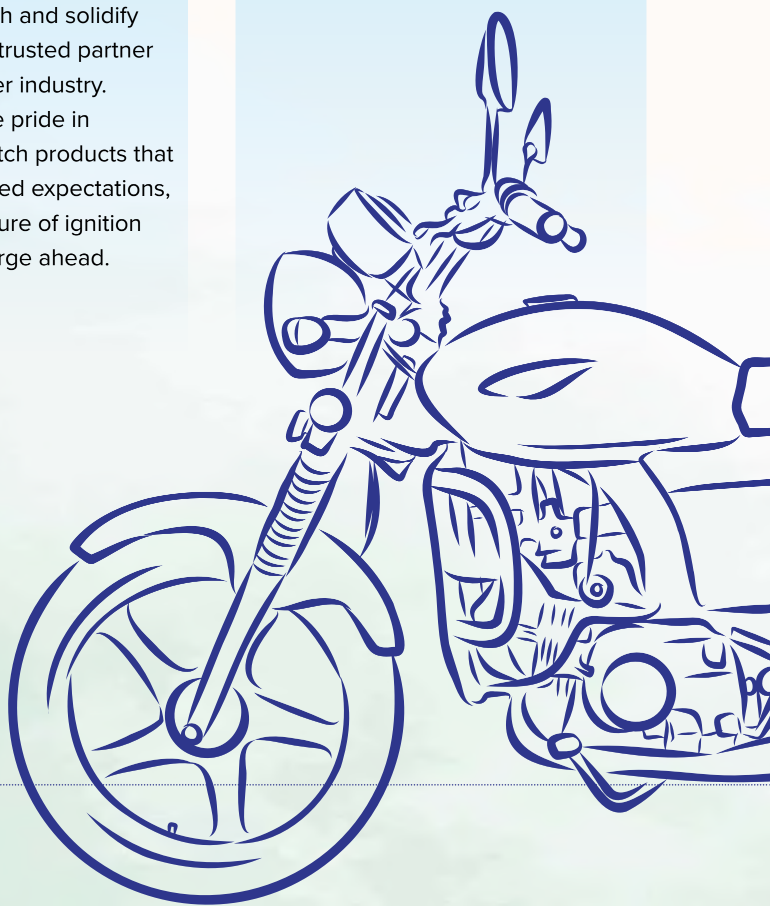
Capitalizing on Our Core Business

Amid the automotive industry's electric revolution, we acknowledge the dual reality of embracing the future while recognizing the enduring role of internal combustion engines. Leveraging our deep expertise and established partnerships in ignition solutions, we remain committed to leading this segment, ensuring optimal performance and efficiency for years to come.

Our value-added solutions have struck a chord with our customers, enabling us to broaden our reach and solidify our position as a trusted partner in the two-wheeler industry. We take immense pride in delivering top-notch products that consistently exceed expectations, propelling the future of ignition systems as we forge ahead.

Growing Our EV Portfolio

In India, the EV landscape is experiencing growth, buoyed by the escalating demand for environmentally conscious solutions. This trend can be attributed to several factors such as the cost-effectiveness of EV ownership compared to traditional vehicles and the substantial expansion of charging infrastructure nationwide.



Expanding into New Geographies

Domestic

Our domestic sales have seen remarkable growth across all channels, reflecting the effectiveness of our sales strategies and market penetration. We will continue to prioritize expanding our market share.

International

We have started supplying to global ATV customers and are actively focusing on expanding our customer base in Europe, North America and other ASEAN countries.

Exploring New Business Lines

As a mechatronics company, we take pride in our robust technological expertise. To propel our business forward, we have committed ourselves to exploring potential applications for our current products across a multitude of industries. We have successfully commenced the supply of FWM (Flywheel Magneto) systems for premium model export bikes. Additionally, we have secured a major contract with one of our key customers to provide the ISG (Integrated Starter Generator) system for both three-wheeler and four-wheeler segments. Furthermore, we have started exporting DC-DC converters, marking another step forward in expanding our global reach. Dedicated teams are diligently engaged in uncovering how our solutions can be tailored to diverse sectors, expanding our influence and relevance.

Advancing our After-Market Business

Recognizing the aftermarket as an area brimming with growth potential, we have directed our attention towards maximizing its opportunities. A dedicated team is tirelessly engaged in implementing a range of strategic measures aimed at fortifying our product range and distribution network. Through continual enhancements to our product offerings and the expansion of our distribution channels, our goal is to extract maximum value from the after-market through overseas expansion.

ENGINEERING EXCELLENCE AND **SUCCESS IN MANUFACTURING**

At INEL, we've consistently redefined standards and set new benchmarks in the electrical and automotive sectors. Since our inception, we have recognized the pivotal role of manufacturing excellence in sustaining our position as a market leader. Our adherence to the highest quality standards, operational efficiency, and technological innovation has earned the Company a reputation that resonates both nationally and internationally.

We have established three manufacturing facilities in India, each equipped with state-of-the-art technology and globally acclaimed manufacturing methodologies. These encompass methodologies such as total quality management (TQM), the Toyota Production System (TPS), Kanban, and value stream mapping (VSM), among others. Our commitment to surpassing customer expectations ensures the maintenance of the highest quality standards at every stage of our manufacturing processes.

We have also established a state-of-the-art clean room facility confirming to ISO Class 8, dedicated to our new platform products, ensuring that we stay at the forefront of technological advancements. Our commitment to quality and precision is further demonstrated by our new sensor lines, which includes process interfaces and QR code traceability, allowing for superior monitoring and quality control.

Additionally, we have installed an in-house made Stator coil winding machine which strengthens our production capabilities to overcome the challenge of single source dependency from domestic source, and higher lead time & expensive imports. Furthermore, we uphold exemplary standards in environment, health, and safety (EHS) to fortify our manufacturing facilities, rendering them more agile and robust. As a result of these advancements, our plant is now fully equipped to handle increased volumes of existing products, making us well-prepared for future demands and growth.

Leveraging IoT in our production processes has been pivotal, as it enhances performance by providing real-time data insights, automating tasks, and streamlining operations for greater efficiency.

Capacity Expansion

Our three plants in Hosur, Puducherry, and Rewari expanded the shopfloor to enhance capacity & capabilities, to meet growing demands, and drive innovation.

Certifications

Certification	Area
IATF 16949:2016	Product Responsibility
ISO 45001:2018	Employee Well-Being and Safety
ISO 14001:2015	Environment
ISO 9001:2015	Continuous Process Improvement

Goal

- Customer Delight
- Employee Pride
- Safe Workplace

Thrust Areas

- Automation
- Digitalization
- Innovation
- World-Class Practices
- Environmental Performance

Robust Supply Chain Management

Our material procurement strategy is intricately linked with production control and logistics (PC&L), ensuring alignment with customer requirements. Leveraging advanced ERP systems, we efficiently manage our supply chain, minimizing disruptions along the way. Our strong rapport and established relationships with global electronic component suppliers have proven invaluable, enabling us to adeptly accommodate fluctuations in customer demand while optimizing lead times.

ENSURING EXCELLENCE IN **QUALITY ASSURANCE**

In today's landscape, where QUALITY is not just a choice but an essential necessity, INEL remains steadfastly committed to this principle. We ensure that quality is integrated into every phase of the manufacturing process. At the heart of our quality assurance (QA) measures lies a firm belief that quality starts and concludes with the satisfaction of our customers.

We continually elevate our quality standards, maintaining a vigilant stance on the benchmarks set by our customers. Regular assessments of parts per million (PPM) levels and a relentless pursuit of achieving 'zero defect' status are key initiatives undertaken both at the operational level and by our management team. This dedication to quality underscores our pursuit of excellence at every stage.

High Quality

INEL is committed to achieve customer satisfaction through high-quality products at competitive prices.

Needs of the Customers

INEL shall constantly assess the needs of the customers and strive to meet their expectations.

Improvement

INEL shall create an environment leading to continuous improvement with employee involvement.

The relentless pursuit of quality has led the Company to earn certificates of recognition from BVCI for ISO 9001 in 1998, QS 9000 in 2001, ISO 14001 in 2002, ISO/TS 16949 in 2009, IATF 16949 in 2018 and ISO 45001 in 2019. Quality standards are deeply ingrained in every facet of INEL's operations, guided by the firm principle that our customers deserve nothing less than the best solutions.

EXCELLENCE IN PERFORMANCE DRIVEN **BY PEOPLE AND TECHNOLOGY**

Total Revenue (₹ in Lakhs)

2023-24	72,408
2022-23	65,625
2021-22	56,627
2020-21	48,123
2019-20	47,881

EBITDA (₹ in Lakhs)

2023-24	9,126
2022-23	8,510
2021-22	6,488
2020-21	6,258
2019-20	8,205

Profit before Tax (₹ in Lakhs)

2023-24	7,578
2022-23	7,006
2021-22	5,155
2020-21	5,167
2019-20	7,209

Profit after Tax

(₹ in Lakhs)

2023-24	5,930
2022-23	5,787
2021-22	4,026
2020-21	4,070
2019-20	5,520

Return on Net Worth

(in %)

2023-24	9.51
2022-23	10.32
2021-22	8.16
2020-21	9.04
2019-20	13.17

Net Worth

(₹ in Lakhs)

2023-24	62,326
2022-23	56,035
2021-22	49,361
2020-21	45,020
2019-20	41,916

EBITDA Margin

(in %)

2023-24	12.60
2022-23	12.97
2021-22	11.64
2020-21	13.10
2019-20	17.30

Earnings per Share (EPS)

(in ₹)

2023-24	26.20
2022-23	25.58
2021-22	17.80
2020-21	17.99
2019-20	24.40

Dividend per Share

(in ₹)

2023-24	10.25
2022-23	9.25
2021-22	6.25
2020-21	6.00
2019-20	6.75

ENGINEERING FOR **SUSTAINABILITY**

In an era where the imperative to safeguard our planet has gained critical importance, INEL stands committed to environmental stewardship. With a vision that extends beyond mere corporate responsibility, we embrace sustainability as a core value. We strive to not only minimize our ecological footprint but also lead by example in the pursuit of a greener, more sustainable future for India and the global community.

Energy Consumption and GHG Emissions

Our focus is on tracking energy utilization and associated GHG emissions. Through investments in sustainable technologies, optimizing energy consumption, and carbon offsetting, we are committed to reducing our environmental impact.

	Year	Hosur	Puducherry	Rewari
Avg. Electricity Consumption per Energy Service Unit (kWh/ESU)	2022-23	0.77	0.88	0.8
	2023-24	0.66	1.04	0.79
% Utilisation of Renewable energy	2023-24	85.20	9.24	7.38

Key Highlights

5,592.00 tCO_2eq

Total GHG Emissions in 2023-24

9.20 Million kWh

Electricity Consumed in 2023-24

Energy Conservation Initiatives

We are committed to enhancing energy conservation through several strategic initiatives.

- Achieved a targeted level of 0.66 EU per standard unit of production.
- Installed a 150-TR air-cooled HVAC system with VFD controls for SMT clean room operations.
- Reduced potting machine's booster pump capacity from 2.2 kW to 1.1 kW and replaced water-cooled vacuum pump with an air-cooled type, saving approximately 9,400 kWh annually.
- Replaced a 3.0-HP mono-block water pump with a 0.75-HP high-pressure pump for Rotor Line-D washing machine.
- Switched a 5-kW axial flow fan in the rotor cooling conveyor to a 0.7-kW high-volume centrifugal blower.
- Introduced a 5.0-kW VFD system for the chiller unit used in injection molding machines.
- Converted a hydraulically operated broaching machine to an electrically operated system, saving around 4,200 kWh per annum.
- We are implementing an advanced online energy monitoring system to identify and control non-value adding (NVA) activities, which will help us optimize our energy usage.
- Additionally, we are replacing our old IE1 class motors with new, energy efficient IE4 class motors to enhance efficiency and reduce energy consumption.
- For high-capacity motors of 30 kW and above, we are installing variable frequency drives (VFDs) to optimize performance and conserve energy.
- We are also equipping our box ovens with thyristor controllers to further improve energy efficiency and minimize wastage.

Through these measures, we are taking significant steps towards more effective energy conservation and a sustainable future.

Effective Waste Management

At INEL, we are committed to responsible waste management and tracking of chemical usage. Our objective is to mitigate our ecological footprint by implementing a robust waste management approach that curtails waste production, encourages recycling, and aligns with the principles of a circular economy. By doing so, we strive to diminish the volume of waste that ends up in landfills. Our pledge extends beyond waste management, encompassing the vigilant monitoring of perilous chemical consumption as well.

Waste Minimization		Hosur	Puducherry	Rewari
Average Hazardous Waste Generated in Tonnes	2022-23	37.2	19.29	1.76
	2023-24	27.55	13.5	1.35

Chemical Consumption		Hosur	Puducherry	Rewari
Chemical Consumption in Tonnes	2022-23	120	137	13.27
	2023-24	118	140	14.39

Responsible Handling of Substances through Process Efficiencies

- Replaced mineral oil-based coolant with biodegradable synthetic-based coolant to extend the life of the coolant oil and increase the replacement period.
- Introduced an automatic chemical blending machine to minimize chemical spillage and wastage during manual mixing.
- Optimized anabond goods receipt packaging quantity to reduce packing material consumption.
- Installed a peristaltic pump in the varnish plant to prevent spillages during manual pouring operations and reduce thinner consumption during plant cleaning.

Water Conservation

We recognize the critical role of water in our operations and surrounding communities. Through sustainable water practices, we aim to enhance water availability and quality preservation, thereby supporting the well-being of the environment and the communities we serve.

		Hosur	Puducherry	Rewari
Water Used in KL Per Month	2022-23	1,860	1,414	372
	2023-24	1,820	1,578	297

142 KL/day

Average Water Consumption in 2023-24

Water Efficiency Improvements

- Installed water flow meters in various locations to monitor and control water usage across different areas.
- Implemented rainwater harvesting systems to enhance groundwater levels and achieve water neutrality by collecting, storing, and reusing rainwater.
- Constructed additional rainwater storage pond in our eco-forest, with a capacity of approximately 4 Lakh liters.
- Installed waterless urinals to conserve water usage.

CELEBRATING THE PEOPLE BEHIND OUR SUCCESS

At INEL, our employees are the heartbeat of our success story. As part of our family, each employee is valued, respected, and empowered to thrive in an environment that encourages creativity, collaboration, and continuous growth. Together, we embark on a journey where every contribution matters, diversity is celebrated, and where each day brings new opportunities to make a difference in the world.

Empowering our People to Excel

As a legacy company, we strongly believe in people development. By cultivating a participative work environment, we provide a platform that encourages employees to actively contribute their ideas, insights, and expertise. This collaborative atmosphere not only fosters creativity and innovation but also empowers individuals to take ownership of their work and contribute to the Company's overall success.


Great Place To Work®

Certified

NOV 2023 - NOV 2024

INDIA

This is to certify that INDIA NIPPON ELECTRICALS LIMITED has successfully completed the assessment conducted by Great Place to Work® Institute, India, and is certified as a great workplace.
Category: Mid-Size Organizations

This certificate is valid from November 2023 to November 2024.

Yeshasvini Ramaswamy
Chief Executive Officer
Great Place to Work® Institute, India

Note: The certificate is valid subject to the terms and conditions agreed to by the Organization.

Some of the Key Initiatives We Undertook for Our Employees are as Follows:

Bespoke Training

We provided simulation-based training for blue-collar trainees to raise awareness on safety adherence and acquaint them with tools, gauges, and measuring devices.

Quality of Hire

We obtained feedback from employees after three months of their joining to ensure they have been given a conducive working environment to deliver their personal best.

Health Awareness

We conduct 'Health Awareness Program' once a quarter. We also organize master health check-up once a year for employees over 45 years of age.

Environmental Consciousness

We encourage employees to plant saplings on their birthdays, in addition to organizing regular plantation drives.

Employee Participation

We participated in 35 external competitions during 2023-24. We have won 30 competitions which include Gold Award at International Level QC Convention held in China. Also, we won 'RUNNER UP' Award in SICCI National ER Conference & Awards 2023 held at SRM Institute of Science and Technology.

Participating in Corporate Events

We encouraged our employees to participate in corporate sports events: cricket, volleyball, and badminton. We also organized yoga classes for employees to enhance their concentration, focus, and other cognitive abilities.

Support to Society

Once a year, we identify a social cause and encourage a group of volunteers to participate on a Sunday. We organise blood donation camps where employees make sure to donate blood regularly and even conducted an eye camp for people in and around our factories.

Training and Development

As part of our commitment to employee growth, we invest significantly in comprehensive training programs that cater to both technical expertise and personal development. Through workshops, seminars, and hands-on sessions, employees are equipped with the latest industry knowledge and skills. This ensures that they stay at the forefront of technological advancements.

We provide our employees with the following types of training to boost competence:

- **System-Related Training:** This includes sessions on various standards and frameworks such as IATF, ISMS, EOHS, GPTW, and VDA 6.3, among others.
- **Need-Based Knowledge Enhancement:** We offer training on specific areas like IPC, Core Tools, Auto CAD, Electrical Safety, Negotiation Skills, Imports and Exports, and GST, tailored to the needs of our employees.
- **Awareness Training:** Our employees receive training on critical topics like Cybersecurity, Annual Conference, Auto Expo, and Industrial Visits to stay informed and up-to-date.
- **Soft Skill Training:** Conducted through external agency covering all the topics, including:
    - Current Technology Development Program
    - Talent Development Program

21,974
Employee Hours Spent on Training

1,208
Employees Attended Trainings

148
Types of Training Offered

2,068
Employees in 2023-24

4th
Consecutive Time, Recognized as a 'Great Place to Work'

- **POSH Awareness Programme:** We have conducted an awareness program through theatrical performance to prevent sexual harassment at workplace and promote a safe and respectful workplace by shedding light on important aspects of workplace behaviour through a dynamic and engaging medium.

Employee Engagement

At INEL, employee engagement is pivotal to cultivating a dynamic and motivated workforce. With a deep commitment to creating a positive and nurturing work environment, we recognize that engaged employees are the driving force behind our achievements. We conducted various employee engagement activities throughout the year according to the engagement calendar, spearheaded by engagement champions, to ensure our employees feel valued and appreciated. Additionally, we recognize them with prestigious accolades. Currently, we have 18 awards in place for our employees.

Yoga Training

Prevention of Sexual Harassment Awareness

- We have a system of holding town hall meeting every month to ensure transparent communication about various aspects of our operations. During these meetings, we discuss the Company's performance, address quality concerns, and explain current business and market trends, while also outlining expectations from employees.
- We also reward employees who have actively participated in various activities and won prizes.
- We prominently display our Annual Report to keep everyone informed about the Company's achievements and future goals.
- To facilitate open communication and address any issues employees may have, we have implemented the 'Write to Know' initiative. Employees are encouraged to write down any concerns or issues they wish to escalate and drop them into a designated box.
- Each month, we not only address these concerns but also share a summary of the issues and resolutions with all employees to maintain transparency and foster a culture of open dialogue.
- We organize a team outing once every quarter, with the team leader responsible for ensuring its successful execution. Each team is allocated a pre-approved budget to cover the expenses for these outings, promoting team bonding and relaxation.
- Additionally, our HR team meets with every employee twice a year to understand their concerns and provide appropriate solutions, reinforcing our commitment to a supportive work environment.
- To keep the work atmosphere lively and engaging, we conduct fun games every Monday for each department, offering employees a chance to unwind and build camaraderie through enjoyable activities.

Gender Diversity

Our commitment to gender diversity is reflected in our recruitment practices, where we actively seek to balance gender representation across all levels of the Company. We strive to create a workplace where women have equal opportunities for professional advancement and are supported through mentorship programs, leadership training, and flexible work arrangements. By championing gender equality, we aim to build a more dynamic and equitable work environment that harnesses the strengths of diverse perspectives to achieve excellence in all our endeavours.

Employee Health and Safety (EHS)

As a responsible and caring company, we ensure a safe and conducive working environment for all our employees. Stringent safety protocols and comprehensive training programs are in place to minimize workplace hazards and accidents. Regular safety inspections, risk assessments, and the implementation of best practices ensure that potential risks are identified and addressed promptly. Safety is our utmost priority, and we are dedicated to ensure the well-being of our employees through various awareness programsand initiatives.

BUILDING STRONGER **COMMUNITIES**

As one of the leading manufacturers of electrical components, we recognize our profound responsibility within the communities where we operate. Our commitment extends through diverse community engagement programs aimed at supporting marginalized groups, offering healthcare provisions, and fostering initiatives for women's empowerment. Embracing a comprehensive CSR approach, we endeavor to forge a more sustainable and brighter future for all stakeholders.

We have recently constructed a Community Center at Irular Colony, Sarandapalli Village, to support the 22 families living on the periphery of mainstream society with minimal support systems. This Community Center serves as a central gathering place for residents, fostering a sense of unity and providing a venue for discussions about developmental activities aimed at improving their livelihoods. Through this initiative, we aim to create opportunities for collective action and community-driven solutions that enhance the quality of life for these families.

Education

Education is the key to individual and societal development. It empowers individuals by equipping them with knowledge, skills, and critical thinking abilities. It also enables them to make informed decisions and lead independent lives. Education promotes personal growth, fosters intellectual, emotional, and social development, and expands a person's point of view.

We are proud to share that we have recently completed two significant educational initiatives. In Pallalakuppam Village, Vellore, we constructed two new classrooms at the local primary school, providing students with a better learning environment. Additionally, we supported the establishment of a Smart Classroom at Government School, Madukarai, as part of the Government of Puducherry's Digital Learning initiative. This smart classroom is equipped with modern digital tools and resources, aiming to enhance the educational experience and foster a more interactive and effective learning environment for students.

Health and Sanitation

Health and sanitation have been perennial challenges in India, affecting millions of lives and hampering the nation's overall progress. We acknowledge that addressing these issues requires collective efforts and have taken several initiatives for the same.

At Government Girls' High Schools in and around Hosur, we installed sanitary napkin incinerators to support menstrual hygiene and promote a safe and sanitary environment for young girls. Additionally, we have equipped the Government Primary Health Center in Karikalambakkam, Puducherry, with RO water purification systems and advanced laboratory equipment. This state-of-the-art lab equipment enhances the accuracy of blood analysis and speeds up test results, thereby facilitating timely and effective treatment for patients.

₹ 95.96 Lakhs

Total CSR Contribution for 2023-24

ACHIEVING EXCELLENCE
IN GOVERNANCE

At INEL, our corporate identity hinges on robust governance practices. Embracing transparency, accountability, and ethical conduct, we have set a benchmark in the industry for governance standards.

Our Board of Directors has a balanced blend of Executive and Non-Executive members. The Board complies with legal requisites while nurturing a diverse leadership team enriched with varied experiences and expertise. Beyond fulfilling its duties, our Board aspires to foster a comprehensive and diverse ensemble.

As the navigators of the Company, we uphold our corporate values, enabling an ethical culture, advocating sustainability, and fostering innovation. Independent Directors play a pivotal role in ensuring adherence to governance standards and championing fairness in decision-making. Leveraging their diverse expertise, they provide impartial insights into strategy, risk management, controls, and business performance evaluation.

Our governance approach is deeply entrenched in a legacy of fair, ethical, and transparent practices. It is not merely a set of rules but an intrinsic part of our behavior and culture. It encompasses overseeing business strategies, ensuring fiscal prudence, upholding ethical conduct, and treating all stakeholders equitably. This includes regulators, employees, customers, vendors, investors, and society at large. We prioritize long-term shareholder value, maintaining integrity, fulfilling social responsibilities, and complying with regulatory mandates.

In every interaction with stakeholders, we uphold recognized standards of propriety, fairness, and justice. Our commitment revolves around fostering a culture of transparency and openness.

STEERING

OUR VISION

M

Mr. T K Balaji

(Chairman)

Mr. T K Balaji is the Chairman of the ₹ 6,300 Crores (USD 750 Mn) Lucas-TVS Group of Companies, engaged in cutting-edge technology products in the field of Mechatronics through Lucas-TVS Limited & India Nippon Electricals Limited, Common Rail Diesel Fuel Injection Technology through Delphi-TVS Technologies Limited and India's oldest leader in after-market distribution and service of these products through Lucas Indian Services Limited.

Under his vision and leadership, Lucas-TVS has become a fully Indian owned company and diversified into many high technology areas. These includes next generation technologies in Diesel Fuel Injection, Ignition Systems and Lighting. Lucas-TVS is now venturing into the manufacturing of Next-Generation Li-Ion Cells and Batteries based on semi-solid technology. The battery pack will come into the market in 2024, while cells in 2026 and will set new standards of safety, recyclability, performance and cost.

Mr. Balaji was one of the early pioneers and adapters or the Japanese quality and manufacturing systems and under his leadership, Lucas-TVS received Deming Application Prize by JUSE in 2004 and Deming Grand Prize by JUSE in 2012. These are world renowned awards for practicing Total Quality Management (TQM).

Mr Balaji is the Past President of ACMA and has served as a Member of the CII National Council for a number of years. He was a Member of the Development Council for Automobiles & Allied Industries, Government of India. In 1995, Mr. Balaji was conferred a special award, by the FIE Foundation of Maharashtra for his contribution to the Auto Component Industry. He has also served on the Boards of leading NSE 100 Corporates during his illustrious career.

He has a bachelor's degree in mechanical engineering from Madras University where he secured first rank and is also a gold medallist alumni of theIndian Institute of Management, Ahmedabad.

Note: He retires by rotation and, being eligible, offers himself for re-appointment at the AGM to be held in September 2024.

Audit Committee

Nomination and Remuneration Committee

Stakeholders' Relationship Committee

Corporate Social Responsibility Committee

Risk Management Committee

M Member

C Chairman

M M M

Mr. Arvind Balaji

(Managing Director)

Mr. Arvind Balaji was born on 8th December, 1974, and did his B.E. (Mech.) from Birla Institute of Technology and Science and MS in Manufacturing System Engineering from Stanford University. He is also an MBA in Finance from the Wharton School, Pennsylvania. He worked as a staff and Senior Consultant at Oracle Consulting Group of Oracle Corporation between 1998 and 2000 followed by a stint in 2001 as a Summer Associate in Credit Suisse First Boston Technology Group in San Francisco. It was there that he acquired valuable experience in the field of mergers & acquisitions. Between 2002 and 2004, he worked as an Associate at Bank of America Securities LLC, New York in the field of Investment Banking. Mr. Arvind Balaji joined Lucas Indian Service Ltd. as Whole-Time Director in 2004 and his services were placed at the disposal of Lucas-TVS for appointment as Vice President of Business Planning. He became Joint Managing Director of M/s Lucas TVS Ltd., Chennai in April 2008 and Managing Director in August 2022. He was the past President of ACMA. He was appointed as Managing Director of the Company in 2008.

C M C

Mr. Anant Jaivant Talaulicar

(Independent Director)

Mr. Anant Jaivant Talaulicar, (DIN 00031051), was appointed as the Independent Director of the Company on 6th April, 2019. He has a bachelor's degree in Mechanical Engineering from Mysore University in India and has also completed his master's degree in Engineering from the University of Michigan in 1985 and his MBA from Tulane University in 1987. He is engaged as an advisor and Board member of several Indian companies across the manufacturing and service sectors. He is also an advisor and lecturer at the S P Jain Institute of Management and Research.

He started his career with Cummins in the US in 1986 as an intern and subsequently held several positions both in the United States and in India. Mr. Talaulicar was a member of the Cummins Inc. global leadership team from August 2009 till October 2017. He was also the President of the Cummins Inc. Components Group from 2010-2014. During this timeframe, he also served as the Managing Director of Tata Cummins Private Limited, a 50:50 a joint venture between Cummins Inc. and Tata Motors Limited. He also chaired on the Boards of four other Cummins legal entities in India. He has undertaken various profiles in his career such as financial analyst, manufacturing engineer, project manager, product manager, and strategy manager. He was also a Joint Managing Director of Cummins India Limited and was responsible for the Cummins Power Generation and Distribution Businesses in India for a year and then became the Chairman & Managing Director of Cummins India Limited.

Audit Committee

Nomination and Remuneration Committee

Stakeholders' Relationship Committee

Corporate Social Responsibility Committee

Risk Management Committee

M Member

C Chairman

M M

Ms. Priyamvada Balaji

(Non-Executive Director)

Ms. Priyamvada Balaji, (DIN 00730712), was appointed as a Director on the Board of the Company on 29th January, 2018 as a Non-Executive Director of the Company. She holds a postgraduate diploma from the Indian Institute of Management, Ahmedabad, and a B.A in Economics from Stella Maris College, Chennai.

She is also a member of the Board of Directors of Lucas Indian Service, Lucas TVS Limited, Delphi-TVS Technologies Limited, and TVS Training and Services. She has been working with the Group in various roles from 2014 and is currently an Executive Director in Lucas TVS Limited and Delphi TVS Technologies Limited. Prior to joining the Group, Ms. Balaji was in the Financial Services sector for over 12 years, working with companies such as India Ratings (formerly Fitch Ratings India), HSBC, and Arthur Andersen. She is also a member of the Southern Region Council of the Automotive Component Manufacturers Association (ACMA) and a member of the Tamil Nadu State Council of the Confederation of Indian Industry (CII).

M M C

Mr. Heramb Ravindra Hajarnavis

(Independent Director)

Mr. Heramb Ravindra Hajarnavis, (DIN 01680435), has been appointed as an Independent Director of the Company w.e.f. 10th August, 2022. He earned his S.B. from the Massachusetts Institute of Technology (MIT) and is an MBA from Harvard Business School (HBS). He was awarded an Aspen Institute Fellowship in 2008.

Mr. Hajarnavis is the Founder & Managing Partner of SeaLink Capital Partners (SCP), an investment firm focused on high-potential companies in technology-enabled business services, healthcare services and cross-border opportunities between the US and Asia. He is passionate about collaborating and partnering with entrepreneurs to accelerate their growth with global best practices. He was the head of KKR's Indian private equity business from 2010 to 2014. Prior to KKR, he was with Goldman Sachs & Co. based out of their New York, Hong Kong, Singapore, and Mumbai offices where he focused on evaluating investment opportunities for the firm's global private equity and mezzanine debt funds.

He was a founding member of Goldman Sachs' India office and served as Managing Director and Co-Head of private equity. His prior experience also includes being part of the senior management team at Centennial Communications Corp. (a NASDAQ-listed telecommunication services provider with operations in the United States and the Caribbean that was subsequently acquired by AT&T). He currently serves as an Independent Director on the Board of Sundram Fasteners Limited.

Audit Committee

Nomination and Remuneration Committee

Stakeholders' Relationship Committee

Corporate Social Responsibility Committee

Risk Management Committee

M Member

C Chairman

M C C

Ms. Gangapriya Chakraverti

(Independent Director)

Ms. Gangapriya Chakraverti has over three decades of experience in the corporate world. Her experience comprises corporate and leadership roles in the Murugappa Group and Ford Motor Company's Business Services organization and business development and consulting roles in Mercer Consulting. Her specific areas of interest include leadership development, change management, executive coaching, total rewards and diversity and inclusion.

Starting with her last role as Director – Human Resources and continuing into her present role as its Managing Director for Ford Business Services, she has played a significant role managing all aspects of human resources and change management to support its transformation into a truly global, multi-functional innovation hub, scaling from 4,000 to 10,000+ associates. Under her people-oriented leadership and focus on building a great workplace culture, Ford Business Services has featured among the top companies across the country by the Great Place to Work Institute and recognized for its employee-oriented practices and policies by organizations like NASSCOM, Working Mothers Media and the National HRD Network.

She lends her voice frequently, advocating diversity and inclusion at the workplace and seeking greater representation of women in leadership roles. She mentors and coaches senior and experienced women, encouraging them to achieve their full potential. She is an ardent spokesperson for workplace wellness and has an abiding interest in promoting wellness as part of employee engagement. As an HR and Business Leader, Gangapriya is a regular speaker at international and national conferences and forums.

She has been the first lady President of the Chennai chapter of the NHRDN (2019-2021) and served on its National Board for two consecutive terms. She is on the advisory board of school focusing on holistic education for socio-economically disadvantaged children.

She holds a bachelor's degree in Arts (Psychology) from the Women's Christian College, Chennai and completed her master's degree in Personnel Management And Industrial Relations from the Tata Institute of Social Sciences, Mumbai as a gold medallist. She is pursuing her Professional Certified Coach certification from the International Coaching Federation and is a Certified Diversity Professional from the Diversity Training University International, San Francisco. She was awarded the Women of World Awards 2023 instituted by The Hindu, in the Business Leadership category.

Audit Committee

Stakeholders' Relationship Committee

Risk Management Committee

Nomination and Remuneration Committee

Corporate Social Responsibility Committee

M Member

C Chairman

OUR AWARDS,
OUR PRIDE

HR SUMMIT & SCORE AWARDS 2024

LEAN PRACTICE

MAINTENANCE

KAIZEN

SMED

QIT

CORPORATE INFORMATION

Board of Directors

T K Balaji
Chairman

Arvind Balaji
Managing Director

Anant Jaivant Talaulicar

Heramb Ravindra Hajarnavis

Gangapriya Chakraverti

Priyamvada Balaji

K. G. Raghavan
(Up to 2023 AGM)

R. Vijayaraghavan
(Up to 2023 AGM)

Audit Committee

Anant Jaivant Talaulicar
Chairman

Heramb Ravindra Hajarnavis

Priyamvada Balaji

Stakeholders' Relationship Committee

Heramb Ravindra Hajarnavis
Chairman

Arvind Balaji

Gangapriya Chakraverti

Nomination & Remuneration Committee

Gangapriya Chakraverti
Chairperson

T K Balaji

Anant Jaivant Talaulicar

CSR Committee

Gangapriya Chakraverti
Chairperson

Arvind Balaji

Priyamvada Balaji

Risk Management Committee

Anant Jaivant Talaulicar
Chairman

Arvind Balaji

Heramb Ravindra Hajarnavis

Ravinder Sharma

President

Ravinder Sharma

Chief Technical Officer

R. Umashankar

Chief Financial Officer

Elango Srinivasan

Company Secretary & Compliance Officer

Logitha S

Auditors

Deloitte Haskins & Sells LLP, Chennai

Cost Auditor

K. Suryanarayanan

Secretarial Auditor

S.A.E & Associates LLP

Bankers

Bank of Baroda

ICICI Bank Limited

Axis Bank Limited

HDFC Bank Limited

Listed on:

National Stock Exchange of India Limited, Mumbai

BSE Ltd.,Mumbai

Registered Office

11 & 13, Patullos Road,
Chennai - 600 002, Tamil Nadu
Ph: 044 - 2846 0063
Email: investors@inel.co.in
CIN: L31901TN1984PLC011021
Website: www.indianippon.com

Subsidiary Company

PT Automotive Systems Indonesia

Factories

Hosur Unit
Thalli Road
Uliveeranapalli - 635 114, Tamil Nadu
Ph: 04347-233432-233438
Email: inelcorp@inel.co.in

Puducherry Unit
Madukarai Road
Kariamanickam,
Nettapakkam Commune
Puducherry - 605 106
Ph: 0413-2697801-2697827

Rewari Unit
Masani Village
Rewari District,
Haryana - 122 106
Ph: 01274-240860/240212

R&D Tech Centre

SIPCOT Industrial Complex,
Plot No-137,
Phase-1,
Hosur, Tamil Nadu

Notice to Shareholders

NOTICE is hereby given that the 39th Annual General Meeting of the Shareholders of INDIA NIPPON ELECTRICALS LIMITED ("the Company") will be held on Wednesday, 18th September, 2024 at 10:00 A.M. (I.S.T.) through Video Conferencing (V.C.)/ Other Audio-Visual Means (O.A.V.M.) to transact the following businesses:

ORDINARY BUSINESS

1. **To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31st March, 2024**

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

   "**RESOLVED THAT** the audited standalone financial statements of the Company for the financial year ended 31st March, 2024 together with the reports of the Board of Directors and Auditors, be and are hereby considered and adopted.

   RESOLVED THAT the audited consolidated financial statements of the Company for the financial year ended 31st March, 2024 together with the Auditors report, be and are hereby considered and adopted."

2. **To confirm the Interim Dividend for the year 2023-24**

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

   "**RESOLVED THAT** the interim dividend of ₹ 10.25 declared and paid for every equity share of face value of ₹ 5 each on 2,26,21,424 equity shares, by the Board of Directors of the Company as per Resolution passed on 13th February 2024, absorbing a total sum of ₹ 2,318.69 Lakhs, be and is hereby noted and confirmed as the final dividend for the year ended 31st March, 2024."

3. **To appoint a Director in place of Mr. T K Balaji (DIN: 00002010), who retires by rotation and being eligible offers himself for re-appointment.**

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

   "**RESOLVED THAT** pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Mr. T K Balaji (DIN: 00002010), who retires by rotation, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

SPECIAL BUSINESS

4. **To ratify the remuneration payable to Mr K Suryanarayanan, the Cost Auditor of the Company for the financial year ending 31st March, 2025.**

   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 other applicable provisions, if any, of the Companies Act, 2013 and the relevant Rules framed thereunder, as amended from time to time, the Members of the Company do hereby ratify the remuneration of ₹ 3,50,000/- (Rupees Three Lakhs Fifty Thousand only), plus applicable taxes and reimbursement of actual travel and out-of-pocket expenses to Mr. K Suryanarayanan, Cost Accountant (Registration No.24946), as approved by the Board of Directors, for conducting audit of the cost records of the Company for the financial year ending 31st March, 2025.

By Order of the Board

S Logitha
Company Secretary & Compliance Officer
Membership No. A29260

Place: Chennai
Date: 06th August, 2024

Registered Office Address:
No.11 & 13, Patullos Road, Chennai - 600002,
Tamil Nadu, India. • Tel: 044-28460073
Email: logitha.s@inel.co.in; investors@inel.co.in
Website: www.indianippon.com •
CIN: L31901TN1984PLC011021

IMPORTANT NOTES TO SHAREHOLDERS:

1) The Government of India, Ministry of Corporate Affairs has allowed conducting Annual General Meeting ("AGM") through Video Conferencing ("VC") or Other Audio-Visual Means ("OAVM") and dispended the personal presence of the Shareholders at the meeting. Accordingly, the Ministry of Corporate Affairs issued Circular No. 09/2023 dated 25th September, 2023 read with Circular No. 14/2020 dated 8th April, 2020 and Circular No. 17/2020 dated 13th April, 2020 ("MCA Circulars") and Circular No. SEBI/HO/ CFD/CMD2/ CIR/P/2021/11 dated 15th January, 2021, Circular No. SEBI/HO/DDHS/P/ CIR/2022/0063 dated 13th May, 2022, Circular No. SEBI/HO/DDHS/ DDHS-RACPOD1/P/ CIR/2023/001 dated 5th January, 2023 and Circular No. SEBI/HO/CFD/CFD-PoD2/P/CIR/2023/167 dated 7th October, 2023 issued by the Securities Exchange Board of India ("SEBI Circular") prescribing the procedures and manner of conducting the AGM through VC/ OAVM. In terms of the said circulars, the 39th AGM of the shareholders will be held through VC/OAVM. Hence, shareholders can attend and participate in the AGM through VC/ OAVM only.

2) The Company has enabled the Members to participate and vote at the 39th 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 business to be transacted at the 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 & SEBI 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 this 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 Corporate 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 prabhakar@bpcorpadvisors.com with a copy marked to helpdesk.evoting@cdslindia.com.

6) The Company's Statutory Auditors, M/s. Deloitte Haskins & Sells LLP Firm Registration No.: 117366W/ W-100018, were appointed for a period of 5 (Five) consecutive years at the 37th (Thirty Seventh) Annual General Meeting ("AGM") of the Members held on 21st September, 2022, at a remuneration as decided by the Board of Directors of the Company.

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 or the Share Transfer Agent (Cameo) 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 Cameo 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 IEPF (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has uploaded the details of unclaimed/ unpaid dividends lying with the Company on the website of the Company viz., https://indianippon.com/investors. The dividends remaining unpaid for a period of over 7 years shall be transferred to the Investor Education and Protection Fund of the Government of India. Hence, the Members who have not claimed their dividends relating to the earlier years

may write to the Company for claiming the amount before it is so transferred to the Fund. The details of due dates for transfer of such unclaimed dividend to said fund is provided in the Corporate Governance Report.

11) In accordance with Section 125(5) of the Companies Act, 2013, the Company has transferred the unclaimed/ unpaid dividends lying with the Company for a period of over 7 years, to the IEPF established by the Government of India.

12) In accordance with Section 124(6) of the Companies Act, 2013, read with the Investor Education and Protection Fund Authority (Accounting, Auditing, Transfer and Refund) Rules, 2016, the shares in respect of which, dividend has not been paid or claimed for 7 consecutive years or more have been transferred by the Company to IEPF. The shareholders/ their legal heirs are entitled to claim the said shares and the dividend, so transferred, from the IEPF by making an online application in Form No. IEPF-5 to the IEPF Authority.

13) In compliance with the aforesaid Circulars of MCA & SEBI, the Notice of the AGM along with the Annual Report 2023-24 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories as on 16th August, 2024. Members may note that the Notice and Annual Report 2023-24 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.

14) In case a person becomes a Member after 16th August, 2024, such person may write to the Company/ Cameo by e.mail at investors@inel.co.in/ nagaraj@cameoindia.com 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 in of the Notice. Only a member as on 11th September, 2024 will be eligible to participate and vote on the resolutions. Person who is not a member as on the cut-off date i.e., 11th September, 2024, should treat this Notice for information purpose only.

15) The Register of Members and Share Transfer Books of the Company will remain closed from 12th September, 2024 to 18th September, 2024 (both days inclusive) for the purpose of Annual General Meeting.

16) The Company is releasing a public notice by way of advertisement in newspapers in English (Business Standard) and Tamil (Dinamani), containing the following information:

    i. Convening of AGM through V.C./O.A.V.M. in compliance with the provisions of the Act.

    ii. Date and time of the A.G.M.

    iii. Availability of Notice of the Meeting on the website of the Company, the Stock Exchanges viz., BSE Limited, National Stock Exchange of India Limited where the shares of the Company are listed and at https://www.evotingindia.com.

    iv. Requesting the members who have not registered their email addresses with the Company, to get the same registered with the Company.

17) The cut-off date will be 11th September, 2024 for determining the eligibility to vote by remote eVoting or in the AGM.

18) The details required under Regulation 36(3) of the Listing Regulations and Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, in respect of the Directors proposed to be appointed / re-appointed at this AGM forms a part of this Notice.

19) The Board of Directors, at its meeting held on 06th August, 2024 has appointed M/s BP & Associates (Entity ID:83104), Company Secretaries, Chennai, represented by Mr. C Prabhakar, Partner, who is not in full time employment of the Company, as Scrutinizer, for scrutinizing the remote e-voting and e-voting at the AGM in a fair and transparent manner.

20) 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 2 working days from the 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.

21) 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.

22) The following documents will be available for inspection by the Members electronically during the 39th 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.

23. In terms of SEBI Master Circular SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated May 07, 2024 read with SEBI Circular SEBI/HO/MIRSD/POD-1/P/CIR/2024/81 dated June 10, 2024, the following shall be noted:

a. dividend shall be paid only through electronic mode with effect from April 01, 2024, with respect to shares held in physical mode for which PAN and complete KYC details is furnished. The dividend amount for the folio will remain lying in the Company's Dividend Bank Account unless PAN and complete KYC details including Bank details are provided by you. Once the PAN and KYC details are received by us or our RTA, dividend will be remitted directly to your Bank Account

b. the Members whose previous year dividends are lying unpaid on account of expiration of warrant/ demand draft issued and whose bank account details are not available/ incorrect as per records, are requested to update the same in the manner prescribed below, to process the unpaid dividend via electronic bank transfer:

For shares held in DEMAT mode: Furnish/ update bank account details with your respective DP by following the procedure prescribed by the DP. Thereafter, submit with RTA through https://wisdom.cameoindia. com/ or Cameo Corporate Services Limited, 'Subramanian Building', No. 1, Club House Road, Chennai - 600 002, Tamil Nadu, India; Phone: 044 - 4002 0700, the following documents:

1. Expired warrant/demand-draft; and
2. Self-attested copy of updated Client Master List (CML) with bank details, duly stamped by DP.

For Shares held in physical mode: Submit with RTA, the following documents:

1. Expired warrant/demand draft;
2. Form ISR-1, Form ISR-2 along with the supporting documents;
3. Copy of cancelled cheque bearing the name of the Member / Copy of bank passbook / Bank statement duly attested by the bank.

The prescribed formats are available on investor section of the Company's website at https://indianippon.com/ and on the RTA's website at https://cambridge.cameoindia.com/Module/Downloadable_Formats.aspx. Further, the relevant Frequently Asked Questions (FAQs) published by SEBI on its website can be viewed at the following link: https://www.sebi.gov.in/sebi_data/faqfiles/jan-2024/1704433843359.pdf

SEBI has established a common Online Dispute Resolution Portal (ODR Portal) for resolution of disputes arising in the Indian Securities Market. Pursuant to this, post exhausting the option to resolve their grievances with the

RTA / Company directly and through existing SCORES platform, the investors can initiate dispute resolution through the ODR Portal:

https://smartodr.in/ login and the same can also be accessed through the Company's Website at

https://indianippon.com/investors/

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013.

The following Explanatory Statement sets out all the material facts relating to the Special business mentioned under Item No. 4 of the accompanying Notice dated 06th August, 2024.

ITEM NO: 04

At the meeting held on 30th May, 2024, the Board had approved, after considering the recommendations of the Audit Committee, the re-appointment of Mr. K Suryanarayanan, Cost Accountant (Registration No.24946), for the conduct of Cost Audit of the Company at a remuneration of ₹ 3.50 Lakhs and reimbursement of actual travel and out-of-pocket expenses for the financial year ending 31st March, 2025. The remuneration approved by the Board of Directors needs to be ratified by the shareholders in terms of Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives are concerned or interested, financially or otherwise in the resolution set out at item no.4 of the Notice.

The Board of Directors recommends the Ordinary Resolution for approval by the members.

ANNEXURE TO THE NOTICE

Particulars of the Directors seeking re-appointment / appointment at the 39th Annual General Meeting pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

ITEM NO. 3

Mr. T K Balaji (DIN: 00002010) was born on 12th July, 1948. He is a Bachelor of Engineering, secured 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.

Mr. T K Balaji, Chairman retires by rotation and being eligible, offers himself for re-appointment at the AGM to be held on 18th September, 2024. He is interested in the resolution relating to his re-appointment as Director besides Mr. Arvind Balaji, Managing Director and Ms. Priyamvada Balaji, Director being his relatives. Other directors or key managerial personnel or their respective relatives are not interested in this resolution. The ordinary resolution regarding reappointment of Mr. T K Balaji is recommended for the approval of the Members.

Name of the Director	Mr. T K Balaji (DIN: 00002010)
Designation/category of the Director	Non-Executive (Non-Independent) Director
Date of Birth & Age	12th July, 1948 & Age 76
Nationality	Indian
Profile/ Qualification	Bachelor of Engineering from Madras University and Master of Business Administration from IIM Ahmedabad.
Expertise in specific functional areas	A robust skill set that includes Marketing, Customer Service, Strategy and Leadership.
Date of first appointment to the Board	28th July 1986
Terms and Conditions of appointment / reappointment	Re-appointment as a Non-Executive, Non-Independent Director under Section 152(6) of Companies Act 2013.
Remuneration last drawn for FY 2023-24	Last drawn remuneration is given in the Corporate Governance Report.
Revised Remuneration sought to be paid	Sitting fees and commission as may be approved by the Board of Directors in accordance with applicable provisions.
No. of Shares held	1694 Equity Shares
Relationship between director inter-se Relationship with Directors:	Father of Mr. Arvind Balaji, Managing Director and Ms. Priyamvada Balaji, Director
No of Board Meetings attended / held during the year 2023-24	5 Out of 5 Board meetings
Name(s) of other entities in which holding of directorship	1. SB TVS Industrial Ventures Private Limited 2. TVS Indeon Limited 3. T.V. Sundaram Iyengar & Sons Private Limited 4. Lucas Indian Service Limited 5. Lucas TVS Limited 6. TVS Investments Private Limited 7. Delphi-TVS Technologies Limited 8. TVS Automotive Systems Limited 9. Harita Trade & Services Private Limited 10. Cheema TVS Industrial Ventures Private Limited
Listed entities from which the Director has resigned in the past three years	TVS Holdings Limited
Chairpersonship/Membership in committees of other Entities	Lucas Indian Service Limited – Nomination & Remuneration Committee and Corporate Social Responsibility Committee Lucas TVS Limited - Nomination & Remuneration Committee

CDSL E-Voting System – For Remote E-Voting and E-Voting during AGM

1. The Ministry of Corporate Affairs and the Securities and Exchange Board of India have, vide Circulars dated 25th September, 2023 and 7th October, 2023, respectively, permitted companies to conduct their Annual General Meetings (AGMs) through video conferencing (VC) or other audio-visual means (OAVM) up to 30th September, 2024. Accordingly, the forthcoming AGM of the Company will be held through video conferencing (VC) or other audio-visual means (OAVM).

2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated 8th April, 2020, 13th April, 2020 and 5th May, 2020, the Company is providing the facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-voting agency. The facility of casting votes by a member using remote e-voting, as well as the e-voting system on the date of the AGM, will be provided by CDSL.

3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.

5. Pursuant to MCA Circular No. 14/2020 dated 8th April, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.

6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated 13th April, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.indianippon.com. The Notice can also be accessed from the website of the Stock Exchanges i.e. National Stock Exchange of India Limited and BSE Limited at www.nseindia.com and www.bseindia.com respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.

THE INSTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:

(i) The voting period begins on **Sunday, 15th September, 2024 at 9.00 A.M.** and ends on **Tuesday, 17th September, 2024 at 05.00 P.M. (IST)**. During this period, the shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e., **Wednesday, 11th September, 2024** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

(iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9th December, 2020 and the provisions contained in Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level. Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

(iv) In terms of SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9th December, 2020, on e-Voting facility being provided by Listed entities, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and Email Id in their Demat accounts in order to access e-Voting facility.

Pursuant to the said SEBI Circular, Login method for eVoting and joining the AGM through VC/ OAVM for individual shareholders holding shares in Demat mode are given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with **CDSL Depository**	1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login to Easi / Easiest are requested to visit CDSL's website www.cdslindia.com and click on login icon & New System Myeasi Tab. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by the Company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at CDSL's website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders holding securities in demat mode with **NSDL Depository**	1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on Company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Type of shareholders	Login Method
	2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on Company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders (holding securities in demat mode) login through their **Depository Participants (DP)**	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on Company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with **CDSL**	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no.: 1800 22 55 33.
Individual Shareholders holding securities in Demat mode with **NSDL**	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at : 022 - 4886 7000 and 022 - 2499 7000

(v) Login method for Remote e-Voting for Physical shareholders and shareholders other than individual holding in Demat form.

1) The shareholders should log on to the e-voting website www.evotingindia.com.
2) Click on "Shareholders" module.
3) Now enter your User ID
    a. For CDSL: 16 digits beneficiary ID,
    b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
4) Next enter the Image Verification as displayed and Click on Login.
5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any Company, then your existing password is to be used.

6) If you are a first-time user follow the steps given below:

For Physical shareholders and other than individual shareholders holding shares in Demat.	
PAN	Enter your '10' digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details **OR** Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. • If both the details are not recorded with the depository or Company, please enter the member id / folio number in the Dividend Bank details field.

(vi) After entering these details appropriately, click on **"SUBMIT"** tab.

(vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(ix) Click on the EVSN of "India Nippon Electricals Limited" to vote.

(x) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xii) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xvi) There is also an optional provision to upload BR/POA, if any, which will be made available to scrutinizer for verification.

(xvii) Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.

- The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
- It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send mandatorily the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; investors@inel.co.in. and/ or prabhakar@bpcorpadvisors.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the 39th AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ ask questions during the meeting may register themselves as a speaker by sending in their request by e.mail to investors@inel.co.in/ on or before 11th September, 2024 mentioning their name, demat account number/ folio number, email id, mobile number. The queries may be raised precisely and in brief to enable the Company to answer the same suitably depending on the availability of time at the meeting. Members who do not wish to speak during the AGM but have queries may send in their queries on or before 11th September, 2024 mentioning their name, demat account number/folio number, email id, mobile number at investors@ inel.co.in These queries will be replied to by the Company suitably by email. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
8. Those Shareholders who have registered themselves as a speaker will only be allowed to express their views/ ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders may be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/ MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/ DEPOSITORIES.

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to investors@inel.co.in/ RTA at nagaraj@cameoindia.com
2. For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP).
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call toll free no. 1800225533.

By Order of the Board

S Logitha
Company Secretary &
Compliance Officer
Membership No. A29260

Place: Chennai
Date: 06th August, 2024

Registered Office Address:
No.11 & 13, Patullos Road, Chennai - 600002,
Tamil Nadu, India. • Tel: 044-28460073
Email: logitha.s@inel.co.in; investors@inel.co.in
Website: www.indianippon.com
CIN: L31901TN1984PLC011021

Boards' Report

Dear Members,

The Board of Directors are pleased to present the 39th Annual Report of India Nippon Electricals Limited ("the Company") along with the audited financial statements (Standalone and Consolidated) for the financial year ended 31st March, 2024.

1. FINANCIAL HIGHLIGHTS (on standalone basis):

(₹ In Lakhs)

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Total Income	74,887	69,642
Profit before depreciation, exceptional items and taxes	9,087	9,271
Less:		
Depreciation	1,509	1,462
Profit before tax & exceptional items	7,578	7,809
Exceptional items	-	803
Profit before tax	7,578	7,006
Taxation	1,648	1,219
Profit after tax	5,930	5,787
Add:		
Balance in statement of profit and loss including general reserve	46,037	42,342
Total Comprehensive income available for Appropriation	**51,966**	**48,128**
Appropriations:		
Dividend and Dividend Distribution tax	2,318	2,091
Surplus carried forward	49,648	46,037

2. FINANCIAL AND OPERATIONAL PERFORMANCE:

Our sound financial performance and strong balance sheet position us well to embark on a new wave of growth. Our profit before tax (PBT) for the year 2023-24 stood at 7,578 Lakhs and the operational profit for the year is 5,138 Lakhs. Our total revenue for the year stood at 72,408 Lakhs, recording a 10.3% year-on-year (y-o-y) growth while the profit after tax (PAT) for the year stood at 5,930 Lakhs, clocking a 2.5% growth y-o-y and 48.7% excluding one-time dividend of 1,800 Lakhs received from Indonesia subsidiary in the previous year. Our EBITDA for 2023-24 reached 9,126 Lakhs, compared to 8,510 Lakhs in 2022-23. Our efforts to improve the gross margin through material cost reduction activities and focus on exports and after market, has resulted in increase of gross margin from 30.9% to 31.2%. We have successfully reduced our working capital days from 57 to 42, demonstrating our commitment to efficient management of working capital and financial discipline while supporting capex for future business growth. Fixed expenses are kept under control despite increase in inflation. We are pleased to declare a dividend of ₹ 10.25 per share for 2023-24, continuing our culture of rewarding shareholders.

2.1 TRANSFER TO RESERVES

The Company retained the entire surplus in the Profit and Loss Account and hence no transfer to General Reserve was made during the Year.

3. INTERNAL FINANCIAL CONTROLS SYSTEMS AND ADEQUACY:

The Company has established a robust internal financial framework including Internal Controls over Financial Reporting and anti-fraud framework. The Company's internal control systems are commensurate with the nature of its business, the size and complexity of its operations and such internal financial controls concerning the financial Statements are adequate. The Company has engaged an auditor who is a strong and independent external firm specializing in internal audit. Firm is subject to rotation in every two years. Internal Audit firm functionally reports to the Chairman of the Audit Committee, thereby maintaining its objectivity and independence. The framework is regularly reviewed by the management and audit committee and strengthened, from time to time to ensure adequacy and effectiveness of internal financial controls. While Internal controls over Financial Reporting is certified by the Statutory Auditors, the Chief Financial Officer and the Managing Director certifying the adequacy of over-all Financial Controls to the Audit Committee and Board on quarterly/ annual basis.

The Current system of internal financial control is aligned with statutory requirements. Effectiveness of internal financial control is ensured through management reviews, controlled self-assessment and independent testing by external independent Internal Auditor.

4. CORPORATE SOCIAL RESPONSIBILITY:

In Compliance with Section 135 of the Act, the Company has undertaken CSR activities, projects and programs, excluding activities undertaken in pursuance of its normal course of business. We are committed to actively contribute towards the development of a sustainable society.

For the year 2023-24, a number of CSR projects/ programs were undertaken and based on the recommendation of the CSR Committee, the Board had approved an amount of ₹ 96.57 Lakhs i.e., 2% of the average qualifying net profits of the last three financial years on CSR activities. After setting off the previous year's excess spent of ₹ 0.72 Lakhs against CSR projects, the balance ₹ 95.85 Lakhs was required to be spent towards CSR projects against which the Company had spent ₹ 95.96 Lakhs which is ₹ 0.11 Lakhs in excess of the CSR obligation for the year which shall be carried forward to the FY 2024-25.

In addition to the projects specified as CSR activities under Section 135 of the Act, the Company has also carried out several other sustainability/ responsible business initiatives to the Community and most of the activities were carried out near to the locations of the factory.

The Annual Report on CSR containing the Composition of the CSR & Sustainability, salient features of the CSR Policy, details of activities, and other information as required under Companies (Corporate Social Responsibility Policy) Rules, 2014 are provided in Annexure to this report. The CSR Policy may be accessed on the Company's website at the link: https://indianippon.com/policies/.

5. SUBSIDIARY COMPANY AND THE CONSOLIDATED FINANCIAL STATEMENTS:

a. Subsidiary company: PT Automotive Systems Indonesia

The subsidiary company has applied for liquidation and winding up process has begun by appointing a Liquidator. Continuous follow up is being made with government authorities to speed up the approval process. Financial position of the subsidiary is provided in Form AOC-1 as required under Section 129 (3) of the Companies Act 2013.

b. Consolidated Financial Statements

The Consolidated Financial Statements of the Company is prepared in accordance with the provisions of Section 129 (3) of the Companies Act 2013 read with the Companies (Accounts) Rules, 2014 and Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Pursuant to the provisions of Section 136 of the Companies Act, 2013, the audited financial statements of the subsidiary have been placed on the website of the Company at www.indianippon.com and will be made available to the members on receipt of a request from them.

5.1 DISCLOSURES RELATING TO SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Company has one subsidiary (PT Automotive Systems Indonesia) and no Joint venture or Associate as on 31st March, 2024.

5.2 REMUNERATION RECEIVED BY MANAGING/ WHOLE TIME DIRECTOR FROM THE COMPANY, HOLDING OR SUBSIDIARY COMPANY.

For the year 2023-24, a remuneration of ₹ 306.9 Lakhs including commission of ₹ 97.7 Lakhs, subject to tax, as applicable was approved by the Board of directors for Mr Arvind Balaji, Managing Director at their meeting held on 30th May, 2024 as recommended by the Nomination and Remuneration Committee within the limits as approved by the Shareholders at the annual general meeting held on 21st September, 2022. During the year, Managing Director received a commission of ₹ 7 Lakhs from the holding company, Lucas Indian Service Limited.

6. DIVIDEND:

a. Declaration and Payment of Dividend

The Board of Directors at their meeting held on 13th February, 2024 had declared an interim dividend of ₹ 10.25 per equity share during the year under review on a face value of Rs 5 each. Your Directors recommend consideration of the same as final dividend for the year which absorbs a total sum of ₹ 2318.69 Lakhs for the year ended 31st March, 2024.

As per the Income-Tax Act, 1961, dividends paid or distributed by the Company shall be taxable in the hands of the shareholders. Accordingly, the Company makes the payment of the dividend from time to time after deduction of tax at source.

b. Dividend Distribution Policy

The Dividend recommended is in accordance with the Dividend Distribution Policy of the Company. According to Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") the Board had adopted a Dividend Distribution Policy, which has been placed on the website of the Company and can be accessed at the link: https://indianippon.com/policies/.

7. PUBLIC DEPOSITS:

During the year, the Company has not accepted any deposits from the public falling within the ambit of Section 73 or Section 76 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules 2014. No amount on account of principal or interest on deposits from the public was outstanding as on 31st March, 2024.

8. FAMILIARISATION PROGRAMME

The Company has put in place a familiarisation programme for all its Directors including the Independent Directors. The familiarisation programme for Independent Directors in terms of provisions of Regulation 46(2)(i) of the Listing Regulations is uploaded on the website of the Company.

9. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The information on the Conservation of energy, technology absorption and Foreign exchange earnings and outgo as stipulated under Section 134(3) (m) of the Act, read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is set out in the Annexure to this Report.

10. BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT:

Pursuant to Regulation 34(2)(f) of the SEBI Listing Regulations, 2015 read with SEBI Master Circular No. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated 11th July 2023, the Business Responsibility and Sustainability Report ('BRSR') for 2023-24 has been prepared based on the framework of the National Guidelines on Responsible Business Conduct and in the format prescribed by SEBI.

11. PARTICULARS OF EMPLOYEES:

Disclosure pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed to this Report.

Disclosures with respect to the remuneration of Directors and employees as required under Section 197 of the Companies Act, 2013 and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, has been appended as Annexure to this Report.

The information required pursuant to Section 197 of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of your Company are available to Shareholders for inspection on request. If any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary, on https://indianippon.com/policies/ whereupon a copy would be sent.

12. ANNUAL RETURN:

The copy of draft Annual Return in Form MGT-7, prepared as per Section 92(3) of the Act read with Rule 11 of the Companies (Management and Administration) Rules, 2014 is placed on the website of the Company at https://indianippon.com/. The Annual Return will be submitted to the Registrar of Companies within the timelines prescribed under the Act.

13. RISK MANAGEMENT COMMITTEE:

The Board of Directors of the Company has formed a Risk Management Committee to frame, implement, and monitor the risk management plan for the Company. The Committee is responsible for reviewing the risk management plan and ensuring its effectiveness. The Committee considers the risks that impact the mid-term to the long-term objectives of the business, including those reputational in nature. The Company has an elaborate risk charter and risk policy defining the risk management governance model, risk assessment, and prioritization process. The Risk Management Committee reviews and monitors the key risks and their mitigation measures periodically and provides an update to the Board on the Company's risks outlined in the risk registers. There are no risks which in the opinion of the Board threaten the existence of the Company. The Audit Committee has additional oversight in the area of financial risks and controls. The policy can be accessed at https://indianippon.com/policies/.

14. CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION AND ANALYSIS:

The Company has complied with the corporate governance requirements under the Act, and the Listing Regulations. A separate section on Corporate Governance along with a certificate from the Practicing Company Secretary confirming compliance forms an integral part of this Annual Report.

A detailed report on Management Discussion and Analysis forms an integral part of this Annual Report and also covers the consolidated operations reflecting the nature of our business.

15. DIRECTORS' RESPONSIBILITY STATEMENT:

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory, cost, and secretarial auditors including the audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by the management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and operating effectively during the financial year 2023-24.

Pursuant to Section 134 (5) of the Act, the Board of Directors, to the best of their knowledge and ability, confirm that for the financial year ended 31st March, 2024:

a) In the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;

b) They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profits of the Company for that period;

c) They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) They have prepared the annual accounts on a 'going concern basis';

e) They have laid down internal financial controls for the Company which are adequate and are operating effectively;

f) They have devised a proper system to ensure compliance with the provisions of all applicable laws and such systems are adequate and are operating effectively.

16. DIRECTORS & KEY MANAGERIAL PERSONNEL (KMP):

16.1 Independent and Non-Executive Directors: Appointment, Reappointment, Resignation, Retirement etc.:

Independent directors, Mr. R Vijayaraghavan and Mr. K G Raghavan have completed their second term on the Board as at the close of the Annual General Meeting held on 20th September, 2023. The Board places on record its appreciation of the services rendered by Mr. R Vijayaraghavan and Mr. K G Raghavan during their tenure as Independent Directors of the Company.

Your Directors wish to place on record that, pursuant to entering into the Share Purchase Agreement dated 19th June, 2023 amongst Mahle Electric Drives Japan Corporation, Mahle Holding India Private Limited and Lucas Indian Service Limited in connection with the acquisition of the entire holding of MEDJ and MHIPL i.e., 14,14,786 equity shares and 30,00,000 equity shares respectively, in India Nippon Electricals Limited, by LIS, and as per Article 6.01.2 of the Joint Venture Agreement dated 24th August, 1985, consequent upon acquisition of shares by LIS on 26th June, 2023 and termination of the Joint Venture agreement vide termination agreement dated 17th July, 2023, Mr. Kiyoyasyu Kawakami (DIN: 09283649) and Mr. Jakob Ruemmler (DIN: 09237428) tendered their resignations from the post of Directorship of India Nippon Electricals Limited, effective from the closing hours of 19th July, 2023.

Considering their resignations and the retirement of the independent directors viz., Mr. R Vijayaraghavan (DIN: 00026763) and Mr. K G Raghavan (DIN: 00359471), the size of the Board got reduced to 6 with effect from 20th September, 2023 and is in compliance with the statutory requirements in terms of composition of the Board pursuant to the Companies Act 2013 and SEBI Listing Regulations.

The following table presents the appointment and tenure of the Independent Directors of your Company:

Name of the Director (Mr./ Mrs.)	Date of appointment (first term)	Date of re-appointment (second term)	Reappointed/ appointed up to
Anant J Talaulicar	6th April, 2019	6th April, 2023	AGM 2028
Heramb R Hajarnavis	10th August, 2022	-	AGM 2026
Gangapriya Chakraverti	10th August, 2022	-	AGM 2026

Retirement by rotation and subsequent re-appointment:

In accordance with the provisions of Section 152 and other applicable provisions, if any, of the Act and the Articles of Association of the Company, Mr. T K Balaji (DIN: 00002010), Non-Executive Director of the Company, is liable to retire by rotation at the ensuing AGM and being eligible has offered himself for re-appointment.

Based on performance evaluation and recommendation of the Nomination and Remuneration Committee, the Board of Directors recommends his re-appointment as a Non-Executive Director of the Company, liable to retire by rotation. The appropriate resolution for the re-appointment of Mr. T K Balaji is being placed for the approval of the shareholders of the Company at the ensuing AGM. Details with respect to his experience, attributes, skills, disclosure of relationship between directors inter-se, directorships held in other companies and committee memberships, etc., as stipulated under Regulation 36 of the Listing Regulations and Secretarial Standard on General Meetings issued by ICSI, have been disclosed in the Annexure to the Notice of the AGM. The Managing Director and Independent Directors of the Company are not liable to retire by rotation.

16.2 Key Managerial Personnel (KMPs):

Mr. Arvind Balaji, Managing Director, Mr. Elango Srinivasan, CFO & Ms. S Logitha Company Secretary, are the Key Managerial Personnel ("KMP") of the Company in accordance with the provisions of Sections 2(51) and 203 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

During the year under review, there were no changes to the KMP of the Company.

16.3 Declaration by Independent Directors as required u/s 149:

In terms of Section 149 of the Act and SEBI Listing Regulations, Mr. Anant Jaivant Talaulicar, Mr. Heramb R Hajarnavis and Ms. Gangapriya Chakraverti are the Independent Directors of the Company, as on the date of this report.

All Independent Directors of the Company have given requisite declarations under Section 149(7) of the Act, that they meet the criteria of independence as laid down under Section 149(6) of the Act along with Rules framed thereunder, Regulation 16(1)(b) of SEBI Listing Regulations and have complied with the Code of Conduct of the Company as applicable to the Board of

Directors and Senior Management personnel. In terms of Regulation 25(8) of the SEBI Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstance or situation, which exists or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence. The Company has received confirmation from all the Independent Directors of their registration on the Independent Directors Database maintained by the Indian Institute of Corporate Affairs, in terms of Section 150 read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

In the opinion of the Board, the Independent Directors possess the requisite expertise and experience and are persons of high integrity and repute. They fulfill the conditions specified in the Act as well as the Rules made thereunder and are independent of the management.

Declaration of Independence comprising all the requirements of Companies Act, 2013 and SEBI Listing Regulations were received by the Company and was taken on record by the Board after verifying the veracity of the declarations, from Mr. Anant Jaivant Talaulicar, Mr. Heramb R Hajarnavis and Ms. Gangapriya Chakraverti.

Further, a report by Practicing Company Secretary highlighting that none of the Directors of the Company are debarred or disqualified is given under the Corporate Governance Section of this report.

17. MEETINGS OF THE BOARD:

During the year under review, 5 meetings of the Board of Directors were held. The details of the meetings of the Board of Directors of the Company held and attended by the Directors during the financial year 2023-24 are given in the Report of Corporate Governance forming part of this Annual Report.

The maximum interval between any two meetings did not exceed 120 days, as prescribed by the Act and the Listing Regulations.

17.1 Committees of the Board

The Committees of the Board focus on certain specific areas and make informed decisions in line with the delegated authority. The following Committees constituted by the Board function according to their respective roles and defined scope:

- Audit Committee
- Nomination and Remuneration Committee
- Corporate Social Responsibility Committee
- Stakeholders' Relationship Committee
- Risk Management Committee

Details of composition, terms of reference and number of meetings held for respective committees are given in the Report on Corporate Governance, which forms part of this report. During the year, all recommendations of the Committees of the Board which were mandatorily required have been accepted by the Board.

17.2 Separate meeting of Independent Directors & Board evaluation:

The annual evaluation process of the Board of Directors, individual Directors and committees was conducted in accordance with the provisions of the Act and the SEBI Listing Regulations. The Company conducted a separate meeting of Independent Directors as per the requirements of the SEBI Listing regulations.

Board was evaluated on following parameters: The Board evaluated its performance after seeking inputs from all the Directors on the basis of criteria such as Strategy, Performance Management & Succession Plan, Execution, Investments, M&A and Financial Controls, Talent Management, Risk Management, Core Governance & Compliance, Review of Information, Monitoring of Committee.

Committees were evaluated on the parameters like Functions and Duties, Management Relations, Support to the Committee and overall.

The Board and the NRC reviewed the performance of individual Directors on the basis of criteria such as the contribution of the individual Director to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc.

In a separate meeting of independent directors, performance of Non-Independent Directors and the Board as a whole was evaluated. Additionally, they also evaluated the Chairman of the Board, taking into account the views of Executive and Non-executive Directors in the aforesaid meeting. The Board also assessed the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties. The above evaluations were then discussed in the Board meeting and performance evaluation of Independent directors was done by the entire Board, excluding the Independent Director being evaluated. The separate meeting of independent directors for 2023-24 was held pursuant to Schedule IV to the Companies Act, 2013 & Regulations 17 & 25 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

18. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The Company's Policy on Directors' appointment and remuneration and other matters provided in Section 178(3) of the Act has been briefly disclosed hereunder and in the Report on Corporate Governance, which forms part of this report.

18.1 Selection and procedure for nomination and appointment of Directors:

The Nomination and Remuneration Committee ("NRC") of the Board is entrusted with the responsibility for developing competency requirements for the Board, based on the industry and strategy of the Company. The Board composition analysis reflects an in-depth understanding of the Company, including its strategies, environment, operations, financial condition and compliance requirements.

The NRC makes recommendations to the Board regarding the appointment/re-appointment of Directors, and Key Managerial Personnel ("KMP") and other members of the Senior Management. The role of the NRC encompasses conducting a gap analysis to refresh the Board periodically, including each time a Director's appointment or re- appointment is required.

The NRC is also responsible for reviewing the profiles of potential candidates vis-à-vis the required competencies, undertaking reference, and due diligence, and meeting potential candidates before making recommendations of their nomination to the Board. The appointee is also briefed about the specific requirements for the position including expert knowledge expected at the time of appointment.

During the year under review, the Nomination and Remuneration Policy was amended to, inter alia, include the revised definition of senior management to reflect the intent of the law in letter and spirit.

The policy can be accessed at https://indianippon.com/policies/.

19. AUDITORS:

19.1 Statutory Auditors

M/s Deloitte Haskins & Sells LLP, Chartered Accountants, were appointed for a period of five years from the conclusion of the 32nd Annual General Meeting held on 24th August, 2017 and were re-appointed for a second term of 5 years from the conclusion of the Annual General Meeting held on 21st September, 2022 until the conclusion of the Annual General Meeting to be held in the year 2027. Based on the approval of the Shareholders at the AGM held in 2022, the Board of Directors had fixed a fee of ₹ 26 Lakhs per annum plus applicable taxes and remibursement of out of pocket expenses for the Statutory Auditors for 2 years from 2022-23.

Further, the Board of Directors at their Meeting held on 06th August 2024 had increased the fee from Rs.26 lakhs to Rs. 30 lakhs per annum plus applicable taxes and reimbursement of out of pocket expenses for 2 years from 2024-25.

The Statutory Auditors have issued an unmodified opinion on the financial statements for the financial year 2023-24.

The Statutory Auditor's report does not contain any qualifications, reservations, adverse remarks or disclaimers, which would be required to be dealt with in the Boards' Report.

19.2 Cost Auditors

Pursuant to Section 148(1) of the Act read with Rule 3 and 5 of the Companies (Cost Records and Audit)

Rules, 2014, the Company has maintained cost records for FY 2023-24.

The Cost Audit Report for the financial year 2023-24 does not contain any qualification, reservation, or adverse remark and will be submitted within the prescribed timelines.

The Board has re-appointed Mr. K Suryanarayanan as cost auditor for the financial year 2024-25 at a remuneration of ₹ 3.50 Lakhs. The ratification of his remuneration shall be included as an item in the Notice of the Annual General Meeting as required under Section 148 (3) of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014.

19.3 Secretarial Auditors

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company appointed M/s S.A.E. & Associates LLP, Company Secretaries LLPIN: AAM-6181 (ICSI Registration no: L2018TN004700), to carry out the Secretarial Audit of the Company for 2023-24.

The Report of the Secretarial Auditor for FY 2023-24 is attached herewith as Annexure to this Report. There are no qualifications, observations or adverse remarks, or disclaimer in the said report.

The Board of Directors, based on the recommendation of the Audit Committee, have appointed M/s. S.A.E. & Associates LLP, Practicing Company Secretaries as the Secretarial Auditors of the Company for 2024-25.

M/s. S.A.E. & Associates LLP have confirmed that they are not disqualified to be appointed as the Secretarial Auditors of the Company.

As required by Schedule V of the Listing Regulations, the Auditor's Certificate on Corporate Governance received from M/s. S.A.E. & Associates LLP is annexed to the Report on Corporate Governance forming part of this Annual Report.

19.4 Internal Auditors

M/s. R.G.N. Price & Co., Internal Auditors of the Company have carried out Internal Audit for FY 2023-24. The reports and findings of the Internal Auditors are periodically reviewed by the Audit Committee.

Pursuant to Section 138 of the Act read with Rule 13 of the Companies (Accounts) Rules, 2014, the Board of Directors, based on the recommendation of the Audit Committee, have appointed M/s. R.G.N. Price & Co. as Internal Auditors of the Company for FY 2023-24 & FY 2024-25.

20. SECRETARIAL STANDARDS:

The Company has complied with all the applicable provisions of Secretarial Standards on Meetings of Board of Directors (SS-1), Secretarial Standards on General Meetings (SS-2) issued by Institute of Company Secretaries of India.

21. UNCLAIMED DIVIDEND

In terms of applicable provisions of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), unclaimed dividend amounting to ₹ 6.69 Lakhs was transferred by the Company to the Investor Education and Protection Fund ("IEPF"), established by the Government of India, during the year under review.

Further, 2524 shares were transferred to the demat account of the IEPF Authority during the year under review, in accordance with the IEPF Rules, as the dividend(s) has not been claimed by the shareholders for 7 consecutive years or more. The shares on which dividend has not been paid or claimed by the Shareholder for seven consecutive years or more shall also be transferred to demat account of the IEPF Authority. Accordingly, the Company has sent individual notices to all the members whose dividends are lying unpaid/ unclaimed against their name(s) for 7 consecutive years and followed other procedures seeking action from the members. The list of such members is displayed on the website of the Company.

22. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

All contracts/arrangements/transactions entered into by the Company during the financial year under review with related parties (as defined in the Act and Listing Regulations) were in the ordinary course of business and on an arm's length basis. During the year, the Company did not enter into any contract/ arrangement/transaction with related parties which could be considered as material in accordance with the Policy of the Company on Materiality of Related Party Transaction (RPT Policy). Form AOC-2 pursuant to Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014, is set out as Annexure to this Report.

The details of the related party transactions as per Ind AS-24 on Related Party Disclosures are set out in the standalone financial statements of the Company.

23. RELATED PARTY TRANSACTIONS:

All transactions with related parties during the financial year 2023-24 were reviewed and approved by the Audit Committee and are in accordance with the Policy on dealing with materiality of Related Party Transactions and the Related Party Framework, formulated and adopted by the Company. Prior omnibus approval of the Audit Committee is obtained on a yearly basis for the transactions which are of unforeseen and repetitive nature. The transactions entered into pursuant to the omnibus approval so granted are audited and a statement giving details of all related party transactions is placed before the Audit Committee for their review/ approval on a quarterly basis.

All contracts/arrangements/transactions entered into by the Company during the year under review with Related Parties were in the ordinary course of business and on arm's length basis in terms of provisions of the Act. There are no materially significant related party transactions that may have potential conflict with interest of the Company at large.

The Company's Policy on dealing with and materiality of related party transactions is available on its website at https://indianippon.com/policies/.

24. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS U/s 186:

The Company has not given any loans or guarantee as specified under Section 186 of the Companies Act 2013. The details of investments are given in Note No 8 of Notes to Accounts for the financial year 2023-24. The same is within the prescribed limits under provisions of Section 186 of the Companies Act 2013.

25. VIGIL MECHANISM/ WHISTLE–BLOWER POLICY

The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethical behaviour. In line with the policy, any actual or potential violation, howsoever insignificant or perceived as such, would be a matter of serious concern for the Company. The role of the employees in pointing out such violations of the policy of the Company, cannot be undermined.

Pursuant to Section 177(9) of the Act, a vigil mechanism was established for directors and employees to report to the management instances of unethical behaviour, actual or suspected, fraud or violation of the Company's code of conduct or ethics policy. The Vigil Mechanism provides a mechanism for employees of the Company to approach the Chairperson of the Audit Committee of the Company for redressal. No person has been denied access to the Chairperson of the Audit Committee. Details of the Vigil Mechanism and Whistle Blower Policy is available at the link: https://indianippon.com/ policies/.

26. PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE:

The Company has adopted zero tolerance for sexual harassment at the workplace and has formulated a policy on prevention, prohibition, and redressal of sexual harassment at the workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules made thereunder for prevention and redressal of complaints of sexual harassment at workplace and an Internal Complaints Committee has also been set up to redress any such complaints received.

The Company is committed to providing a safe and conducive work environment to all of its employees and associates. Further, the Policy also gives shelter to contract workers, trainees, apprentices of the Company and any person visiting the Company.

During the year under review, your Company has received two complaint(s) of sexual harassment and the same has been investigated and disposed.

The Company periodically conducts sessions for employees across the organisation to build awareness about the Policy and the provisions of the Prevention of Sexual Harassment Act.

27. GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following matters as there were no transactions on these items during the year under review:

a) There are no significant material orders passed by the Regulators or Courts or Tribunal, which would impact the going concern status of the Company and its future operation. However, Members attention is drawn to the Statement on contingent liabilities and commitments in the notes forming part of the Financial Statements.

b) No fraud has been reported by the Auditors to the Audit Committee or the Board.

c) There has been no change in the nature of business of the Company.

d) No revision of financial statements or the Board's Report occurred during the year.

e) There were no material changes and commitments affecting the financial position of the Company which has occurred between the end of the financial year of the Company to which the Financial Statements relate and the date of the Report.

28. CHANGES IN SHARE CAPITAL:

28.1 Changes in the Share Capital:

During the financial year 2023-24, there was no change in the authorised, issued, subscribed, and paid-up share capital of the Company.

27.1 Issue of Equity Shares with Differential Rights

During the financial year, the Company has not issued any equity shares with differential rights.

27.2 Issue of Sweat Equity Shares

During the financial year, the Company has not issued any sweat equity shares.

27.3 Issue of Employee Stock Options

During the financial year, the Company has not issued any Shares under employee stock options.

27.4 Issue of Shares to Trustees for benefit of employees

During the financial year, the Company has not issued any Shares to Trustees for the benefit of employees.

27.5 Issuance of any other securities which carries a right or option to convert into Equity shares

During the financial year, the Company has not issued any securities which carry a right or option to convert such securities into equity shares.

29. THE DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016) DURING THE YEAR ALONGWITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR:

During the year under review, no application was made or any proceedings pending against the Company under the Insolvency and Bankruptcy Code, 2016.

30. THE DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF:

There were no such instances during the year under review.

31. ACKNOWLEDGEMENTS

The Directors wish to convey their deep appreciation to all the employees, customers, vendors, investors, and consultants/advisors of the Company for their sincere and dedicated services as well as their collective contribution to the Company's performance.

Your Directors acknowledge the continued support received from Lucas TVS Limited, Lucas Indian Service Limited and also wish to thank the Governments at the Centre and in the States of Tamil Nadu, Haryana and Puducherry and our Bankers for the assistance rendered by them from time to time.

For and on behalf of the Board of Directors

T K BALAJI
DIN: 00002010
Chairman

Place: Chennai
Date: 06th August, 2024

Annexure to Boards' Report

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

[Pursuant to Section 134(3)(m) of the Companies Act, 2013 ("the Act") read with Rule 8(3) of the Companies (Accounts) Rules, 2014]

1. Conservation of Energy:

a) The results of energy conservation measures taken up during the year under review are:

The power consumed per Standard Unit of Production is being monitored as a part of energy conservation measures and achieved the targeted level of 0.66 EU by implementing various activities like,

1. Provided a highly energy efficient 150Tr capacity air cooled HVAC system with VFD controls for SMT clean room operations to replace the old conventional duct ACs.
2. Hubers Potting Machine's Booster pump capacity optimized from 2.2Kw to 1.1Kw. Also, the water-cooled vacuum pump replaced with air cooled type pump to eliminate 5.4Kwv chiller unit. Thus, achieved around 9,400 kwh/annum.
3. The 3.0HP capacity mono block water pump which was being used in Rotor line -D washing machine has been replaced with 0.75HP high pressure pump to conserve energy.
4. The old 5KW Axil flow fan in the Rotor Cooling conveyor has been replaced with 0.7KW high volume centrifugal blower to save energy consumption.
5. Introduced high energy efficient 5.0Kw VFD system to the chiller unit which is being used for Injection Moulding machines.
6. Hydraulically operated Broaching machine was converted with Electrically operated system. The 7.5 Kw hydraulic power bank was replaced with 1.5Kw Servo motor and achieved around 4,200 kwh per annum.

b) Future plans for energy conservation:

The Company is aiming at greater energy conservation by implementing various measures like

- Providing an online energy monitoring system to identify and control the NAVs, replace the old IE1 class motors with new energy efficient IE4 class motors.
- Providing VFD drives to the high-capacity motors with 30KW and above.
- Providing thyristor controller for box ovens and etc.

2. Technology absorption, adaptation and innovation:

On EV technology, INEL has developed DC – DC converters and the demand for DC-DC Converters is increasing in the EV business. First generation Motor controller for 3 Wheelers is ready for production and INEL is aggressively progressing on the motor controller with FOC control which will be adapted for 2W segment

In Sensor technology INEL has developed the Reverse Parking Assist System (RPAS) and in validation for the ASPICE.

In 2023-24, INEL has developed Sensor less Commutation technology for ISG controller with both Backemf and Current Sensing methods.

INEL developed an efficient power conversion system in comparison to the conventional ACG system which will meet the increasing electrical power requirement in the vehicles. The technology has been demonstrated to few of our esteemed customers and received encouraging response from the customers to take it forward for commercialization

Combining both the technology of ISG controller and efficient power conversion system, INEL has developed an integrated Controller. INEL has also developed intellectual property and applied for patents in Motor design, Inductor design and Stator design.

Expenditure on R&D	**₹ In Lakhs**
Capital	102
Revenue	1943
Total	2045
% on net turnover	2.82%

3. Foreign Exchange Outgo and Earnings:

Export Activities:

Exports during the year ended 31st March, 2024 amounted to ₹ 3,578 Lakhs as against ₹ 3,708 Lakhs of the previous year.

Total foreign exchange used and earned:

The foreign exchange outgo and earnings of the Company for the period under review were ₹ 5408.68 and ₹ 3747.51 Lakhs respectively.

For and on behalf of the Board of Directors

T K BALAJI
Chairman
DIN: 00002010

Place: Chennai
Date: 06th August 2024

Annexure to Boards' Report

PARTICULARS OF EMPLOYEES

A. Disclosure with respect to the remuneration of Directors and employees as required under Section 197 of the Companies Act, 2013 and Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is as follows:

1	The ratio of the remuneration of each Director to the median remuneration of the employees of the Company and the percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer and Company Secretary for the financial year 2023-24:			
S. No	**Name of Director/KMP (Mr./ Ms.)**	**Designation**	**% increase or decrease in remuneration**	**Ratio to median remuneration**
	T K Balaji	Non-Executive Chairman	(10.67)	1:1.10
	Arvind Balaji	Managing Director	0.62	1:50.43
	Anant Jaivant Talaulicar	Independent Director	23.23	1:2
	K G Raghavan	Independent Director	(72.88)	1:0.26
	R Vijayaraghavan	Independent Director	4.76	1:0.72
	Heramb Ravindra Hajarnavis	Independent Director	96.61	1:1.91
	Gangapriya Chakraverti	Independent Director	131.91	1:1.79
	Priyamvada Balaji	Non-Executive Director	46.15	1:1.25
	Elango Srinivasan	Chief Financial Officer	9.13	1:12.62
	S Logitha*	Company Secretary	-	-
2	Percentage increase in median remuneration of employees: 0.11%			
3 a	Average percentile increases in the salaries of employees other than managerial personnel: 14.32%			
3 b	Percentile increase in managerial remuneration: 16.91%			
3 c	There has been an increase in managerial remuneration in line with the overall performance of the Company and in line with industry standards to attract and retain the best talent.			
4	The total number of permanent employees on the rolls of the Company as on 31 March, 2024: 590			
5	Remuneration of Managerial Personnel is determined by the Nomination and Remuneration Committee and the Board as per the performance criteria which includes achievements of individual as well as the Company's performance.			
6	It is hereby affirmed that the remuneration paid during the year is as per the remuneration policy of the Company.			

***Note:**

- Remuneration for Ms. S Logitha, Company Secretary is being paid by the Holding Company.

For and on behalf of the Board of Directors

T K BALAJI
Chairman
DIN: 00002010

Place: Chennai
Date: 06th August, 2024

Annexure to Boards' Report

CERTIFICATE OF MD / CFO

[Pursuant to Regulation 17(8) read with Part B of Schedule II and Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

The Board of Directors
India Nippon Electricals Limited
No. 11 &13, Patullos Road
Chennai – 600 002

We hereby certify that, for the financial year ended 31st March, 2024, on the basis of the review of the financial statements and the cash flow statement and to the best of our knowledge and belief that:

1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's Code of Conduct.
4. We accept responsibility for establishing and maintaining internal controls for financial reporting.
5. We have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting.
6. We have disclosed to the Auditors and the Audit Committee, deficiencies, of which we are aware, in the design or operation of the internal control systems.
7. We have taken the required steps to rectify these internal control deficiencies.
8. We further certify that:
   (a) There have been no significant changes in internal control during the year;
   (b) There have been no significant changes in accounting policies during the year.
   (c) There have been no instances of significant fraud of which we have become aware and the involvement therein, of management or an employee having a significant role in the Company's internal control systems over financial reporting.

Elango Srinivasan
Chief Financial Officer

Arvind Balaji
Managing Director
DIN: 00557711

Place: Chennai
Date: 30th May,2024

Annexure to Boards' Report

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL

To
The Shareholders of India Nippon Electricals Limited,
Chennai

On the basis of the written declarations received from members of the Board and Senior Management Personnel in terms of the relevant provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is hereby certified that both the members of the Board and the Senior Management Personnel of the Company have affirmed compliance with the respective provisions of the Code of Conduct of the Company as laid down by the Board for the year ended 31st March, 2024.

Arvind Balaji
Managing Director
DIN: 00557711

Place: Chennai
Date: 06th August, 2024

Annexure to Boards' Report

FORM AOC - 2

[Pursuant to Section 134(3)(h) of the Companies Act, 2013 ("the Act") read with
Rule 8(2) of the Companies (Accounts) Rules, 2014]

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

DISCLOSURE OF PARTICULARS OF CONTRACTS/ ARRANGEMENTS ENTERED INTO BY THE COMPANY WITH RELATED PARTIES

1. **Details of contracts or arrangements or transactions not at arm's length basis:** Not Applicable

2. **Details of material contracts or arrangements or transactions at arm's length basis:**

a.	Name of the related party and nature of relationship	Not Applicable
b.	Nature of the contracts/arrangements/transactions	
c.	Duration of the contracts/arrangements/transactions	
d.	Salient terms of the contracts/arrangements/transactions including the value, if any	
e.	Date(s) of approval by the Board, if any	
f.	Amount paid as advances, if any	

During the financial year 2023-24, all related party transactions entered into by the Company were in the ordinary course of business and on an arm's length basis and were approved by the Audit Committee of the Company.

For and on behalf of the Board of Directors

T K BALAJI
Chairman
DIN: 00002010

Place: Chennai
Date: 06th August, 2024

Annexure to Boards' Report

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES FOR FINANCIAL YEAR 2023-24

[Pursuant to Section 135 of the Companies Act, 2013 read with Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014]

1. Brief Outline on CSR Policy of the Company:

Corporate Sustainable Responsibility has been embedded into the business model of the Company. As a responsible organization, the Company comprehends the need for promoting education, health & sanitation, and supporting children from lower socio-economic sections of society.

During the year, the company's CSR activities are focused on the immediate vicinity of its locations where the company's operations are situated, ensuring that the majority of CSR funds are spent on activities addressing the needs of the local community.

2. Composition of the CSR Committee:

Sl. No.	Name of the director	Designation / Nature of Directorship	Number of meetings of CSR committee held during the year	Number of meetings of CSR committee attended during the year
1.	Mr Arvind Balaji	Managing Director	4	3
2.	Ms Priyamvada Balaji	Non-Executive Director	4	3
3.	Ms Gangapriya Chakraverti	Independent Director	4	4

Ms. S. Logitha, Company Secretary of the Company, acts as the Secretary to the CSR Committee.

3. The web-links where the Composition of CSR Committee, CSR Policy and CSR projects approved by the board are disclosed on the website of company.

   The CSR Policy of the Company and the details of composition of the CSR Committee and Projects are disclosed at https://indianippon.com/policies/ .

4. The executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of Rule 8: Not Applicable

5. (a) Average net profit of the Company as per Section 135(5): ₹ 48,28,28,016/-

   (b) Two percent of the average net profit of the Company as per section 135(5): ₹ 96,57,000/-

   (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: NIL

   (d) Amount required to be set off for the financial year, if any: ₹ 72,003/-

   (e) Total CSR obligation for the financial year [(b)+(c)-(d)]: ₹ 95,84,997/-

6. a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): ₹ 95,96,560

   b) Amount spent in Administrative Overheads: Nil

   c) Amount spent on Impact Assessment, if applicable: Not Applicable

   d) Total amount spent for the Financial Year: [(a)+(b)+(c)]: ₹ 95,96,560

e) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of Transfer
95,96,560	Nil				

f) Excess amount for set off, if any:

Sl. No.	Particulars	Amount (in ₹)
(i)	Two percent of average net profit of the company as per Section 135(5)	96,57,000
(ii)	Total amount spent for the Financial Year (including amount of Rs. 72,003/- spent in the previous financial year)	96,68,563
(iii)	Excess amount spent for the financial year [(ii)-(i)]	11,563
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	11,563

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

S No	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of Section 135 (in ₹)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Amount Spent in the Financial Year (in ₹)	Amount transferred to a fund as specified under Schedule VII as per second proviso to sub-section (5) of Section 135 of the Act, if any		Amount remaining to be spent in succeeding Financial Years (₹ in Crores)	Deficiency, if any
					Amount (₹ in Crores)	Date of transfer		
Nil								

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub- section (5) of Section 135: Not Applicable

Arvind Balaji
Managing Director & Member
DIN: 00557711

Gangapriya Chakraverti
Independent Director & Chairperson of the Committee
DIN: 00378385

Place: Chennai
Date: 06th August, 2024

Annexure to Boards Report: FORM NO. AOC.1

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES/ASSOCIATE COMPANIES/JOINT VENTURES

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Part "A": Subsidiaries

1	Name of the Subsidiary	PT Automotive Systems Indonesia	
2	Reporting period	1st April, 2023 to 31st March, 2024	
3	The date since when the Subsidiary was acquired	1st July, 2006	
4	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	Currency: IDR **Exchange rate:** ₹ 1 = IDR 190.14 (Balance Sheet) ₹ 1 = IDR 185.84 (Profit and Loss)	
		Amount in Indonesian Rupiah	**Equivalent amount in Indian Rupees**
		As on 31st March, 2024	
5	Share Capital	24,69,43,28,700	12,08,38,266
6	Reserves and Surplus	-16,89,94,91,736	-7,98,43,757
7	Total Assets	7,80,48,36,964	4,10,47,101
8	Total Liabilities	7,80,48,36,964	4,10,47,101
9	Investments	-NIL-	-NIL-
10	Turnover	-NIL-	-NIL-
11	Profit before Taxation	40,74,20,475	21,92,374
12	Provision for Taxation	-	-
13	Profit after Taxation	40,74,20,475	21,92,374
14	Proposed Dividend	-NIL-	-NIL-
15	% of share holding	99.97%	

The subsidiary company has applied for liquidation and winding up process has begun.

For and on behalf of the Board of Directors

T K Balaji
Chairman
DIN: 00002010

Arvind Balaji
Managing Director
DIN: 00557711

Elango Srinivasan
Chief Financial Officer

S. Logitha
Company Secretary
Membership No. A29260

Place: Chennai
Date: 30th May, 2024

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2024

To
The Members,
INDIA NIPPON ELECTRICALS LIMITED
No. 11 & 13, (Old No. 6 & 7) Patullos Road,
Chennai - 600002.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by India Nippon Electricals Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2024 complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2024 according to the provisions of:

(i) The Companies Act, 2013 ("the Act") and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment. The Company does not have any External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

   a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   b) The Securities And Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (Not applicable to the Company during the Review Period).

   d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; (Not applicable to the Company during the Review Period).

   e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

   f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act (Not applicable as the Company is not registered as a Registrar to an issue and as a Share transfer agent);

   g) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;

   h) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations,2021 as amended from time to time; (Not applicable to the Company during the Review Period).

   i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 as amended from time to time; (Not applicable to the Company during the Review Period).

As represented by the Company, we further report that, there are no industry specific laws which are applicable to the Company.

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by the Institute of Company Secretaries of India relating to Meetings of the Board of Directors (SS-1) and General Meetings (SS-2)

(ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Ltd.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

Form No. MR-3 (Contd.)

We further report that

(i) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman Director. During the period under review

a) Mrs Priyamvada Balaji, Non-Executive Non-Independent Director retired by rotation at the annual general meeting held on 20th September 2023 and was re-appointed

b) Mr Jakob Ruemmler, Non-Executive Non-Independent Director resigned from the office of Director with effect from the close of office hours on 19th July 2023

c) Mr Kiyoyasu Kawakami, Non-Executive Non-Independent Director resigned from the office of Director with effect from the close of office hours on 19th July 2023

d) Mr R Vijayaraghavan, Non-Executive Independent Director completed his tenure at the close of office hours on 20th September 2023

e) Mr K G Raghavan, Non-Executive Independent Director completed his tenure at the close of office hours on 20th September 2023

The changes in the composition of the Board of Directors that took place during the period under review, as mentioned above, were carried out in compliance with the provisions of the Act.

(ii) Adequate notice is given to all Directors to schedule the Board Meetings; notice, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before and at the meeting for meaningful participation at the meeting. Decisions of the Board/Committee meetings are in consensus and results are recorded in minutes with suggestions / directions, if any, made in respect of any agenda item.

(iii) Based on the compliance system prevailing in the Company, and after carrying out test checks of the relevant records and documents maintained by the Company, we, further report that, there are adequate systems and processes commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

(iv) We further report that the Company has responded to communication received from various statutory / regulatory authorities including initiating actions for corrective measures, wherever found/deemed necessary.

We further report that during the audit period:

(i) On 19th June 2023, a Share Purchase Agreement was entered into between Mahle Electric Drives Japan Corporation (MEDJ), Mahle Holding India Private Limited (MHIPL) and Lucas Indian Service Ltd (LIS) in connection with acquisition of the shares of MEDJ and MHIPL by LIS. Thereafter on 26th June 2023, through an inter-se transfer among promoters, LIS acquired 14,14,786 equity shares from MEDJ and 30,00,000 equity shares from MHIPL. Consequent to the said transfer, the shareholding of LIS in the Company increased to 70.32%.

(ii) Consequent to the inter-se transfer among promoters on 26th June 2023 as mentioned above, the shareholding of LIS in the Company increased to 70.32% and that of MEDJ and MHIPL was Nil. Therefore, in order to remove MEDJ and MHIPL from the promoter category, the Company made an application to the Stock Exchanges seeking reclassification of promoter group and the same was approved by BSE Ltd and National Stock Exchange of India Limited on 13th March, 2024

(iii) Subsequent to the aforesaid inter-se transfer, LIS, MEDJ and MHIPL: entered into a "Termination agreement and Mutual Release" on 17th July, 2023 to terminate the initial joint venture agreement dated 24th August, 1985 including amendments thereto and the Deed of Adherence dated 17th December, 2019

For **S.A.E. & Associates LLP**
Company Secretaries

Sri Vidhya Kumar, Partner
FCS. No. 11114, C.P. NO. 20181
FRN: L2018TN004700
Peer Review Certificate No. 2822/2022
UDIN: F011114F000938447

Place: Chennai
Date: 06th August, 2024

To
The Members,
INDIA NIPPON ELECTRICALS LIMITED
No. 11 & 13, (Old No. 6 & 7) Patullos Road,
Chennai - 600002.

Our Secretarial Audit Report of even date is to be read along with this letter.

1. It is the Management's Responsibility to maintain secretarial records, and to devise proper systems to ensure compliance with the provisions of all applicable laws, rules, regulations and standards and to ensure that the systems are adequate and operate effectively. Our examination was limited to the verification of procedures on test basis.
2. Our responsibility as the Secretarial Auditor is to express an opinion on these secretarial records, systems, standards, and procedures based on our audit.
3. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
4. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
5. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **S.A.E. & Associates LLP**
Company Secretaries

Sri Vidhya Kumar, Partner
FCS. No. 11114, C.P. NO. 20181
FRN: L2018TN004700
Peer Review Certificate No. 2822/2022

Place: Chennai
Date: 06th August, 2024

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To
The Members,
INDIA NIPPON ELECTRICALS LIMITED
No. 11 & 13, (Old No. 6 & 7) Patullos Road,
Chennai - 600002.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of India Nippon Electricals Limited having CIN L31901TN1984PLC011021 and registered office at No. 11 & 13, (Old No. 6 & 7) Patullos Road, Chennai - 600002 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below as on the financial year ended 31st March, 2024 have been debarred or disqualified from being appointed or continuing as Directors of Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in the Company
1	Mr Tirumala Kumara Balaji	00002010	28th July, 1986
2	Mr Ranganathan Vijayaraghavan	00026763	25th March, 2005 (Completed tenure on 20th September, 2023)
3	Mr Raghavan Kadaba Gopivallabh Iyengar	00359471	25th March, 2005 (Completed tenure on 20th September, 2023)
4	Mr Arvind Balaji	00557711	25th October, 2008
5	Ms Thirumalaikumarabalaji Priyamvada	00730712	29th January, 2018
6	Mr Anant Jaivant Talaulicar	00031051	06th April 2019
7	Mr Jakob Ruemmler	09237428	07th August, 2021 (Resigned on 19th July, 2023)
8	Mr Kiyoyasu Kawakami	09283649	18th August, 2021 (Resigned on 19th July, 2023)
9	Ms Gangapriya Chakraverti	00378385	10th August, 2022
10	Mr Heramb Ravindra Hajarnavis	01680435	10th August, 2022

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion based on our verification of the records and disclosures. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **S.A.E. & Associates LLP**
Company Secretaries

Sri Vidhya Kumar, Partner
FCS. No. 11114, C.P. NO. 20181
FRN: L2018TN004700
Peer Review Certificate No. 2822/2022
UDIN: F011114F000938579

Place: Chennai
Date: 06th August, 2024

CERTIFICATE OF COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

[Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To
The Members
INDIA NIPPON ELECTRICALS LIMITED
No. 11 & 13, (Old No. 6 & 7) Patullos Road,
Chennai - 600002

We, S.A.E. & Associates LLP, Company Secretaries have examined the compliance of conditions of Corporate Governance by India Nippon Electricals Limited ("the Company"), having CIN L31901TN1984PLC011021 and registered office at No. 11 & 13, (Old No. 6 & 7) Patullos Road, Chennai - 600002, for the financial year ended on March 31, 2024 as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR).

MANAGEMENT'S RESPONSIBILITY:

The compliance of conditions of Corporate Governance is the responsibility of the management. This responsibility includes design, implementation and maintenance of internal control and procedures to ensure compliance with the conditions of Corporate Governance as stipulated in LODR.

AUDITOR'S RESPONSIBILITY:

- Our responsibility is limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
- We have examined the records and documents of the Company, to the extent relevant, for the purpose of providing reasonable assurance on compliance with Corporate Governance requirements by the Company.

OPINION:

- To the best of our information and based on our examination of the relevant records and the explanations given to us and the representations provided by the directors and the management, we certify that the Company has complied with the conditions of corporate governance as stipulated in Regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the LODR, during the financial year ended 31st March, 2024.
- We state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **S.A.E. & Associates LLP**
Company Secretaries

Sri Vidhya Kumar, Partner
FCS. No. 11114, C.P. NO. 20181
FRN: L2018TN004700
Peer Review Certificate No. 2822/2022
UDIN: F011114F000938623

Place: Chennai
Date: 06th August, 2024

Report on Corporate Governance

1. Company's Philosophy on Corporate Governance

The Company's philosophy on Corporate Governance is founded upon a rich legacy of fair, ethical and transparent governance practices, many of which were in place even before they were mandated by adopting the highest standards of professionalism, honesty, integrity and ethical behavior.

The Company believes that Corporate Governance is not only a principle that the organization follows but it's a way of life that is embedded in its behavior & culture. The essence of Corporate Governance is about maintaining the right balance between economic, social, individual and community goals. It also encompasses the oversight of business strategies and ensures fiscal accountability, ethical corporate behavior and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors and the society at large. The Company's policies focus on the augmentation of long-term shareholder value without compromising integrity, social obligations, and regulatory compliance. While dealings with its stakeholders, the Company functions within recognized standards of propriety, fair play, and justice and aims at creating a culture of openness.

2. Board of Directors

The Board of the Company is formed with an optimum combination of executive and non-executive directors, which not only meets the legal obligation but also make a diversified Board with a mixed blend of experiences, expertise, and professionals. The Board, while discharging its responsibilities and providing effective leadership to the business, upholds the corporate value, promote the ethical culture, endorse sustainability and leverages innovation. Independent directors play a pivotal role in upholding Corporate Governance norms and ensuring fairness in decision-making. Being experts in various fields, they also bring independent judgement on matters of strategy, risk management, controls and business performance.

2.1. Composition of the Board of Directors and changes in the Board:

The Board of Directors is entrusted with the ultimate responsibility of the management, general affairs, direction, and performance of the Company. The Board has been vested with requisite powers & authorities and duties towards this end.

The Board of the Company presently comprises 6 Directors out of which 3 are nominated by Promoters of the Company and the remaining 3 Directors are Independent Directors. The Board also comprise 2 women Directors out of which one was nominated by the Promoters and the other is Independent. As per the amended Article of Association of the Company, Lucas Indian Service Limited ["LIS"] is entitled to nominate 3 directors and the Chairman of the Company and the Managing Director shall be nominees of LIS. Mr. Arvind Balaji, Managing Director, nominee of LIS is not liable to retire by rotation.

Category of Directorship	No of Directors	% to Total No. of Directors
Executive Director	1	16.67
Non-Executive Non-Independent Directors	2	33.33
Independent Directors (including a Woman Independent Director)	3	50.00

Pursuant to entering into the Share Purchase Agreement dated 19th June, 2023 amongst Mahle Electric Drives Japan Corporation, Mahle Holding India Private Limited and Lucas Indian Service Limited in connection with the acquisition of the entire holding of MEDJ and MHIPL i.e., 14,14,786 equity shares and 30,00,000 equity shares respectively, in India Nippon Electricals Limited, by LIS, and as per Article 6.01.2 of the Joint Venture Agreement dated 24th August, 1985, consequent upon acquisition of shares by LIS on 26th June, 2023 and termination of the Joint Venture agreement vide termination agreement dated 17th July, 2023, Mr. Kiyoyasyu Kawakami and Mr. Jakob Ruemmler tendered their resignations from the post of Directorship of India Nippon Electricals Limited, effective from the closing hours of 19th July, 2023.

Considering their resignations and the retirement of the independent directors viz., Mr. R Vijayaraghavan and Mr. K G Raghavan, the size of the Board reduced to 6 with effect from 20th September, 2023 and the Company is in compliance with the statutory requirements in terms of composition of the Board pursuant to the Companies Act 2013 and SEBI Listing Regulations.

Disclosure of relationship between the Directors inter-se: None of the Board members are related to each other except Mr. T K Balaji, Non-Executive Chairman being immediate relative of Ms. Priyamvada Balaji, Non-Executive Director and Mr. Arvind Balaji, Managing Director. Ms. Priyamvada Balaji, Non-Executive Director is the immediate relative of Mr. T K Balaji, Director and Mr. Arvind Balaji, Managing Director.

Board Procedure

The Company regularly places, before the Board for its review, all the information as required under the Listing Regulations such as annual operating plans, capex budget and its quarterly updates, quarterly results, minutes of meetings of the Audit Committee and other Committees of the Board, any significant development in Human Resources/ Industrial Relations, Show cause notices, demand prosecution notices and penalty notices which are materially important, quarterly details of foreign exchange exposures, risk management and mitigation measures, report on compliance of all laws applicable to the Company prepared by the Company as well as steps taken by the Company to rectify instances of non-compliances, if any, etc.

Comprehensively drafted notes for each agenda item along with background materials, wherever necessary are circulated well in advance to the Committee/ Board, to enable them for making value addition as well as exercising their business judgement in the Committee/ Board meetings. Presentations are also being made by the Business head & Chief Financial Officer on the Company's operations, Marketing strategy, IT strategy, Internal Financial Controls, and Technology roadmap in Committees/ Board Meetings.

2.2 Key Managerial Personnel:

Mr. Arvind Balaji, Managing Director, Mr. Elango Srinivasan, CFO and Ms. S. Logitha, Company Secretary are the Key Managerial personnel pursuant to Section 203 of the Companies Act, 2013.

2.3 Familiarization program:

The Listing Regulation requires listed companies to conduct a Familiarization program for the Independent Directors to familiarize them with the Company, their roles, rights, responsibilities in the Company, the nature of the industry in which the Company operates, the business of the Company, etc. The Company facilitates the members of its Board to familiarize themselves with the industry and its operation. In this regard, the Company regularly communicates with all Independent Directors to provide a detailed understanding of the activities of the Company including specific projects either at the meeting of the Board of Directors or otherwise. The process is designed to build an understanding of the Company's business and the markets to equip the Directors to perform their role on the Board effectively. Independent Directors are also taken through various business situations, the nature of the industry, the business model, various regulatory developments, etc., by way of presentations and discussions. The details are available at https://indianippon.com/policies/

Board Skills/Expertise/Competency Matrix:

During the year under review, the Board has assessed the list of core skills/ expertise/ competencies as earlier identified by the Board of Directors and enlarged the description of skills/ expertise/ competencies in the context of the Company's business and sector, for it to function effectively. The Board has identified the following skills/ expertise/ competencies fundamental for the effective functioning of the Company:

Skill	Description	List of Directors possessing the core skill/ expertise/ competency (Mr./ Ms.)
Leadership/ Strategy	Experience in playing leadership roles in reputed Companies, with competencies around strategy development & implementation, sales & marketing, business administration, operations and people management.	T K Balaji, Arvind Balaji, Anant Talaulicar, Priyamvada Balaji, Heramb Ravindra Hajarnavis, Gangapriya Chakraverti

Skill	Description	List of Directors possessing the core skill/ expertise/ competency (Mr./ Ms.)
Industry Experience	Strong knowledge and experience in the automotive industry and in managing business operations of a sizeable organization in the business of manufacture and sale of automobiles, automotive electronics and other auto components.	T K Balaji, Arvind Balaji, Anant Talaulicar, Priyamvada Balaji, Gangapriya Chakraverti.
Financial knowledge	Practical knowledge and experience in accounting and finance to analyze statements, assess financial viability, contribute to financial planning, and oversee budgets and funding.	T K Balaji, Arvind Balaji, Anant Talaulicar, Priyamvada Balaji, Heramb Ravindra Hajarnavis, Gangapriya Chakraverti.
Executive management	Experience in evaluating performance of senior management, and overseeing strategic human capital/ succession planning. Experience in industrial relations and organizational change management programs.	T K Balaji, Arvind Balaji, Anant Talaulicar, Priyamvada Balaji, Heramb Ravindra Hajarnavis, Gangapriya Chakraverti.
Technology	Relevant knowledge of IT governance and systems including privacy, data management and security.	Arvind Balaji, Anant Talaulicar, Priyamvada Balaji, Gangapriya Chakraverti.
Risk Management	Ability to monitor and advise the Company on risks as applicable to the industry in which it operates.	T K Balaji, Arvind Balaji, Anant Talaulicar, Priyamvada Balaji.
Regulatory Compliance	Ability to understand, interpret and advise on regulations as applicable to the Company.	Anant Talaulicar & Heramb Ravindra Hajarnavis.

Based on the above-mentioned skill/ expertise/ competency, the Board is well structured to ensure diversity in experience and complementarity of skills with a balance in age, gender, knowledge, and social-economic backgrounds. The Board also confirms that all the Independent Directors of the Company fulfil the conditions specified in the SEBI Listing Regulations and are independent of management.

3. Attendance of each Director at the Meetings of the Board of Directors and the last Annual General Meeting:

The Board met 5 times during 2023-24 through physical or video conferencing/ other audio-visual means by following all the necessary protocols specified in the respective circulars/ notifications of MCA/ SEBI. Other meetings were held with physical presence of the directors and invitees. The following table shows the date of board meetings along with attendance particulars:

Date of meeting	Director's present
26th May, 2023	7
10th August, 2023	8
08th November, 2023	5
13th February, 2024	6
29th March, 2024	6

The last AGM was held on 20th September, 2023 through Audio Visual means and was attended by all the Directors. The following table shows the composition of the Board of Directors, their directorship(s) in Other Companies and membership in Committees (Audit Committees, Stakeholders Relationship Committees) and the details of their attendance at the Board Meetings, AGM:

Name	Attendance Particulars		Number of directorships and committee memberships/ chairmanships		
	Board meeting	Last AGM	Other Directorship*	Other Committee Memberships**	Other Committee Chairmanships**
Non-Executive Directors					
Mr. T K Balaji DIN: 00002010	5	Yes	10	-	-
Ms. Priyamvada Balaji DIN: 000730712	4	Yes	14	1	-
Mr. Kiyoyasu Kawakami DIN: 09283649 Resigned from directorship w.e.f. 19th July, 2023	-	No	-	-	-
Mr. Jakob Ruemmler DIN: 09237428 Resigned from directorship w.e.f. 19th July, 2023	1	No	-	-	-
Managing Director					
Mr. Arvind Balaji DIN: 00557711	5	Yes	14	3	-
Independent Directors					
Mr. Anant Jaivant Talaulicar DIN: 00031051	4	Yes	11	4	-
Mr. K G Raghavan DIN: 00359471 (Completion of tenure on 20th September, 2023)	1	Yes	-	-	-
Mr. R Vijayaraghavan DIN: 00026763 (Completion of tenure on 20th September, 2023)	2	Yes	-	-	-
Mr. Heramb Ravindra Hajarnavis DIN: 01680435	5	Yes	5	1	-
Ms. Gangapriya Chakraverti DIN: 00378385	5	Yes	2	-	-

* includes private companies.

** includes committees where the director holds the position of chairman. Details of Directorship and Committee membership/ chairmanship are not disclosed for the ceased/resigned directors.

Names of listed entities wherein Directors are holding position of Director & the category of Directorship as on 31st March, 2024:

Name of the director	Name of the other listed Company	Category of Directorship
T K Balaji	-	-
Arvind Balaji	Schaeffler India Limited	Independent Director
Anant Jaivant Talaulicar	The Hi-Tech Gears Limited	Non-Independent Director
	Endurance Technologies Limited	Independent Director
	KPIT Technologies Limited	Independent Director
	Everest Industries Limited	Independent Director
Gangapriya Chakraverti	-	-
Heramb Ravindra Hajarnavis	Sundaram Fasteners Limited	Independent director
Priyamvada Balaji	-	-

None of the non-executive directors holds directorships in more than seven listed entities and serves as an Independent Director in more than seven listed entities. None of the Directors holds any equity shares of the Company as of 31st March, 2024 except Mr. T K Balaji who holds 1694 equity shares.

4. Committees of the Board:

The Board Committees have been constituted to deal with specific areas/ activities which need a closer review. The Board Committees are set up under the formal approval of the Board to carry out clearly defined roles. The Chairman of the respective Committees informs the Board about the summary of the discussions held in the Committee meetings. The minutes of the meetings of all Committees are placed before the Board for review. The Board Committees can request special invitees to join the meeting, as appropriate.

5. Audit Committee:

A qualified and independent Audit Committee has been set up by the Board in compliance with the requirements of Regulation 18 of the Listing Regulations and Section 177 of the Act.

The Audit Committee has 3 members consisting of independent directors and a non-executive director with Mr. Anant Jaivant Talaulicar, Independent Director, being the Chairman of the Committee. The role and terms of reference of the Committee cover the areas mentioned in Regulation 18 read with Part C of Schedule II of the Listing Regulations and Section 177 of the Companies Act, 2013, as amended from time to time.

The role of the Committee includes overseeing the financial reporting process and disclosure of financial information in compliance with listing and legal requirements, review of financial statements including major accounting entries involving judgement by management and audit observations, review of the financial statements of unlisted subsidiaries, scrutiny of inter-corporate loans and investments, approval of related party transactions, review of the internal audit process and findings, valuation of assets/ undertakings etc. The role of the Committee also includes recommending the appointment of auditors and their remuneration to the Board. The Committee also reviews terms of appointment, the scope of the audit, internal financial controls and their adequacy, risk management process and vigil mechanism. The Company Secretary is the Secretary to the Committee.

The Committee met 5 times during the year 2023-24 on 25th May 2023, 9th August, 2023, 07th November, 2023, 12th February, 2024 and 29th March, 2024. The composition of the Audit Committee of the Board and the details of their attendance in the meetings are given below:

Mr. Anant Jaivant Talaulicar was appointed as Chairman w.e.f 20th September, 2023

Name of Director (Mr./ Ms.)	Status	No. of meetings attended	Date of meeting
K G Raghavan, Chairman (Up to 20th September, 2023)	Independent Director	1	9th August, 2023.
Anant Jaivant Talaulicar, Chairman	Independent Director	5	25th May, 2023, 9th August, 2023, 07th November, 2023, 12th February, 2024 and 29th March, 2024.
R Vijayaraghavan, Member (Up to 20th September, 2023)	Independent Director	2	25th May, 2023 and 9th August, 2023.
Priyamvada Balaji, Member	Non-Executive Director	4	25th May, 2023, 9th August, 2023, 07th November, 2023 and 29th March, 2024.
Heramb R Hajarnavis, Member	Independent Director	5	25th May, 2023, 9th August, 2023, 07th November, 2023, 12th February, 2024 and 29th March, 2024.

6. Risk Management Committee:

In accordance with provisions of Regulation 21 of the Listing Regulations, the Board has formed the Risk Management Committee, composition and terms of reference of which conform with the said provisions.

Consequent to the amendment in SEBI LODR Regulations effective 5th May, 2021, the top 1,000 listed Companies had to constitute separate Risk Management Committees, hence the Audit & Risk Management Committee was renamed as Audit Committee and a separate Risk Management Committee was formed at the meeting held on 7th August, 2021. The Charter of the Risk Management Committee covers all the relevant ingredients as per SEBI LODR Regulations.

The Risk Management Committee (RMC) was constituted by the Board of Directors at their meeting held on 7th August, 2021. The RMC has 4 members consisting of Directors and Official(s) with Mr. Anant Jaivant Talaulicar, Independent Director, being the Chairman of the Committee. Other Members of the Committee are, Mr. Arvind Balaji, Managing Director and Mr. Ravinder Sharma, President of the Company and Mr. Heramb Hajarnavis, Independent Director. The role and terms of reference of the Committee cover the areas pursuant to the applicable provisions of the Companies Act, 2013 and SEBI Listing Regulations, as amended from time to time.

The RM Policy / framework is designed to enable high standards of governance, business conduct and risk management and to achieve the following objectives:

- Informed decision-making, adequately factoring risks involved
- Promoting a risk-aware culture
- Achievement of sustainable business growth
- Planning for business continuity
- Compliance with applicable legal and regulatory requirements

During the year, the Committee met 3 times viz., 25th May, 2023, 09th August, 2023 and 05th February, 2024. The composition of the Risk Management Committee of the Board and the details of their attendance in the meetings are given below:

Name of Committee Members (Mr.)	Status	No. of meetings Attended	Date of meeting
Anant Jaivant Talaulicar, Chairman	Independent Director	3	25th May, 2023, 09th August, 2023 and 05th February, 2024
Arvind Balaji, Member	Managing Director	3	25th May, 2023, 09th August, 2023 and 05th February, 2024
Heramb R Hajarnavis, Member	Independent Director	3	25th May, 2023, 09th August, 2023 and 05th February, 2024
Ravinder Sharma, Member	President	3	25th May, 2023, 09th August, 2023 and 05th February, 2024

7. Stakeholders Relationship Committee (SRC):

In accordance with the provisions of Section 178 of the Act, and Regulation 20 of the Listing Regulations, the Company has formed its Stakeholders' Relationship Committee, composition and terms of reference of which are in conformity with the said provisions. The Committee has 3 members consisting of 2 independent directors (Mr. Heramb Hajarnavis as Chairperson of the Committee and Ms. Gangapriya Chakraverti as a Member of the Committee) and the Managing Director Mr. Arvind Balaji as a member.

The terms of reference of the Committee are as follows:

- Resolving the grievances of the security holders of the listed entity including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc.

- Review of measures taken for the effective exercise of voting rights by Members.
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the Members of the Company.
- Any other role/ responsibility and function as may be specified by the Board from time to time.

The composition of the Stakeholders Relationship Committee of the Board and the details of their attendance in the meetings are given below:

Name of Directors	Status	No. of meetings Attended	Date of meeting
Mr. R Vijayaraghavan, Chairman (Up to 20th September, 2023)	Independent Director	1	25th May, 2023
Heramb R Hajarnavis, Chairman*	Independent Director	1	12th February, 2024
Mr. Arvind Balaji, Member	Managing Director	2	25th May 2023 & 12th February, 2024
Ms. Gangapriya Chakraverti, Member	Independent Director	2	25th May 2023 & 12th February, 2024

* Appointed as Member & Chairperson w.e.f 20th September, 2023

Statement of Shareholders' Complaints:

No. of shareholders' complaints received during the financial year	Nil
No. of complaints not resolved to the satisfaction of shareholders	Nil
No. of pending complaints as on 31st March 2024	Nil

The Company secretary is the secretary to the SRC.

In addition to the abovementioned terms of reference, the SRC approves transfers, transmission, consolidation and splitting of share certificates and authorizes the officials to make necessary endorsements on the share certificates etc. The Board has authorized the Company Secretary & Compliance Officer to approve share transfer, transmissions, transpositions etc., periodically, which shall be ratified by the SRC.

Name and designation of Compliance Officer: Ms. S Logitha is the Company Secretary and Compliance Officer (Key Managerial Person) of the Company.

For any clarification, Members may contact the Company at the dedicated email id: investors@inel.co.in/ https://wisdom.cameoindia.com.

8. Corporate Social Responsibility Committee:

In accordance with provisions of Section 135 of the Companies Act, 2013, the Board has formed the Corporate Social Responsibility (CSR) Committee. The Composition and terms of reference of the committee are in conformity with the said provisions.

The Corporate Social Responsibility Committee (CSR Committee) comprises 3 Directors as members with Chairperson being Ms. Gangapriya Chakraverti, an Independent director. The remaining two members are, Mr. Arvind Balaji, Managing

Director and Ms. Priyamvada Balaji, Non-executive Director.

On the recommendation of the CSR Committee, Board had approved the following and posted them on the website of the Company and are available at https:// indianippon.com. The web link is also provided in a separate section of this report under policies:

- An annual action plan for the year 2024-25.
- The CSR Policy.

During the year, the Committee met 4 times on 25th May, 2023, 9th August, 2023, 07th November, 2023 and 12th February, 2024.

The composition of the Corporate Social Responsibility Committee of the Board and their attendance particulars in the meetings are given below:

Name of Director	Status	No. of meetings Attended	Date of meeting
Ms. Gangapriya Chakraverti, Chairperson	Independent Director	4	25th May, 2023, 9th August, 2023, 07th November, 2023 and 12th February, 2024.
Mr. Arvind Balaji, Member	Managing Director	3	25th May, 2023, 9th August, 2023 and 12th February, 2024.
Ms. Priyamvada Balaji, Member	Non-Executive Director	4	25th May, 2023, 9th August, 2023, 07th November, 2023 and 12th February, 2024.

The report of the CSR activities approved by the CSR Committee and the Board is given as an annexure to the Board's Report.

9. Nomination & Remuneration Committee:

In accordance with the provisions of Section 178 of the Act and Regulation 19 of the Listing Regulations, the Company has formed its Nomination and Remuneration Committee (NRC), composition and terms of reference of which are in conformity with the said provisions.

The Nomination & Remuneration Committee (NRC) has 3 directors with the Chairperson of the N&RC being Ms. Gangapriya Chakraverti, an Independent Director. The remaining 2 members are Mr. T K Balaji, Non-executive Chairman and Mr. Anant Jaivant Talaulicar, Independent Director. During the year, the Committee met 3 times viz., 25th May, 2023, 9th August, 2023 and 13th February, 2024. The composition of the Nomination & Remuneration Committee of the Board and the details of their attendance in the meetings are given below:

Name of Directors	Status	No. of meetings attended	Date of meeting
R Vijayaraghavan, Chairman	Independent Director	2	25th May, 2023 and 9th August, 2023
Gangapriya Chakraverti, Chairperson*	Independent Director	3	25th May, 2023, 9th August, 2023 and 13th February, 2024
T K Balaji, Member	Non-Executive Director	3	25th May, 2023, 9th August, 2023 and 13th February, 2024
Anant J Talaulicar, Member	Independent Director	3	25th May, 2023, 9th August, 2023 and 13th February, 2024

* Appointed as Chairperson w.e.f 20th September 2023

The Committee performs the role as envisaged in Section 178 of the Companies Act 2013. The broad terms of reference, role and scope of the NRC in accordance with SEBI LODR are as under:

- formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommending to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

  a. use the services of an external agencies, if required;

  b. consider candidates from a wide range of backgrounds, having due regard to diversity; and

  c. consider the time commitments of the candidates
- formulation of criteria for evaluation of the performance of independent directors and the board of directors;
- devising a policy on diversity of the board of directors;
- Identify persons who are qualified to become directors and who may be appointed to senior management in accordance with the criteria laid down and recommend to the board of directors their appointment and removal.
- whether to extend or continue the term of appointment of the independent director, based on the report of performance evaluation of independent directors.
- recommend to the board, all remuneration, in whatever form, payable to senior management.
- Performing such other duties and responsibilities as may be consistent with the provisions of the Nomination and Remuneration Committee Charter.

Separate meeting of independent directors: A separate meeting of independent directors for financial year 2023-24 was held pursuant to Schedule IV to the Companies Act, 2013 & Regulations 17 & 25 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. The meeting was attended by all the independent directors of the Company. The Board has considered the improvement points of the Independent Directors for the growth of the organization and to follow the best corporate governance.

Performance evaluation criteria for Independent Directors: The Nomination and Remuneration Committee has devised criteria for evaluation of the performance of the Directors including Independent Directors. The criteria provide for certain parameters like attendance at meetings, preparedness, adherence to the code of conduct, maintaining independence and contribution at Board/ Committee Meetings.

More details on criteria of evaluation etc., and the policy can be accessed at https://indianippon.com/wp-content/uploads/2024/02/nomination-remuneration-policy.pdf.

Senior Management: Particulars of Senior Management including the changes therein since the close of the previous financial year is given below:

Name	Designation
Ravinder Sharma	President
R Umashankar	Chief Technical Officer
Elango Srinivasan	Chief Financial Officer (KMP)
S Logitha	Company Secretary & Compliance Officer (KMP)

10. Remuneration of Directors:

10.1 Managing Director:

Remuneration: The Board, on the recommendation of the N&RC, shall review and approve the remuneration payable to the Managing Director within the overall limits approved by the Members. The remuneration structure of the MD includes basic pay, perquisites, allowances, commission and retirement benefits.

For the year 2023-24, a remuneration of ₹ 306.9 Lakhs including commission of ₹ 97.7 Lakhs, subject to tax, as applicable was approved by the Board of directors at their meeting held on 30th May, 2024 as recommended by the Nomination and Remuneration Committee within the limits as approved by the Shareholders at the Annual general meeting held on 21st September, 2022.

Rs Lakhs

Name of the Director	Designation	Salary	Commission	Perquisites	Total
Mr. Arvind Balaji	Managing Director	120	97.7	89.2	306.9

10.2 Non-Executive Directors:

The Board, on the recommendation of the N&RC, reviews and approves the remuneration payable to the Non-executive Directors in the form of commission within the overall limits approved by the Members.

The Non-Executive Directors shall also be entitled to sitting fees for attending the meetings of the Board and the Committees thereof. The details of the Commission and Sitting fee are given below:

a. Commission:

Non-executive Directors are paid remuneration by way of commission not exceeding 1% of the net profits computed in accordance with the provisions of Section 198 of the Companies Act, 2013 as approved by the Members of the Company at their meeting held on 27th August, 2018.

For the year 2023-24, the Board approved the payment of commission to Non-executive Directors at the meeting held on 30th May, 2024 based on the recommendations of the N&RC. The N&RC had recommended to distribute the commission to all directors on a formula basis to give due weightage to the membership and chairmanship of various committees and the overall attendance. The Commission has been determined to take all relevant factors into account, including responsibilities discharged and participation in the Company's affairs. There was no other material pecuniary relationship or transactions of the Non-Executive Directors with the Company other than commission and sitting fee during the year.

Name of the Director (Mr./ Ms.)	₹ Lakhs
T K Balaji	6.70
Anant Jaivant Talaulicar	12.20
Priyamvada Balaji	7.60
K G Raghavan	1.60
R Vijayaraghavan	4.40
Heramb R Hajarnavis	11.60
Gangapriya Chakraverti	10.90
Total	**55.00**

b. Sitting fees:

Remuneration by way of Sitting Fee for attending Board/ Committee Meetings for the year 2023-24 is tabulated hereunder (in actuals).

Name of the Directors	Board	Audit Committee	Stakeholders Relationship Committee	Nomination Remuneration Committee	Corporate Social Responsibility Committee	Risk Management Committee	Total
Mr. T K Balaji	1,75,000	-	-	90,000	-	-	2,65,000
Mr. K G Raghavan	35,000	35,000	-	-	-	-	70,000
Mr. Anant J Talaulicar	1,40,000	1,75,000	-	90,000	-	90,000	4,95,000
Mr. R Vijayaraghavan	70,000	70,000	30,000	60,000	-	-	2,30,000
Mr. Jakob Ruemmler	35,000	-	-	-	-	-	35,000
Ms. Priyamvada Balaji	1,40,000	1,40,000	-	-	90,000	-	3,70,000
Ms. Gangapriya Chakraverti	1,75,000	-	60,000	90,000	1,20,000	-	4,45,000
Mr. Heramb R Hajarnavis	1,75,000	1,75,000	30,000	-	-	90,000	4,70,000
Total	**9,45,000**	**5,95,000**	**1,20,000**	**3,30,000**	**2,10,000**	**1,80,000**	**23,80,000**

11. Other Disclosures:

11.1 Related party transactions

The Company has adopted a Policy on Materiality of Related Party Transactions and on dealing with Related Party Transactions.

During 2023-24, all Related Party Transactions entered into by the Company, were approved by the Audit Committee and were in the ordinary course of business and at arm's length basis.

The statement of Related Party Transactions entered into by the Company is also placed before the Audit Committee for its review on a quarterly basis.

During 2023-24, the Company has not entered into any materially significant related party transactions that may have potential conflict with the interests of the Company at large.

The Company's Policy on dealing with and materiality of related party transactions is available on its website.

11.2 Prevention of insider trading and code of corporate disclosure practices:

Pursuant to the amendments in SEBI (Prohibition of Insider Trading) Regulations 2015, the Company had adopted a revised Code of Conduct to Regulate, Monitor and Report trading by its Designated Persons and their Immediate Relatives and a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information at the Board meeting held on 30th May, 2019.

The SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time, provides for governing the conduct of insiders, connected persons and persons who are deemed to be connected persons on matters relating to Insider Trading.

Regulation 9 (1) contained under Chapter IV of the amended SEBI (Prohibition of Insider Trading) Regulations, 2015 mandates listed companies and Board of Directors or head(s) of the Organization of every intermediary to formulate a Code of Conduct (hereinafter referred to as "Code") to regulate, monitor and report trading by its designated persons and immediate relatives of designated persons towards achieving compliance with these regulations adopting the minimum standards as set out in the Regulations.

The amended SEBI (Prohibition of Insider Trading) Regulations, 2015 ("Regulations') was effective from 24th November, 2022 to all the Designated Persons viz., Promoters, Directors, KMPs, Employees as specified and Connected Persons and their Immediate Relatives and extends to all activities within and outside an individual's duties at the Company.

In compliance with the above SEBI regulation on Prevention of Insider Trading, the Company has instituted a comprehensive code of conduct and Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information for its management and staff. The code lays down guidelines, which advises them on procedures to be followed and disclosures to be made, while dealing with the shares of the Company and cautioning them of the consequences of violations.

Trading in the securities of the Company is prohibited during the period where the trading window is closed and the Designated persons have to obtain pre-clearance for trading from the Compliance Officer as per the Policy of the Company. The trading window closure period in case of quarterly/ yearly results commences from the end of the quarter and will remain in effect until 48 hours after the results are published. In case Board meeting is not required to consider the UPSI, the Compliance Officer shall fix the trading window closure period taking into consideration the nature of the information. The policy is available on the website of the Company at https:// indianippon.com/wp-content/uploads/2019/06/coc_to_regulate_monitor_report_insider_trading. pdf.

As required by the Insider Trading Regulations, compliance with internal control over insider trading is certified annually by the Managing Director to the Audit Committee. The Compliance Officer is responsible for reporting all the other Compliances with the Insider Trading Regulations and the Codes to the Board/ Audit Committee.

Further, the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information, inter-alia, specifies the legitimate purposes for which UPSI can be shared and mandates the maintenance of an electronic database of persons who have access to the UPSI and the date, time etc., of sharing various UPSI. Both codes are available on the Company's website.

11.3 Subsidiary company:

The financial statements of the subsidiary company are presented to the Audit Committee and are also placed for consideration and approval of the Board. The Board has formulated a policy for determining "material" subsidiaries and the Company does not have a material subsidiary as per the SEBI Listing Regulations. The said Policy is available on the Company's website: https://indianippon.com/policy/Material_Subsidiary_Policy.pdf.

11.4 Quarterly report on share capital audit:

Regulation 76 of SEBI (Depositories and Participants) Regulations, 2018 requires all the Companies to carry out a share capital audit by a qualified Chartered Accountant or Company Secretary to cover the following aspects and certify among others that: (i) the total shares held in NSDL, CDSL and in the physical form tally with the issued/paid-up capital; (ii) the register of members is updated and; (iii) the dematerialization requests have been confirmed within the prescribed timelines. The Audit Report shall contain changes in share capital consequent to rights, bonuses, preferential issues, buy-back of shares, amalgamation and de-merger, etc. during the quarter. The auditor has to also report whether in-principle approval for listing the shares has been obtained from the Stock Exchanges in respect of the further issue of capital. The Report on Reconciliation of Share Capital was submitted by the Company to the Stock Exchanges on a quarterly basis within 30 days through an online submission from the end of each quarter.

11.5 Commodity Price & Foreign Exchange Risk and hedging:

The Company's exposure to copper was material for the year under review. Any exposure to commodities is managed through cost compensation provisions with all major customers which provides for compensation for major Raw Material cost variations. Quotations are given and prices are settled with the base reference for Raw material prices and Forex rates to facilitate compensation for escalation of costs by Customers. Costs are also analyzed with that of competitors through financial benchmarking. As such there is no separate hedging carried out by the Company to cover the commodity risk.

The following table provides the details of exposure as on 31st March, 2024:

Commodity Name	Exposure in Rs Lakhs towards particular commodity	Exposure in quantity terms towards particulars commodity (in Kgs)	% of such exposure hedged through commodity Derivatives				
			Domestic market		International market		Total
			OTC	Exchange	OTC	Exchange	
COPPER	15,438	1,946,070	Nil	Nil	Nil	Nil	Nil

11.6 Disclosure on Financial Ratios:

The disclosures on financial ratios are provided as part of management discussion & analysis report.

11.7 Details of Non-Compliance:

There were no instances of non-compliance on any matter related to the capital market, during the last three years. There were no non-compliances by the Company and no instances of penalties and strictures imposed on the Company by the Stock Exchanges or SEBI or any other statutory authorities on any matter related to the capital market during the last three years.

11.8 The senior management personnel have made disclosures to the Board relating to all material, financial and other transactions stating that they did not have personal interest that could result in a conflict with the interest of the Company.

11.9 The Board, in line with the requirements of the Companies Act, 2013 and SEBI Listing Regulations had formulated following policies and can be accessed at our company website at https:// indianippon.com/policies/

Name of the Policy		Weblink
a.	Policy for determining 'materiality' for disclosure of events / information to Stock Exchanges	https://indianippon.com/wp-content/uploads/2024/02/policy-for-determination-of-materiality.pdf
b.	Policy for preservation and Archival of documents	https://indianippon.com/policy/ArchivalPolicy.pdf
c.	Nomination and Remuneration Policy Guidelines	https://indianippon.com/wp-content/uploads/2024/02/nomination-remuneration-policy.pdf
d.	Code of Conduct and Business Ethics	https://indianippon.com/wp-content/uploads/2020/02/code_of_conduct_and_business_ethics.pdf
e.	Corporate Social Responsibility Policy	https://indianippon.com/wp-content/uploads/2021/09/csr_policy.pdf
f.	Code of Conduct to Regulate, Monitor and Report trading by Designated Persons and their Immediate Relatives	https://indianippon.com/wp-content/uploads/2019/06/coc_to_regulate_monitor_report_insider_trading.pdf
g.	Material Subsidiary policy	https://indianippon.com/policy/Material_Subsidiary_Policy.pdf
h.	Related Party Transaction Policy	https://indianippon.com/wp-content/uploads/2022/05/rpt_policy_26052022.pdf
i.	Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information	https://indianippon.com/wp-content/uploads/2019/06/code_of_fair_disclosure_board_approved_300519.pdf
j.	Whistle-Blower Policy & Vigil Mechanism	https://indianippon.com/wp-content/uploads/2019/06/wb_policy_board_approved_30052019.pdf
k.	Risk Management Policy	https://indianippon.com/wp-content/uploads/2022/06 rmc-revised-policy-26052022-web.pdf
l.	Dividend Distribution Policy	https://indianippon.com/wp-content/uploads/2021/08/dividend-distribution-policy.pdf

11.10 Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount: Nil

11.11 Management Discussion & Analysis report, details of separate meeting of independent directors, board evaluation, form part of the Boards report.

11.12 The Company's Code of Conduct and Business Ethics has been displayed on the website of the Company and is available at https://indianippon. com/wp-ontent/uploads/2020/02/code_of_conduct_and_business_ethics.pdf.

11.13 All the members of Board and senior management personnel have confirmed compliance with the code for the year ended 31st March, 2024. The annual report contains a declaration to this effect signed by the Managing Director.

11.14 The Company had constituted the Internal Complaints Committee (ICC) at all its units where it was required to be constituted under The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 as amended. The number of complaints received, disposed of and pending as on 31 March 2024 are given below:

Particulars	Status
Number of Complaints filed during the Financial Year	2
Number of complaints disposed of during the financial year	2
Number of complaints pending as on end of the financial year	Nil

11.15 A certificate from the Secretarial Auditor of the Company regarding non disqualification of any of the Directors of the Company is annexed to this report.

11.16 The total fee paid to the Statutory Auditors of the Company inclusive of the fee paid for all the services received by the Company for the year 2023-24: ₹ 26.00 Lakhs.

11.17 The list of all credit ratings obtained by the Company along with any revisions thereto during the financial year 2023-24: Nil

11.18 Non-compliance of any requirement of corporate governance report of sub-paras (2) to (10) above, with reasons thereof shall be disclosed: Nil

11.19 Details of securities being suspended, if any, from trading: Nil

11.20 Outstanding global depository receipts or American depository receipts or warrants or any convertible instruments, conversion date and likely impact on equity: Not applicable.

12. Annual General Meetings:

The Annual General Meetings of the Company are convened within the Statutory timelines. The details of location and time of the previous three Annual General Meetings are as below:

Meeting	Year	Location	Date	Time
36th AGM	2021	Video Conference/ Other Audio-Visual Means	17th September, 2021	10:00 AM
37th AGM	2022	Video Conference/ Other Audio-Visual Means	21st September, 2022	10:00 AM
38th AGM	2023	Video Conference/ Other Audio-Visual Means	20th September, 2023	10.00 AM

13. Special resolutions passed in the previous Annual general meetings/ through Postal Ballot:

During the last 3 years, approval of the Members was obtained by passing the following special resolutions:

A.G.M. – 2020-21	Approval to keep the Register of Members, Index of Members and any other statutory registers/ records at the place where Cameo Corporate Service Limited decides to carry on the Share Registry work for the Company.
A.G.M. – 2021-22	Appointment of Mr. Heramb R Hajarvanis as an Independent Director Appointment of Ms. Gangapriya Chakraverti as an Independent Director Re-Appointment of Mr. Arvind Balaji as Managing Director.
A.G.M. – 2022-23	Alteration of Articles of Association of the Company.

The above-mentioned Special Resolutions were passed with requisite majority.

Postal Ballot:

No resolution was passed through Postal Ballot during the year under review.

No item of business in relation to matters specified in Listing Regulations and or Section 110 of the Companies Act, 2013 which requires voting by postal ballot is included in the notice convening the AGM of the Company for the year 2023-24.

14. Means of Communication:

Quarterly financial results:

The financial results are published in prominent daily newspapers viz. Business Standard (English daily) and Dinamani (Tamil daily – vernacular) and are also uploaded on the website of the Company.

Website:

The Company has dedicated "Investors" section on its website viz. www.indianippon.com, wherein any person can access the corporate policies, Board committee charters, Annual Reports, financial results, investor presentation and shareholding details etc.

Investor Presentation:

The Company also makes a presentation at the Investors and Analysts meets, the particulars of which are disclosed to the Stock Exchanges before such participation, as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Stock Exchange:

The Company makes timely disclosures of necessary information to BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE) in terms of the Listing Regulations and other applicable rules and regulations issued by the SEBI.

15. General Information for Members:

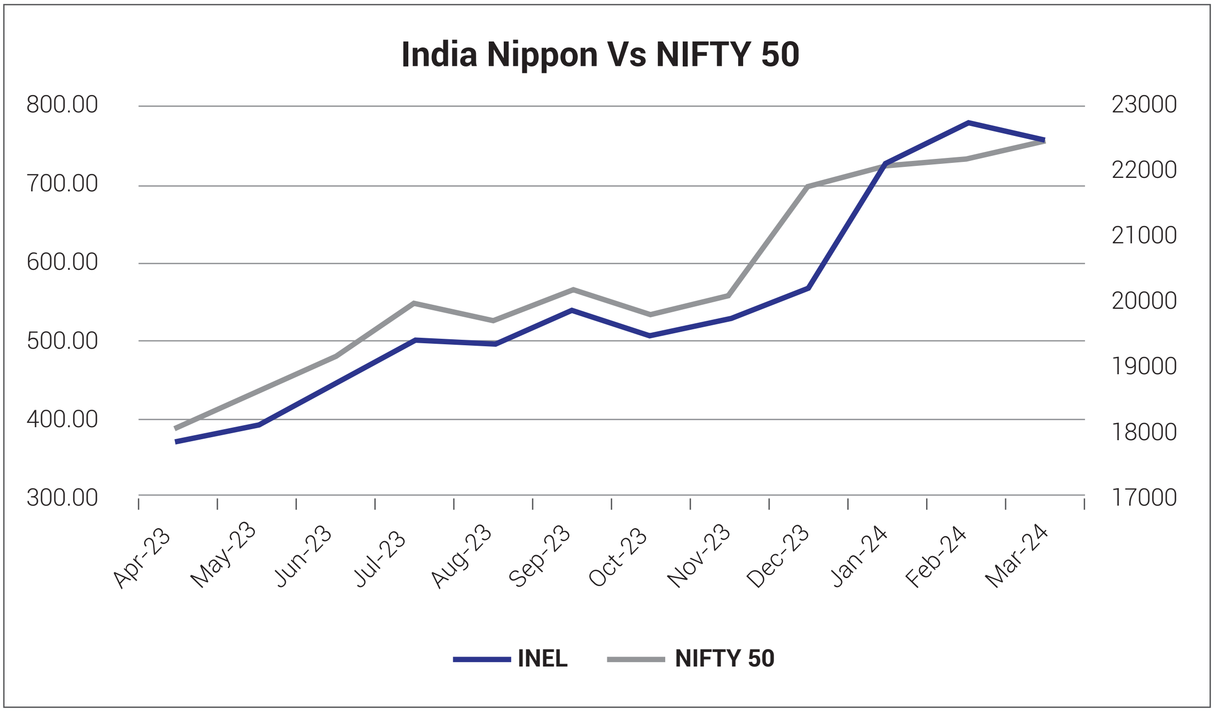
Annual General Meeting:	The 39th AGM of the Company is scheduled to be held on Wednesday, 18th September, 2024 at 10.00 A.M. IST through Video Conferencing ('VC')/Other Audio-Visual Means ('OAVM'). Deemed venue for the Meeting will be Registered Office of the Company.
Financial Year	1st April to 31st March
Tentative schedule for declaration of financial results during the financial year 2024-25	
30th June, 2024	1st fortnight of August, 2024
30th September, 2024	1st fortnight of November, 2024
31st December, 2024	1st fortnight of February, 2025
31st March, 2025	On or before 30th May, 2025
Interim Dividend for 2023-24 @ ₹10.25 per equity share	Declared by Board: 13th February, 2024. Record Date: 23rd February, 2024 Payment date: 11th March, 2024
Book closure period for the purpose of AGM	From 12th September, 2024 to 18th September, 2024 (both days inclusive)
Listing on Stock Exchange & payment of Listing Fee	The Company's Shares are listed on BSE Limited and National Stock Exchange of India Limited. Th annual listing fee for the year 2023-24 has been paid on time. The address of the exchanges are as follows: BSE Limited: Floor 25, Phiroze Jeejeebhoy Towers Dalal Street, Mumbai – 400 001. National Stock Exchange of India Limited: Exchange Plaza, 5th Floor, Plot no C 1, G Block, IFB Centre, Bandra Kurla Complex, Bandra, Mumbai - 400051.
Stock Code	NSE : INDNIPPON BSE : 532240
ISIN	INE092B01025
SEBI Complaints RedressalSystem Registration Number (SCORES)	i00062
CIN	L31901TN1984PLC011021

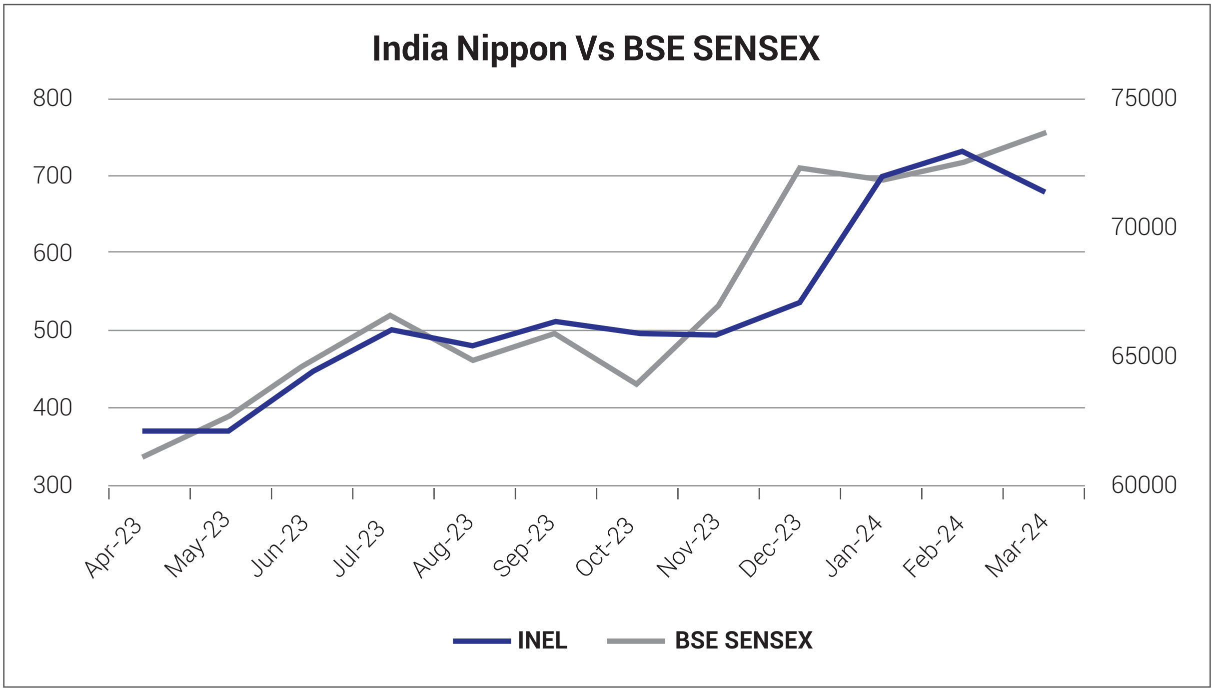
15.1 Share price data:

a) **High, Low during each month of the Financial Year 2023-24:**

Month	National Stock Exchange of India Limited		BSE Limited	
	High	Low	High	Low
April 2023	376.60	331.00	377.60	330.95
May 2023	403.90	346.25	404.35	348.15
June 2023	465.80	370.40	464.55	370.45
July 2023	504.80	425.55	505.40	426.05
August 2023	509.45	428.10	514.95	429.00
September 2023	547.50	462.35	546.95	460.00
October 2023	531.60	462.10	522.00	463.50
November 2023	543.00	472.10	541.35	467.65
December 2023	575.00	491.60	574.35	471.10
January 2024	768.00	518.05	764.95	517.90
February 2024	812.85	641.50	810.95	640.05
March 2024	775.00	601.00	775.70	594.15

b) **Company's Share price performance in comparison to broad-based indices – NSE Nifty and BSE Sensex during 2023-24 (based on closing price at the end of the month):**





15.2 Consolidated Distribution of Equity Shareholding as on 31st March, 2024 (PAN BASED)

Category (No. of Shares)	No. of Shareholders	% to Total	Shareholding	% to Total
1 - 10	6,492	33.81	29,127	0.13
11 - 50	5056	26.33	1,49,069	0.66
51 - 100	2183	11.37	1,87,549	0.83
101 - 500	3153	16.42	8,20,218	3.63
501 - 5000	2175	11.33	32,39,523	14.32
5001 - 10000	82	0.43	5,55,163	2.45
10001 - 50000	51	0.27	11,18,147	4.94
50000 - 100000	2	0.01	1,35,000	0.60
100001 & Above	6	0.03	1,63,87,088	72.44
OVERALL TOTAL	**19,200**	**100.00**	**2,26,21,424**	**100.00**

15.3 Pattern of Equity Shareholding as on 31st March, 2024:

Members	No. of Shares held	% of Total shares held
Promoters & Promoters group (Indian)	1,59,19,122	70.37
Foreign Portfolio Investor	31,377	0.14
HUF	3,19,782	1.41
Bodies Corporate	4,28,973	1.90
IEPF Authority	1,10,614	0.49
Individuals	56,32,704	24.90
NRIs	1,78,852	0.79
Total	**2,26,21,424**	**100.00**

15.4 Share Transfer System:

M/s. Cameo Corporate Services Limited is the Registrar and Share Transfer Agent of the Company. All documents for issue of letter of confirmation in relation to matters of transmission, duplicate share certificate(s), split, consolidation, demat, remat and any other request relating to securities of the Company should be sent to the address mentioned below:

M/s Cameo Corporate Services Limited, [Registration No. INR000003753] 'Subramanian Building', No.1, Club House Road, Chennai - 600002. Tel: (44) 40020734/735/ 28460390

Pursuant to Regulation 40 of the SEBI Listing Regulations, 2015, securities can be transferred only in dematerialised form. Members are requested to convert their physical holdings into demat form and may write to the Company Secretary at investors@inel.co.in or to the Registrar and Share Transfer Agent at https://wisdom.cameoindia.com.

Shareholders' requests for issue of letter of confirmation for transmission/duplicate certificates and other related matters are handled by Registrar and Share Transfer Agent and are effected within the stipulated timelines, if all the documents are valid and in order.

The Company obtains an annual certificate from a practicing Company Secretary confirming the issuance of a letter of confirmation within 30 days of receiving investor service requests, as prescribed under Regulation 40(9) of the SEBI Listing Regulations, 2015, if all the documents are valid and in order and submits a copy thereof to the Stock Exchanges. Further, the Compliance Certificate under Regulation 7(3) of the SEBI Listing Regulations, 2015 confirming that all activities in relation to share transfer facility are maintained by Registrar and Share Transfer Agent registered with the Securities and Exchange Board of India is also submitted to the Stock Exchanges on a yearly basis.

As on 31st March, 2024, there were 2,24,31,308 shares in electronic mode, including 1,59,19,122 shares (100%) held by promoters. Shares held in electronic mode accounted for 99% of total holding.

The shareholding pattern in physical and demat is as given under: (shares in numbers)

As of 31st March, 2024	Physical Holding	Electronic Holding	Total Holding
Total Number of Shareholders	171	19,029	19,200

Particulars		Physical Mode	Electronic mode	Total holding
a)	Promoters holding: M/s Lucas Indian Service Limited, Chennai	-	1,59,07,374	1,59,07,374
	Ms. Sheela Balaji	-	3,712	3,712
b)	**Promoter Group holding:**			
	Mr. T K Balaji	-	1,694	1,694
	Ms. Vatsala Raghu	-	542	542
	Mr. Sowmyan Ramakrishnan	-	4,308	4,308
	Mr. V A Raghu	-	8	8
	Ms Mala Ramakrishnan	-	742	742
	Ms Vijaya Mohanram	-	742	742
	Total promoter & promoter holding	**-**	**1,59,19,122**	**159,19,122**
c)	Non-Promoters holding	1,90,116	65,12,186	67,02,302
	Total	**1,90,116**	**2,24,31,308**	**2,26,21,424**
	%	0.85	99.15	100.00

The Securities and Exchange Board of India (SEBI) has notified amendments to SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (Listing Regulations) and as per the amendments, with effect from 1st April, 2022 request for transfer of securities shall not be processed unless the securities are held in dematerialised form with a depository participant including transmission and transposition of securities.

As on 31st March, 2024, the total number of Members holding shares in physical mode has reduced from 202 members holding 2,25,982 shares at the beginning of the year to 171 members holding 1,90,116 shares at the close of the year.

15.6 Plant & Tech Center Locations:

Unit 1	Hosur-Thalli Road, Uliveeranapalli, Hosur - 635114, Tamil Nadu. Tel: (4347) 233438.
Unit 2	Madukarai Road, Kariamanickam Village, Nettapakkam Commune, Puducherry-605 106. Tel: (413) 2699052.
Unit 3	Masani Village, Rewari District. Haryana-122 106. Tel: (1274) 240860
R&D Tech Center	Plot No.137, SIPCOT Industrial Complex, Phase-I, Mookandapalli,, Zuzuvadi, Hosur, Krishnagiri-635126, Tamil Nadu

Address for Correspondence:

Registered Office: No.11 & 13, Patullos Road, Chennai 600002. Ph. (44) 28460063/73. For investors complaints: investors@inel.co.in; https://wisdom.cameoindia.com

16. Transfer of Shares to Investor Education and Protection Fund (IEPF) Authority:

As per Section 124(6) of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules") as amended from time to time, all the shares in respect of which dividend has remained unpaid/ unclaimed for seven consecutive years or more are required to be transferred electronically to the Demat Account opened in the name of IEPF Authority by the Ministry of Corporate Affairs.

During the year, the Company has sent individual notices to all the Members whose dividends are lying unpaid/ unclaimed against their name for seven consecutive years and followed other procedures seeking action from the Members. The list of such Members is displayed on the website of the Company.

In compliance with the aforesaid provisions, the Company has transferred the unclaimed shares to IEPF account bearing Demat account no 10656671 and DPID IN300708 opened with Punjab National Bank as detailed below:

Unpaid Dividend for 2015-16 (II interim): ₹ 3,67,680 pertaining to 200 shareholders transferred to IEPF on 17th May, 2023 and 1856 equity shares pertaining to 1 shareholder (who did not claim dividend for 7 consecutive years) were transferred to IEPF on 29th September, 2023.

Unpaid Dividend for 2016-17 (I interim): ₹ 3,01,560 pertaining to 238 shareholders transferred to IEPF on 27th March, 2024 and 6320 equity shares pertaining to 9 shareholders (who did not claim dividend for 7 consecutive years) were transferred to IEPF on 01st May, 2024.

Unpaid Dividend for 2016-17 (II interim): ₹ 4,57,704 pertaining to 216 shareholders transferred to IEPF on 29th May 2024 and 256 equity shares pertaining to 3 shareholders (who did not claim dividend for 7 consecutive years) were transferred to IEPF on 03rd July, 2024.

In case the dividends are not claimed within the due date(s) for the subsequent years, necessary steps will be initiated by the Company to transfer shares held by the members to IEPF. Please note that no claim shall lie against the Company in respect of the shares so transferred to IEPF. As required under the said provisions, all subsequent corporate benefits that accrue in relation to the above shares will also be credited to the said IEPF Account.

In the event of a transfer of shares and the unclaimed dividends to IEPF, Members are entitled to claim the same from IEPF by submitting an online application in the prescribed Form IEPF-5

Printout of the duly completed IEPF - 5 and the acknowledgment issued after uploading the form will have to be submitted together with an Indemnity Bond in original along with the other documents as mentioned in the Form IEPF-5 to the Nodal Officer of the Company viz., Ms. S Logitha, in an envelope marked "Claim for a refund from IEPF Authority". In the process, general information about the Company which has to be provided are as under:

(a) Corporate Identification Number (CIN) of the Company:- L31901TN1984PLC011021,

(b) Name of the Company:-India Nippon Electricals Limited,

(c) Address of registered office of the Company: No.11 & 13, Patullos Road, Chennai-600002,

(d) email ID:- investors@inel.co.in

17. Request to Investors:

Members who have not encashed their dividend warrants in respect of unpaid dividend declared for the year 2017-18 and for any financial year thereafter may contact the Company and surrender their warrants for payment or write to the Company with folio number and details. Members are requested to note that the dividend not claimed for a period of seven years from the date they became due for payment shall be transferred to Investor Education and Protection Fund [IEPF] in terms of Section 124 of the Companies Act, 2013. Information in respect of unclaimed dividends due for remittance into IEPF is given below:

Financial Year	Date of Declaration	% of dividend	Date of transfer to special account	Due Date for transfer of dividend to IEPF	As of 31st March, 2024 (₹)
2017-18					
1st interim	29th January, 2018	60	7th March, 2018	6th April, 2025	4,08,090.00
2nd interim	8th May, 2018	70	14th June, 2018	14th July, 2025	4,81,187.00
2018-19					
1st interim	9th February, 2019	60	18th March, 2019	17th April, 2026	3,59,844.00
2nd interim	6th April, 2019	80	13th May, 2019	12th June, 2026	4,76,676.00
2019-20					
1st interim	10th February, 2020	60	18th March, 2020	17th April, 2027	3,50,250.00
2nd interim	16th March, 2020	75	22nd April, 2020	22nd May, 2027	4,85,140.00
2020-21 Interim	26th March, 2021	120	2nd May, 2021	1st June, 2028	5,84,537.00
2021-22 Interim	10th February, 2022	125	19th March, 2022	18th April, 2029	5,92,153.25
2022-23 Interim	14th February, 2023	185	23rd March, 2023	22nd April, 2030	6,73,889.25
2023-24 Interim	13th February, 2024	205	21st March, 2024	20th April, 20231	7,18,565.50*

(*) Interim Dividend for 2023-24 has been paid on 11th March, 2024.

18. Investors are requested to note the following:

- Investors holding shares in physical mode are requested to communicate the change of address, if any, directly to the Registered Office of the Company at the above address.
- As required by SEBI, investors, who have not furnished so far, are advised to furnish details of their bank account number, name and address of the bank for incorporating the same in the dividend warrants. This information is required to avoid wrong credits being obtained by unauthorized persons.

- Investors who have not availed nomination facility are requested to fill in the nomination form and submit the same to the Company along with the requisite proof of nomination.
- Investors are requested to note that any dividend which remains unencashed for a period of seven years will be transferred to 'Investor Education and Protection Fund' in terms of Section 124 of the Companies Act, 2013.
- Those who have not encashed their warrants may contact the Company immediately and surrender their warrants for further action.
- Investors holding shares in electronic form are requested to deal only with their depository participant in respect of change of address, nomination facility and furnishing bank account number, etc.
- In terms of SEBI (LODR) Regulations, 2015, a suspense account has been opened and all the unclaimed shares have been transferred.

Disclosure in respect of equity shares transferred in the Company's unclaimed suspense account pursuant to the requirement of Regulation 34(3) and Schedule V Part F of the Listing the Regulations, the following table provides details in respect of the equity shares lying in the suspense account:

Particulars	Number of shareholders	Number of equity shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on 1st April, 2023	21	24348
Shareholders who approached the Company for transfer of shares from suspense account during the year	1	1260
Shareholders to whom shares were transferred from the suspense account during the year	1	1260
Unclaimed shares transferred to IEPF during the year	1	1856
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on 31st March, 2024	19	21232

The Company had already sent reminders to the Members for claiming those shares at their latest available address(es) with the Company or Depository, as the case may be.

All the corporate benefits in terms of securities accruing on those shares like bonus shares, split etc., would also be credited to unclaimed suspense account of the Company. The voting rights on shares lying in unclaimed suspense account shall remain frozen till the rightful owner claims the shares.

19. Vigil Mechanism/ Whistle–Blower Policy

The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethical behaviour. In line with the policy, any actual or potential violation, howsoever insignificant or perceived as such, would be a matter of serious concern for the Company. The role of the employees in pointing out such violations of the policy of the Company, cannot be undermined. Pursuant to Section 177(9) of the Act, a vigil mechanism was established for directors and employees to report to the management instances of unethical behaviour, actual or suspected, fraud or violation of the Company's code of conduct or ethics policy. The Vigil Mechanism provides a mechanism for employees of the Company to approach the Chairperson of the Audit Committee of the Company for redressal. No person has been denied access to the Chairperson of the Audit Committee. Details of the Vigil Mechanism and Whistle Blower Policy is available at the link: https://indianippon.com/policies/.

20. Details of utilization of funds raised through preferential allotment or QIP:

The Company did not raise any funds through preferential allotment or qualified institutional placement that are unutilized.

21. Details of compliance of mandatory requirements: We comply with all the corporate governance requirements under SEBI LODR Regulations, 2015 as amended from time to time and specifically to the requirements under Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46.

22. Details of compliance of non-Mandatory Requirements: The Company has fulfilled the following non-mandatory requirements as prescribed in Part E of Schedule II as mentioned under Regulation 27 (1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

Modified opinion(s) in audit report: There was no qualification by the auditors on the financial statements of the Company.

Reporting of Internal Auditor: As per the requirements, the internal auditor may report directly to the Audit committee. The same is reported by briefing the Audit Committee through discussion and presentation of the observations every quarter by the Internal Auditors.

Shareholder rights: The Company regularly does statutory filings as required under SEBI (LODR) Regulations, 2015 as amended and also updates the website of the Company on a regular basis. The financial results as and when approved by the Board are hosted on the investor column of the Company's website from which any shareholder can easily access and obtain the requisite information about the Company.

Green Initiative: As a responsible corporate citizen, the Company welcomes and supports the 'Green Initiative' undertaken by the Ministry of Corporate Affairs, Government of India, enabling electronic delivery of documents including the Annual Report, to Shareholders at their e-mail address previously registered with the DPs and RTA. Shareholders who have not registered their e-mail addresses are requested to do the same. Those holding shares in Demat form can register their e-mail address with their concerned DPs. Shareholders who hold shares in physical form are requested to register their e-mail addresses with the RTA, by sending a letter, duly signed by the first/sole holder quoting details of Folio Number.

Disclosure of certain types of agreements binding listed entities: The disclosures made to the Stock Exchanges in this connection have been hosted on the website of the Company and are available at https://indianippon.com/investors/#tab-1616234080802-18-6.

Management Discussion & Analysis

Economic Overview

Global Economy

Despite facing substantial hurdles, the global economy has shown remarkable resilience in CY 2023, showcasing steady growth and a swift deceleration in inflation. However, there are also certain events that disrupted this journey. Some of these include post-pandemic supply-chain disruptions, energy and food scarcity sparked by the Russia-Ukraine and Israel-Hamas conflicts, and surge in inflation, followed by coordinated monetary policy tightening.

The global growth rate is projected to remain stable in 2024 and 2025. It was initially anticipated at 3.2% in 2023, falling short of the historical average of 3.8%. This can be attributed to restrained monetary policies, reduced fiscal support, and sluggish productivity growth.

The growth of advanced economies is expected to increase slightly, primarily due to the Euro Area's recovery. The growth rates are projected to increase from 1.6% in 2023 to 1.7% in 2024 and 1.8% in 2025. In contrast, emerging markets and developing economies are anticipated to maintain stable growth at 4.2% during 2024 and 2025. Nonetheless, there are regional variances, with growth moderation in Asia offset by the growth in the Middle East, Central Asia, and Sub-Saharan Africa.

Global headline inflation is anticipated to ease, dropping from an annual average of 6.8% in 2023 to 5.9% in 2024 and further to 4.5% in 2025. This is primarily because inflation is expected to revert to pre-pandemic levels sooner in emerging markets and developing economies than in advanced economies.

Outlook

Central banks are anticipated to play a crucial role as the global economy moves toward a gentle slowdown, necessitating careful management of inflation. There is also a need to refocus on medium-term fiscal consolidation to create fiscal space for critical investments and ensure debt sustainability. Tailored policy responses and supply-enhancing reforms are essential for addressing inflation, reducing debt levels, promoting higher growth, and narrowing income disparities. Multilateral cooperation is vital for tackling challenges like geo-economic fragmentation, climate change, and debt restructuring. This will ensure a sustainable and inclusive economic recovery thereby paving the way for a brighter future.

(Source:https://www.imf.org/en/Blogs/Articles/2024/04/16/global-economy-remains-resilient-despite-uneven-growth-challenges-ahead)

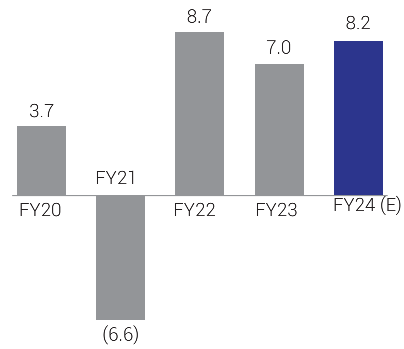
Indian Economy

India's economy has shown remarkable resilience and consistent growth despite global economic challenges in recent years. This strong trajectory is supported by growth-oriented policy measures and recovery of the private sector.

Poised for economic progress, the country benefits from substantial investments in emerging sectors, a growing middle-income demographic, sustained government spending, and increased efficiency through digitalization and infrastructure upgrades.

In 2023-24, India's economy experienced robust expansion and a growth rate of 8.2%, surpassing forecasts.

Indian Economy Real GDP Growth Rate (in %)



(E) - Estimate

(Source: https://economictimes.indiatimes.com/news/economy/indicators/indias-gdp-grows-7-8-per-cent-in-q4-fy24-growth-pegged-at-8-2-per-cent/articleshow/110595616.cms?from=mdr)

Industry Overview

Global Automotive Industry

The global automotive industry is a dynamic and highly competitive sector encompassing the design, development, production, and sale of motor vehicles. It plays a significant role in the global economy, contributing to employment, trade, and technological advancements.

The industry has been steadily growing due to technological advancements like Advanced Driver Assistance Systems (ADAS), Intelligent All-Wheel Drive, Active Aerodynamics, Augmented Reality Windshields, Autonomous Emergency Braking, Connected Cars, Fuel Cells, Self-Driving Cars, Car Sharing, and In-Car Entertainment, among others.

The global passenger vehicle market experienced a mix of challenges and opportunities in 2023. One of the notable developments was the struggles faced by the West European car market, as reported by just-auto.com. The region grappled with a range of factors, including economic conditions, shifting consumer preferences, and regulatory changes, all of which contributed to the overall poor shape of the market.

In contrast, the US saw a strong rebound in auto sales indicating a robust recovery in the American market. Turning to the Chinese market, the industry association data showed that car sales in China were forecast to rise by 3% in 2024, reaching a sales volume of 4.8 Million vehicles. This anticipated growth was attributed to factors such as increased global demand, particularly for EVs, as reported by The Economic Times. Nikkei Asia further corroborated this trend, noting that China's 2023 auto sales grew by 12%, driven by higher global demand for EVs and a surge in commercial vehicle sales.

These diverse developments across different regions underscored the dynamic nature of the global passenger vehicle market in 2023. While some markets faced challenges, others experienced strong growth, driven by a combination of economic conditions, consumer preferences, technological advancements, and regulatory changes. The industry's ability to navigate these shifting landscapes will be crucial in shaping the future of the global passenger vehicle market.

(Source:

- *https://www.just-auto.com/features/west-european-car-market-in-poor-shape/?cf-view*
- *https://www.nytimes.com/2024/01/03/business/economy/auto-sales-general-motors.html#:~:text=After%20enjoying%20a%20strong%20rebound,15.7%20million%20vehicles%20this%20year.*
- *https://www.coxautoinc.com/news/cox-automotives-forecast-2024-a-return-to-normalcy-in-the-u-s-auto-market/#:~:text=High%20interest%20rates%20and%20declining,market%2C%20is%20expected%20to%20weaken.*
- *https://auto.economictimes.indiatimes.com/news/passenger-vehicle/china-car-sales-expected-to-rise-3-in-2024-industry-association/105951270#:~:text=China's%20car%20sales%20are%20forecast,4.8%20million%2C%20the%2-0data%20showed*
- *https://asia.nikkei.com/Business/Automobiles/China-s-2023-auto-sales-grow-12-on-overseas-demand-for-EVs#:~:text=Higher%20global%20demand%2C%20especially%20for,commercial%20vehicles%20was%20a-nother%20factor)*

Global Two-Wheeler Market

In recent years, the global two-wheeler segment has experienced remarkable growth, driven by a diverse range of factors. By 2023, the market had expanded to a size of USD 130 Billion. Projections indicate this growth trajectory will persist, with forecasts estimating the market to reach USD 230.7 Billion by 2032, demonstrating a steady compound annual growth rate (CAGR) of 6.58% during the period 2024-2032. This surge in the industry is underscored by the substantial increase in global sales of motorcycles, scooters, and registered mopeds, totaling 62.6 Million units, marking a notable 2.7% increase compared to the previous year.

The growth drivers include rapid urbanization, coupled with rising disposable incomes and improved road infrastructure, has fueled the demand for affordable and convenient modes of transportation. Additionally, the increasing focus on fuel efficiency and the adoption of electric and hybrid technologies have further boosted the segment's growth, aligning with sustainability goals and environmental concerns.

Geographically, the Asia-Pacific region has emerged as a driving force, with India leading the way as the world's largest market due to regulatory changes and the growing prominence of local manufacturers. Other notable contributors include Indonesia, Brazil, and Turkiye, which have witnessed substantial sales increases in 2023.

Though challenges such as fluctuating raw material prices and the need for continued infrastructure development must be addressed to sustain this upward trajectory, the outlook for the global two-wheeler segment remains promising. Changing consumer lifestyles, the need for practical mobility solutions in congested urban areas, and the ongoing shift toward electric vehicles are expected to propel the industry's growth.

(Source:
- https://www.marklines.com/en/report/rep2529_202308#:~:text=In%202022%2C%20total%20motorcycle%20production,data).
- https://global.honda/en/stories/040/
- https://www.imarcgroup.com/two-wheeler-market
- https://www.motorcyclesdata.com/2024/04/13/world-motorcycles-market/#:~:text=laws%20and%20regulations.-,In%202023%20global%20two%20wheeler%20sales%20(motorcycles%2C%20scooter%20and%20registered,year%20of%20the%20covid%2019.
- https://www.imarcgroup.com/electric-two-wheeler-market)

Indian Automotive Industry

For a considerable time, the Indian automobile industry has served as a reliable indicator of the economy's well-being, mirroring both its growth and technological advancements. India is the largest producer of tractors, the second-largest manufacturer of buses, and the third-largest producer of heavy trucks worldwide. In this regard, the country holds a robust position in the global heavy vehicles market. According to the Society of Indian Automobile Manufacturers (SIAM), the industry produced 2,84,34,742 units in FY 2023-24, a 9.6% increase from FY 2022-23.

The primary segment of the Indian automobile industry is its passenger vehicle category, followed by two-wheelers. Factors driving the increasing demand for passenger vehicles include rising incomes and evolving lifestyles. India is also emerging as a key market for EVs, with significant investments being made by various companies in their development. Apart from other initiatives supporting the growth of the automobile industry, the Government's 'Make in India' initiative has incentivized foreign companies to invest in the country and establish manufacturing facilities.

In a significant boost to the automotive industry, the budget reveals a substantial increase in the allocation for the production-linked incentive (PLI) scheme, reaching ₹ 3,500 Crores for FY 2024-25. There is also a notable hike in the PLI scheme for advanced chemistry cell and battery storage, from ₹ 12 Crores to ₹ 250 Crores. Another significant trend is the increasing emphasis on connected and autonomous vehicles. Indian automakers are actively investing in advanced technologies that enable vehicles to communicate with each other, paving the way for safer and more efficient transportation systems.

Segment-Wise Sales of Automobiles in India from 2019-20 to 2023-24 (in Million)

	2023-24	2022-23	2021-22	2020-21	2019-20
Two-Wheelers	**17.97**	**15.86**	**13.57**	**15.12**	**17.42**
Passenger Vehicles	4.21	3.89	3.07	2.71	2.77
Commercial Vehicles	0.97	0.96	0.72	0.57	0.72
Three-Wheelers	0.69	0.49	0.26	0.22	0.64

(Source: https://www.siam.in/pressrelease-details.aspx?mpgid=48&pgidtrail=50&pid=554)

Despite its growth potential, the Indian automobile industry faces challenges such as infrastructure limitations, high taxes and tariffs, and a need for skilled labor. Other likely challenges include evolving consumer preferences, heightened competition, and regulatory changes. Despite this, the industry is expected to continue growing and play a vital role in India's economic advancement. However, the overall outlook for the Indian automobile industry remains optimistic. Its continued growth is projected to contribute significantly to the country's economic development.

Indian Two-Wheeler Market

The Indian two-wheeler market is witnessing a transformative shift in consumer preferences, moving toward motorcycles with enhanced features and superior performance. The market experienced a 13% year-on-year increase in 2023-24 from 2022-23 and is projected to reach a size of USD 299.2 Billion in 2024 and grow to USD 335.1 Billion by 2030, at a CAGR of 1.91% during the forecast period (2024-2030).

Projections for the next three years suggest that motorcycles with engine capacities of 125 cc and above are set to surpass the traditionally dominant entry-level bikes. This shift echoes the trend seen in the passenger vehicle segment, where sport utility vehicles (SUVs) now command a significant share of total sales.

From 2024 to 2030, the Indian two-wheeler market is projected to witness consistent growth, with sales reaching 22,764,730 units by 2030. This forecast underscores the compounding impact of sustained economic growth, urbanization, and technological advancements in the market. The growth in electric two-wheelers will be a major driver, as hybrid and electric variants gain prominence due to their eco-friendly attributes, cost efficiency, and favorable government policies.

(Source:https://www.mordorintelligence.com/industry-reports/india-two-wheeler-market)

Internal Combustion Engine Market

The internal combustion engine (ICE) industry experienced a 10% growth in 2023, increasing from 19.95 Million units in 2022 to 21.97 Million units in 2023. Q1 2023 saw a modest growth of 1%, which was impacted by reduced export sales due to inflation issues in African countries. In Q2 2023, there was a slight decline of 1% in growth, attributed to lower domestic sales resulting from heavy floods and rains. However, the industry demonstrated robust performance in the latter half of the year, with growth accelerating to 18% in the third quarter and 24% in the fourth quarter.

In the two-wheeler (2W) segment, there was a 10% increase in 2023, with sales rising from 19.13 million units in 2022 to 21.01 million units in 2023. Within this segment, the following trends were observed in sales:

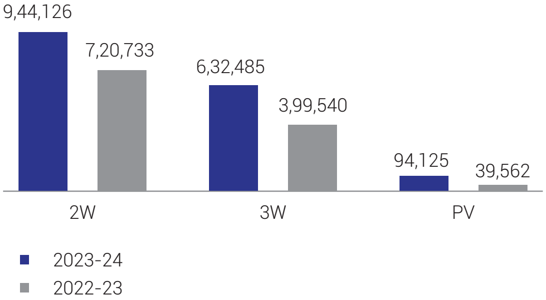
Vehicle	2022 (in Million units)	2023 (in Million units)	Y-o-Y Growth
Motorcycles	13.4	14.5	8%
Super Premium Bikes	1.14	1.41	24%
Scooters	5.28	5.94	13%
Mopeds	0.44	0.49	12%

The three-wheeler (3W) segment experienced a notable growth of 17% in 2023, with sales increasing from 0.82 million units in 2022 to 0.96 million units in 2023.

Electric Vehicles

The EV industry in India is experiencing growth, due to several factors such as rising concerns about air pollution, government incentives, and declining battery costs. As per projections, the Indian EV market, valued at USD 2 Billion in 2023, is expected to reach USD 7.09 Billion by 2025. Industry estimates also predict that the domestic EV market could potentially reach 10 Million annual sales by 2030.

EV Sales in India



(Source: https://www.smev.in/fy-23-24)

The Union Budget of FY 2024-25 includes several key initiatives aimed at promoting environmental sustainability and boosting the automotive sector in India. One of these is the mandatory blending of compressed biogas into compressed natural gas for transport, along with piped natural gas. Additionally, the Indian government is expected to introduce the Biomanufacturing and Bio Foundry Scheme to promote eco-friendly alternatives for biodegradable production.

Under the PM-eBus Sewa scheme, the government aims to procure 10,000 electric buses for 169 cities through public-private partnerships, with a total outlay of ₹ 57,613 Crores, continuing until 2037. The Budget also emphasizes on urban transformation, highlighting the role of metro rail and NaMo Bharat trains in facilitating this change. The government plans to support the expansion of these systems in large cities, focusing on transit-oriented development.

As per industry reports, electric two-wheelers are likely to constitute approximately 40% to 45% of all EVs sold in India by 2030, while electric passenger vehicles could represent about 15% to 20%. However, a report by Niti Aayog suggests that the Indian government aims for EV adoption to reach

40% for buses, 30% for private cars, 70% for commercial vehicles, and 80% for two-wheelers by that timeline.

(Source:https://www.zeebiz.com/automobile/news-budget-2024-plans-for-evs-and-auto-sector-boost-in-finance-minister-nirmala-sitharamans-interim-budget-speech-274799

https://www.india-briefing.com/news/indias-prospects-as-an-ev-hub-consumer-market-and-production-capacity-30157.html/)

Challenges Faced by EV Industry

High Initial Cost

The upfront cost of purchasing an EV is generally higher than that of conventional vehicles, making it less accessible for many potential buyers and consequently limiting the demand for EVs.

Limited Charging Infrastructure

In India, the charging infrastructure for electric vehicles is still in its early stages and is primarily concentrated in major cities. This lack of a comprehensive and widespread charging network creates inconvenience for EV owners, particularly those living in apartments or without dedicated parking spaces.

Range Anxiety

Range anxiety, the fear or concern of running out of battery charge while driving, is a significant challenge for the adoption of EVs. Despite improvements in EV driving ranges, there remains a perception that EVs may not provide sufficient range for long-distance travel, especially in a country with vast distances like India. Additionally, the batteries in EVs degrade over time, leading to a decrease in range.

Battery Technology and Supply Chain

The production of lithium-ion batteries, a crucial component of EVs, depends on specific minerals and rare earth elements. India heavily relies on imports for these materials, leading to supply chain challenges. Additionally, the charging time for EVs is significantly longer than the refueling time for conventional vehicles, impacting their convenience and usability.

Limited Model Options

The availability of EV models in India is currently limited compared to conventional vehicles. The market needs a wider range of options across various segments, including more affordable EVs, to better cater to diverse consumer preferences and requirements.

Indian Auto Component Industry

The Indian auto components market is one of the most dynamic sectors at present. It is a significant engine of macroeconomic expansion and job creation. The Indian auto components sector encompasses a wide range of participants, from large enterprises to small businesses clustered across the nation. The industry has experienced a 12.6% year-on-year (y-o-y) revenue growth in the first half of the current fiscal year, reaching ₹ 2.98 Lakh Crores (USD 36.1 Billion), with expectations of continued growth in the next financial year. The auto components sector employed over 1.5 Million people directly and contributed to 2.3% to India's overall GDP.

Domestic sales of components to OEMs grew by 13.9% y-o-y to ₹ 2.54 Lakh Crores in the first half of the current fiscal, driven by market preference toward larger and more powerful vehicles. Auto component exports grew by 2.7% to USD 10.4 Billion, while imports grew by 3.6% to USD 10.6 Billion, with Asia accounting for 63% of imports, led by China. The aftermarket witnessed a growth of 7.5% y-o-y, and the EV segment is showing growth in revenue from sales of EV components compared to the previous fiscal year.

The auto component industry has played a pivotal role in transforming the nation's mobility sector. With a focus on tech-driven innovation, it aims to lead the global transition toward sustainability. The industry is embracing advanced technologies such as robotics, automation, Industry 4.0 technologies, 3D printing, lightweight materials, and EV components to enhance manufacturing processes, improve productivity, and meet global quality standards. Companies are venturing into the production of advanced electronic components and sensors, which are integral to the development modules for On-Board Diagnostic Device (OBD). The auto component industry is looking to invest around USD 6.5-7 Billion over the next five years on capacity expansion and technology upgradation with the demand expected to remain robust over the period.

As a responsible industry, to lessen its impact on the environment and secure long-term success, the Indian auto component sector placed an increased emphasis on sustainability. Through programs like recycling, circularity, and waste reduction, the sector is advancing toward sustainable mobility. In response to rising environmental concerns, Indian manufacturers are investing in R&D to produce environment-friendly components. Sustainability has become increasingly important to the transportation industry due to worldwide trends towards cleaner and greener transportation options.

(Source: https://www.cnbctv18.com/economy/auto-component-industry-to-invest-7-billion-over-next-5-years-to-expand-capacity-upgrade-tech-18611251.htm)

SWOT Analysis of the Automotive Industry

Strengths

Dynamic Industry Evolution: The automotive sector is continuously evolving, and offers enhanced lifestyles, employment prospects, and travel options. Its significant contribution to growth and development is expected to persist, with growing demand projected in the foreseeable future.

Ongoing Innovation: Automotive companies prioritize R&D, particularly in EVs and renewable energy sources like solar and wind, propelling the industry toward its next phase of growth.

Global Manufacturing Presence: Strategic establishment of manufacturing facilities in Asian countries such as India and China enables companies to manage costs, tap into abundant resources, and efficiently access emerging markets.

Weaknesses

Consumer Empowerment: Shifting the automotive market from demand-driven to supply-driven dynamics has empowered consumers with extensive choices and bargaining power.

Regulatory Hurdles: Government regulations, including excise duty, regional entry restrictions, and fuel price volatility, present significant obstacles to the industry's expansion.

High Turnover Rates: The automotive sector grapples with higher employee turnover compared to other industries, making talent acquisition and retention challenging amid stiff competition.

Opportunities

Enhanced Fuel Efficiency: Opportunities lie in optimizing fuel-driven combustion engines and implementing cost-efficient programs, especially in emerging markets where demand for fuel-efficient vehicles is on the rise.

Evolving Consumer Preferences: Changes in consumer demand, regulatory safety standards, and fuel economy requirements, coupled with data availability, will propel industry growth.

Market Expansion Ventures: Exploring new markets in Asia, BRIC nations, and emerging economies presents promising prospects for increased vehicle demand, with ample expansion opportunities on the horizon.

Threats

Intense Competitive Landscape: The presence of numerous industry players fosters intense competition, posing challenges for new entrants seeking market footholds.

Economic Volatility: Macroeconomic factors such as uncertainty, recession, and unemployment pose sustained challenges to the automotive sector.

Fuel Price Fluctuations: Variations in fuel prices remain a critical factor influencing consumer segment growth, exacerbated by governmental regulations on alternative fuels like CNG and Shell Gas.

Industry Outlook

The Indian automotive sector has the potential to become a key player in the global market. The sector is expected to continue its growth trajectory in 2024, driven by a strong Indian economy and increasing urbanization. Technological advancements and favorable government policies are also contributing factors, particularly in the commercial vehicle segment. This growth is likely to be sustained by the sector's ability to adapt to changing consumer preferences and the ongoing development of infrastructure to support electric and hybrid vehicles.

The ICE industry is experiencing significant growth, driven by technological advancements, increasing demand, and regulatory support. Innovations in technology are enhancing the efficiency and effectiveness of ICE products and services, leading to market expansion. The rising demand, fueled by population growth, urbanization, and shifting consumer preferences, contributes to this growth. Favorable government policies, regulations, and incentives, such as subsidies for renewable energy projects and carbon pricing mechanisms, further encourage the adoption of ICE solutions. Environmental sustainability concerns and the need to reduce carbon emissions are driving the uptake of eco-friendly and renewable ICE solutions. Additionally, continuous cost reductions in production and installation, driven by economies of scale, technological advancements, and increased competition, make ICE solutions more affordable and accessible.

Looking ahead, the outlook for the Indian automotive industry remains promising. The industry is expected to record moderate growth in volumes in FY 2024-25, with projections of 4-7% growth for two-wheelers, 6-9% growth for passenger vehicles, and a 2-4% y-o-y increase for commercial vehicles, nearing pre-pandemic peaks.

Company Overview

Since its inception in 1984, India Nippon Electricals Limited ('INEL' or 'We', or 'the Company') has established itself as a leading force in the automotive mechatronics industry. Renowned for our expertise in manufacturing high-quality mechatronic products, we serve the two-wheeler, three-wheeler, small gasoline engine, and portable genset markets.

With a legacy of excellence, INEL has become a trusted partner for India's top automobile manufacturers, particularly in the realm of electronic ignition systems. The Company's commitment to innovation and growth is evident in our continuous expansion of product offerings and capabilities, integrating technologies such as sensors, controllers, converters, and advanced engine control units into our solutions. As part of our forward-looking growth strategy, we are now making significant strides in the EV sector, marking a new chapter in the Company's journey of technological advancement and market leadership.

Over the years, INEL has crafted a diverse portfolio of high-quality, distinctive products that have helped establish a strong domestic customer base and fostered significant international expansion. The Company's commitment to enhancing aftermarket services and boosting export operations has driven us to penetrate key global markets in North America, Japan, and Europe. Additionally, we have successfully onboarded two major large-scale OEMs into our portfolio, further strengthening our position on the global stage.

INEL has demonstrated its ability to adapt to evolving business practices and technological advancements in the two-wheeler industry. We have achieved record sales of ₹ 725 Crores in 2023-24, marking an 10.3% growth year-over-year. We have maintained our leading position in the market with a 24% market share in 2023-24. Additionally, our after-market sales saw a robust increase of 23% in 2023-24. By responding effectively to customer demands for high-quality and exceptional service, we have cemented our position as a leader in the sector.

INEL's diverse product portfolio encompasses sensors, controllers, electric ignition systems, and e-mobility solutions. The Company operates three strategically located production plants in Tamil Nadu (Hosur), Puducherry, and Haryana (Rewari District), which are essential to its manufacturing operations. These facilities are accredited with ISO 14001:2015 for Environmental Management Systems and ISO 45001:2018 for Occupational Health and Safety Management Systems, underscoring INEL's commitment to environmental and occupational excellence.

To uphold our commitment to innovation and research, we operate a dedicated R&D Centre recognized by the Government of India's Department of Scientific and Industrial Research. This facility is at the forefront of developing advanced solutions and driving technological progress in the industry. The INEL Tech Center focuses on emerging technologies to deliver innovative solutions and added value for customers. Beyond its expertise in established technologies like flywheel magnetos, regulator rectifiers, ignition coils, and CDI/TCI units, the center has made significant strides in areas such as EFI controllers, ISG controllers, EV motor controllers, DC-DC converters, displays and sensors. By concentrating on these pioneering technologies, INEL aims to meet the evolving demands of the two-wheeler industry with state-of-the-art solutions.

Operational Overview

In pursuit of our growth ambitions, we are investing substantially in the expansion of its three key plants located in Hosur, Puducherry, and Rewari. This expansion will enhance the Company's production capacities and boost productivity to meet the rising demands of its clientele. These strategic investments underscore INEL's dedication to continuous improvement and its vision of maintaining a leadership position in the industry.

In line with our commitment to innovation and excellence, we have formed a strategic technical partnership with a leading global automotive supplier to advance electronic fuel injection (EFI) technology. We have also successfully initiated the supply of FWM components for premium model export bikes, establishing a significant presence in the international market. Additionally, INEL won a major business opportunity with one of our key customers, securing a contract to supply ISG systems for both the three-wheeler and four-wheeler segments. Furthermore, we have begun exporting DC-DC converters, further expanding our global footprint and diversifying our product range. These achievements reflect INEL's successful expansion into international markets, securing major contracts, and diversifying our product offerings.

Additionally, we have made significant advancements in our manufacturing capabilities to enhance product quality and operational efficiency. A state-of-the-art clean room facility has been established to support the development of new platform products, ensuring optimal conditions for product innovation. A new oil level sensor line has also been implemented, featuring advanced process interface and QR code traceability to improve monitoring and quality control.

INEL has also installed a proprietary winding machine, challenging global suppliers and reinforcing our commitment to technological innovation. Furthermore, the plant is now equipped to manage increased volumes of existing products, positioning us for future growth and market demands.

Central to our strategic vision is the objective of becoming the last-standing leader in the internal combustion engine (IC Engine) sector. The Company's focus on innovations such as EFI and Electronic Control Units (ECU) reflects our dedication to transforming the automotive landscape through improved efficiency, performance, and environmental impact of IC Engines. Market analysis suggests a promising future for IC Engines, with growth projections of 20-30% or sustained stability. At INEL, we are enhancing our IC Engine offerings to tap into emerging customer segments and expand our presence in the aftermarket sector, all while focusing on cost efficiencies to ensure sustained profitability.

Additionally, we are strategically broadening the Company's portfolio to include EV products. A key area of this expansion is the electric two-wheeler (E2W) market, which represents a significant opportunity for growth. By focusing on the E2W sector, we aim to diversify our product range and strengthen the Company's position in the evolving EV market, while continuing to uphold our leadership position in the IC Engine domain.

Financial Overview

Standalone Financial Snapshot

(in ₹ Lakhs)

Particulars	2023-24	2022-23	Y-o-Y Change (in %)	Reason for Change
Gross Sales	72,603	65,434	11.0	Increase in service market by 23% as compared to last year
Net Sales	71,670	64,621	10.9	Increase in service market by 23% as compared to last year
Operating Profit	5,138	3,834	34.0	Mainly due to increase in sales
Depreciation	1,509	1,462	3.2	Marginal increase
Profit after Tax (PAT)	5,930	5,787	2.5	2022-23 includes receipt of one time dividend of Rs. 1800 lakhs from PT Automotive Systems Indonesia (Subsidiary) excluding this, PAT increase will be 48%.

Details of Key Standalone Financial Ratios

Ratios	2023-24	2022-23	Remarks
Debtors' Turnover Ratio	5.54	5.53	-
Inventory Turnover Ratio	7.98	8.60	-
Current Ratio (x)	2.49	2.98	-
Operating Profit Margin (%)	9.18	6.85	Volume increase and material cost reduction
Net Profit Margin (%)	9.04	8.82	-
Return on Net Worth - RoNW	9.51%	10.33%	-

Risks and Mitigation

Risk	Impact	Mitigation
Economic Risk	Economic fluctuations pose the risk of disrupting the Company's day-to-day operations or hindering its business expansion initiatives.	The Company proactively assesses the business environment and undertakes measures to address potential disruptions to its operations or business expansion plans.
Customer Risk	Overdependence on a small group of key customers. Insufficient awareness and proactive engagement in emerging business opportunities. Limited presence in global export markets, increasing vulnerability to geopolitical risks.	Develop a clear distinction between current operations and future growth initiatives to optimize strategic focus. Enhance market reach through a blend of direct sales and strategic partnerships, while also exploring export opportunities to extend the Company's presence in international markets.
People Risk	Challenges in talent retention and attraction. Misalignment between organizational structure and strategic goals.	Emphasis on branding efforts, including increased social media engagement to attract top talent. Enhanced training programs to develop effective managers, with a focus on establishing key result areas (KRAs) to improve employee retention.
IT and Cybersecurity Risk	Insufficient measures to protect confidential and sensitive information from both internal and external threats.	Conducted SIEM (Security Incident Event Management) audit and implemented countermeasures for the same. Completed ISMS (Information Security Management Systems) surveillance audit. Conducted cybersecurity awareness programs periodically during the year. Enabled audit trial in all critical business application software. No outages/attacks have been reported.
Competition Risk	Intense competition within the automotive industry might lead to potential adverse effects on the Company's market share, margin profile, and return on capital employed.	The Company harnesses technological prowess, strategic partnerships, customer relations, and innovative solutions to mitigate this risk.
Technology Risk	The Company's business and future growth are challenged by the rapid pace of technological advancements, necessitating continuous innovation and adaptation. In the EV segment, the Company faces fierce competition from both established industry leaders and agile startups, driving the need for differentiation and strategic positioning. Product obsolescence is a significant risk for the Company, as the swiftly evolving technological landscape demands constant updates and enhancements to maintain consumer appeal.	Explore strategic technology partnerships in niche areas. Leverage opportunities with existing OEMs. Launch innovative products by closely tracking market trends and emerging technologies. Invest in R&D to ensure new products are technologically advanced, sustainable, and adaptable.

Risk	Impact	Mitigation
Supplier Risk	The procurement process is optimized, with reliance on single-source vendors and limited geographic diversity among import suppliers.	Year-on-year plan is in place to develop strategic sourcing plans to mitigate risks associated with high-risk vendors.
	Lead times for electronic components are lesser except automotive parts.	In-house developed winding machine installed challenging global suppliers.
	The supply chain is susceptible to fluctuations in commodity prices and other cost increases.	Focus on expanding the indexation coverage to include commodities that are currently not part of customer settlements.
Regulatory Risk	The automotive industry faces stringent regulatory scrutiny, especially concerning safety and environmental standards.	We have established a robust compliance mechanism and deployed a software-based compliance tool to identify regulatory requirements and monitor them regularly.
	Failure to comply with these regulations can result in substantial fines, damage to reputation, and legal liabilities.	The Company also maintains open communication with regulators to stay abreast of any changes in regulatory mandates.

Human Resources

At INEL, we firmly believe that a dedicated and skilled workforce is essential for exceptional business success. Recognizing the crucial role of human resources in our expansion, the Company prioritizes employee well-being and values their contributions. We consistently develop and implement HR policies to attract, retain, and nurture top talent. INEL emphasizes on providing growth opportunities and enhancing employee skill sets at all levels. By fostering a participative work culture, the Company maximizes individual potential and ensures an engaged workforce, driving business excellence.

As of 31st March, 2024, the Company had 2,068 employees on its payroll.

Corporate Social Responsibility (CSR)

INEL is dedicated to advancing a sustainable society while generating economic value. We have established a CSR Committee to formulate and propose a comprehensive CSR Policy to the Board of Directors, ensuring a systematic approach to CSR. During the reviewed period, INEL invested ₹ 95.96 Lakh in CSR initiatives, focusing on education rural development, healthcare and sanitation. We aim to positively impact the communities we serve, establishing ourselves as a reliable and socially responsible business partner through community-supporting projects and strengthening partnerships.

Internal Control Systems and their Adequacy

The Company's system of internal controls for business processes, operations, financial reporting, fraud prevention, and compliance with applicable laws and regulations is sufficient. The audit function of INEL provides reasonable assurance on the effectiveness and efficiency of operations, protection of assets, accuracy of financial records and reports, and the observance of applicable laws and regulations. The Company regulates its internal control systems and information accuracy on a real-time basis by employing an ERP system that enables improved analysis and control and implementation of compliance tools. Regular internal audits and inspections guarantee that responsibilities are carried out successfully. The Audit Committee, conducts periodic reviews of the performance of statutory/internal auditors, the adequacy and effectiveness of internal control systems, and suggests improvements for strengthening the existing control system in the light of changing business requirements.

Cautionary Statement

Statements in this Management Discussion and Analysis section that describe the Company's objectives, expectations, or make predictions may be forward-looking within the meaning of applicable laws and regulations. These forward-looking statements by the Company are based on certain assumptions and expectations of future events. The Company *cannot guarantee that these assumptions and expectations are accurate or will be realized. The Company assumes no responsibility to publicly amend, modify or revise forward-looking statements based on any subsequent developments, information, or events. Thus, the Company's actual performance/results could differ from projected estimates made in the forward-looking statements. Discussion on the Company's operation outcomes and financial condition should be read together with the audited, consolidated financial statements and notes to these statements as included in the Annual Report.*

Business **Responsibility** and **Sustainability** Report

Section A

Details of Listed Entities

Question 1

Corporate Identity Number (CIN) of the listed entity

L31901TN1984PLC011021

Question 2

Name of the listed entity

india Nippon Electricals Limited

Question 3

Year of incorporation

1984

Question 4

Registered office address

11 & 13, Patullos Road, Chennai - 600 002

Question 5

Corporate address

11 & 13, Patullos Road, Chennai - 600 002

Question 6

E-mail

investors@inel.co.in

Question 7

Telephone

044-2846 0063

Question 8

Website

https://indianippon.com

Question 9

Financial year for which reporting is being done

2023-2024

Question 10

Name of the Stock Exchange(s) where shares are listed

BSE Ltd, Mumbai and National Stock Exchange of India Limited, Mumbai

Question 11

Paid-up capital

₹ 11,31,07,120

Question 12

Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report

Name: Ms. S Logitha

Designation: Company Secretary

Telephone: 044 - 2846 0073

E-mail: logitha.s@inel.co.in

Question 13

Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).

The disclosures made in this report are on a standalone basis.

Question 14

Name of assurance provider

Not Applicable

Question 15

Type of assurance obtained

Not Applicable

Products/services

Question 16

Details of business activities (accounting for 90% of the turnover):

Description of main activity	Description of business activity	% of turnover of the entity
Manufacturing	INEL is a manufacturer within the automotive industry, specializing in producing cutting-edge electronic ignition systems, advanced mechatronic products including sensors and controllers.	100%

Question 17

Products/services sold by the entity (accounting for 90% of the entity's turnover):

S.no.	Product/service	NIC code	% of total turnover contributed
1	Stator	29304	7.6
2	Rotor	29304	5.2
3	Flywheel Magneto	29304	64.8
4	TCI	29304	1.4
5	CDI	29304	2
6	Regulator & Rectifiers	29304	7.6
7	Ignition Coil	29304	3.3
8	EGR Controller	29304	0.1
9	Integral Unit	29304	4
10	DC-DC Convertor	29304	1.5
11	Sensor	29304	1.2
12	Others	29304	1.3

Operations

Question 18

Number of locations where plants and/or operations/offices of the entity are situated:

National

Number of plants & Research Centre	4
Number of offices	1
Total	5

We have three manufacturing plants located in Hosur, Pondy, Rewari and a tech centre in Hosur. INEL's registered office is situated in Chennai.

Question 19

Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of states)	28 States and 8 Union Territories
International (No. of countries)	11

b. What is the contribution of exports as a percentage of the total turnover of the entity?

5%

c. A brief on types of customers

INEL is one of the largest automotive electrical manufacturers in the world. We cater to two-wheeler, three-wheeler, general purpose engines, all terrain vehicles, snow mobiles, and recreational vehicles, among others.

Our major customers - TVS Motor Company Limited, Hero MotoCorp Limited and Bajaj Auto Limited.

Employees

Question 20

Details as at the end of financial year:

a. Employees and workers (including differently abled):

S.no.	Particulars	Total (A)	Male		Female		Other	
			No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)
	Employees							
1.	Permanent (D)	370	338	91.351	32	8.649	0.0	0
2.	Other than permanent (E)	0.0	0.0	0	0.0	0	0.0	0
3.	Total employees (D + E)	370	338	91.351	32	8.649	0	0
	Workers							
4.	Permanent (F)	220	176	80	44	20	0.0	0
5.	Other than permanent (G)	1,478	1,203	81.394	275	18.606	0.0	0
6.	Total workers (F + G)	1,698	1,379	81.213	319	18.787	0	0

b Differently abled employees and workers:

S. no.	Particula rs	Total (A)	Male		Female		Other	
			No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)
	Differently abled employees							
1.	Permanent (D)	1	0.0	0	1	100	0.0	0
2.	Other than permanent (E)	0.0	0.0	0	0.0	0	0.0	0
3	Total differently abled employees (D + E)	1	0	0	1	100	0	0
	Differently abled workers							
4.	Permanent (F)	0.0	0.0	0	0.0	0	0.0	0
5.	Other than permanent (G)	0.0	0.0	0	0.0	0	0.0	0
6.	Total differently abled workers (F + G)	0	0	0	0	0	0	0

Question 21

Participation/inclusion/representation of women

	Total (A)	No. and percentage of females	
		No. (B)	% (B/A)
Board of Directors	6	2	33.333
Key Management Personnel	3	1	33.333

Question 22

Turnover rate for permanent employees and workers

	FY 2023-24 (Turnover rate in current FY)				FY 2022-23 (Turnover rate in previous FY)				FY 2021-22 (Turnover rate in the year prior to the previous FY)			
	Male	Female	Other	Total	Male	Female	Other	Total	Male	Female	Other	Total
Permanent employee	13.29	15.69	0	13.47	20.71	33.33	0	21.62	22.53	55.32	0	25.00
Permanent workers	0	0	0	0	0	0	0	0	0	0	0	0

Holding, subsidiary and associate companies (including joint ventures)

Question 23

Names of holding/subsidiary/associate companies/joint ventures

S.no	Name of the holding/ subsidiary/associate companies/joint ventures (A)	Indicate whetherholding/ subsidiary/associate company/joint venture	% of shares held by listed entity	Does the entity indicated at column (A), participate in the business responsibility initiatives of the listed entity? (Yes/No)
1	PT Automotive Systems Indonesia	Subsidiary	99.97	No
2	Lucas Indian Service Limited	Holding	0	No

CSR details

Question 24

CSR Details

Yes	₹ 726.03 cr	₹ 623.26 cr
(i) Whether CSR is applicable as per Section 135 of Companies Act 2013: (Yes/No)	(ii) Turnover (in ₹)	(iii) Net worth (in ₹)

CSR contribution for 2023-24 is ₹ 95.96 lakhs

Transparency and Disclosures Compliances

Question 25

Complaints/grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance redressal mechanism in Place (Yes/No)	If yes, then provide web-link for grievance redress policy	FY 2023-24 (Current financial year)			FY 2022-23 (Previous financial year)		
			Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	https://indianippon.com/policies/	0	0		0	0	
Investors (Other than shareholder)	Yes	https://indianippon.com/policies/	0	0		0	0	
Shareholders	Yes	Shareholders can lodge complaints by emailing at investors @inel.co.in or to the Registrar and Share Transfer Agent (RTA) who is principally responsible for managing the shares-related affairs by emailing at: investor @ cameoindia.com	0	0		0	0	
Employees & workers	Yes	https://indianippon.com/policies/	7	0		2	0	
Customers	Yes	https://indianippon.com/policies/	0	0		0	0	
Value chain partners	Yes	https://indianippon.com/policies/	0	0		0	0	
Others (please specify here)	No							

Question 26

Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

S. No	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Corporate Social Responsibility (CSR)	Opportunity	Build trust with stakeholders. Attract socially conscious customers and investors.	NA	Elevated brand visibility and value via community and stakeholder engagement.
2	Employee Well-Being	Opportunity	Improved well-being can lead to better performance and higher quality of work and reduced absenteeism & employee turnover. Positive employee experience can lead to attraction of talent and improve the Company's reputation.	NA	Increase in efficiency, assisting in managing the employee cost.
3	Occupation Health and Safety Management	Risk	Safeguarding our workforce is a crucial component of our business strategy.	We have implemented ISO 45001 for Health and Safety Management System and certified for EOHS. A Weekly Safety Audit is carried out zone-wise by the Safety Team and work related hazards are identified. A Safety Committee meeting is conducted every alternate month and the members highlight safety concerns noticed by them. An external agency being engaged once in a year to make a overall safety study.	Zero fatality or loss of asset and adherence to legal compliance.
4	Data Security and Privacy	Risk	Inadequate information security and cyber framework to protect confidential and sensitive information from internal/external threats.	1. SIEM(Security Incident Event Management) study conducted, actions are identified and counter measures are implemented 2. An ISMS 27001 surveillance audit is conducted to ensure that no non-conformances are noticed with reference to ISMS standards 3. Cybersecurity awareness programmes are conducted through various forums	Effective cybersecurity control measures are in place

Section B

Policy and management processes

Question 1

Policy and management processes related questions

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1. a. Whether your entity's policy/ policies cover each principle and its core elements of the NGRBCs (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	Yes	No	Yes	Yes	Yes	No	No	Yes	No
c Web link of the policies, if available	https://indianippon.com/policies/								

Question 2

Policy and management processes related questions

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
2. Whether the entity has translated the policy into procedures. (Yes/No)	Yes								

Question 3

Policy and management processes related questions

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes								

Question 4

Policy and management processes related questions

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
4. Name of the national and international codes/certifications/labels/standards (e.g. Forest Stewar dship Council, Fairtrade, Rainfor est Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.		IATF 16949: 2021	ISO45001: 2018			ISO14001: 2015			ISO9001: 2015 ISO27001. 2013

Question 5

Policy and management processes related questions

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
5. Specific commit ments, goals and targets set by the entity with defined timelines, if any.	The Company is in the process of defining an overall ESG strategy with goals and targets on material issues.								

Question 6

Policy and management processes related questions

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
6. Performance of the entity against the specific commit ments, goals and targets along- with reasons in case the same are not met.	NA								

Governance, leadership and oversight

Question 7

Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)

INEL understands the importance of nurturing the environment and taking proactive measures to ensure sustainable practices. Our Company's commitment to reducing our carbon footprint is reflected in the integration of eco-friendly technologies into our manufacturing processes. This has resulted in reduced energy consumption and emissions. We actively promote waste recycling and water conservation initiatives across our facilities and support reforestation programs. Additionally, we encourage our employees and stakeholders to participate in community-based environmental projects.

Question 8

Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).

Name: Mr. Arvind Balaji,
Designation: Managing Director

Question 9

Does the entity have a specified Committee of the Board/Director responsible for decision making on sustainability related issues? (Yes/No). If yes, provide details. Yes or No?

No

The Managing Director and the President are responsible for decision-making on sustainability related issues.

Question 10

Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director/Committee of the Board/Any other Committee							
	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	The policies of the Company are reviewed periodically/on a need basis by department heads/director/Board committees/Board members, wherever applicable.						The Company complies with all the applicable statutory require ments and rectifies, non-compliance, if any.This is reviewed by the Audit Committee	The policies of the Company are reviewed periodically/on a need basis by department heads/director/Board committees/Board members, wherever applicable.	
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	The Company complies with all the applicable statutory requirements and rectifies non-compliance, if any. This is reviewed by the Audit Committee								

Subject for review	Frequency (Annually/Half yearly/Quarterly/Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Ongoing basis								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Quarterly and as & when required according to statutory requirements								

Question 11

Has the entity carried out independent assessment/evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.

Question	P1	P2	P3	P4	P5	P6	P7	P8	P9
Has the entity carriedout independent assessment/evaluation of the working of its policies by an external agency? If yes, provide name of the agency	No								ISMS policies and procedures were audited by independent agency by TUV Nord.

Question 12

If answer to question (1) of this section B is "No" i.e. not all principles are covered by a policy, reasons to be stated:

Question	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)	N.A								
The entity is not at a stage where it is in a position to formula te and implem ent the policies on specifie d principles (Yes/No)									
The entity does not have the financial or/ human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

Section C

PRINCIPLE 1

Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Question E1

Percentage coverage by training and awareness programmes on any of the principles during the financial year.

Percentage coverage by training and awareness programmes

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	-	Nil	-
Key Managerial Personnel	2	ESG Roadmap, PoSH Awareness, Cybersecurity	100
Employees other than BoD and KMPs	31	Industry 4.0, Tryout Approval, Business Responsibility & Sustainability Reporting, Seminar on Quality 4.0, APQP, PPAP, VDA FMEA, SPC & MSA, GD&T. Cardiac Awareness, Obstetrics & Gynaecology, ERT, Fire Fighting, TQM, ISO Lead Auditors, Principles of Motion Economy, Indian Production System/IPC Standards, POSH, Safety, Environment, Health,	100
Workers	424	Soldering Training, PDI Operators Training, Stator Preparation, Measuring Gauges & Instruments, CNC, ERT, Fire Fighting, Obstetrics & Gynaecology, Skill Level Upgradation, POSH, Safety, Environment, Health	100

Question E2

Details of fines/penalties/punishment/award/compounding fees/settlement amount paid in proceedings (by the entity or by directors/KMPs) with regulators/law enforcement agencies/judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

Monetary

Details	NGRBC principle	Name of the regulatory/ enforcement agencies/judicial institutions	Amount (In INR)	Brief of the case	Has an appeal been preferred? (Yes/No)
Penalty/fine	All	Nil	Nil	NA	No
Settlement	All	Nil	Nil	NA	No
Compounding fee	All	Nil	Nil	NA	No

Non-Monetary

Details	NGRBC principle	Name of the regulatory/ enforcement agencies/judicial institutions	Brief of the case	Has an appeal been preferred? (Yes/No)
Imprisonment	All	Nil	NA	No
Punishment	All	Nil	NA	No

Question E3

Of the instances disclosed in Question 2 above, details of the Appeal/Revision preferred in cases where monetary or non-monetary action has been appealed.

Case details	Name of the regulatory/enforcement agencies/judicial institutions
NA	NA

Question E4

Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes. As a part of the Code of Conduct for all the employees, on discipline and misconduct, the Company states its anti-bribery policy as "Accepting bribe or illegal gratification, in any form, from anyone, in connection with the Company's business is considered violation". The policy emphasizes a zero tolerance approach towards corruption and bribery. The Company has appropriate internal controls to ensure that the Company or its employees do not engage in unethical practices. The Company conducts proactive reviews, audits and internal investigations to monitor compliance with the policy. The policy also provides information and guidance on how to recognize and deal with bribery and corruption issues. As a part of the training on the Code of Conduct, employees are also trained on Anti-Corruptionand Anti-bribery topics. The web-link of such policies covered under the Code of Conduct and Business Ethics are available on the Company's website.

Question E5

Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/corruption:

	FY 2023-24 (Current financial year)	FY 2022-23 (Previous financial year)
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0

Question E6

Details of complaints with regard to conflict of interest:

Complaints	FY 2023-24 (Current financial year)		FY 2022-23 (Previous financial year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of conflict of interest of the Directors	0		0	
Number of complaints received in relation to issues of conflict of interest of the KMPs	0		0	

Question E7

Provide details of any corrective action taken or underway on issues related to fines/penalties/action taken by regulators/ law enforcement agencies/judicial institutions, on cases of corruption and conflicts of interest.

NIL

Question E8

Number of days of accounts payables ((Accounts payable *365)/Cost of goods/services procured) in the following format:

Number of days of accounts payables	FY 2023-24 (Current financial year)	FY 2022-23 (Previous financial year)
	101	82

Question E9

Open-ness of business Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2023-24 (Current financial year)	FY 2022-23 (Previous financial year)
Concentration of purchases	a. Purchases from trading houses as % of total purchases	14.38	15.19
	b. Number of trading houses where purchases are made from	170	202
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	50.2	49.2
Concentration of sales	a. Sales to dealers/distributors as % of total sales	12	11
	b. Number of dealers/distributors to whom sales are made	118	91
	c. Sales to top 10 dealers/distributors as % of total sales to dealers/distributors	43.8	45
Share of the RPTs in	a. Purchases (Purchases with related parties/Total purchases)	-	-
	b. Sales (Sales to related parties/Total sales)	6.97	6.13
	c. Loans & advances (Loans & advances given to related parties/Total loans & advances)	-	-
	d. Investments (Investments in related parties/Total investments made)	-	-

Question L1

Awareness programmes conducted for value chain partners on any of the Principles during the financial year.

Total number of awareness programmes held	Topics/principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
14	14	54

Programmes FY-23-24

1. Cost of Poor Qulaity
2. Customer Specific Requirement
3. Delivery Improvement
4. IATF 16949 Standard
5. VDA 6.3 Standards
6. Failure Mode Effects Analysis
7. Best Shopfloor Practices for Indian MSME's
8. Stores Management
9. Risk Management
10. Living 'Zero Defect' Quality
11. Total Employee Involvement
12. Request for Quote process
13. Stress Management
14. Principles of Motion Economy

Question L2

Does the entity have processes in place to avoid/manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.

Yes, the Company has in place a 'Policy on Related Party Transactions', which is applicable to our Board members. Transactions with the Board members or any entity in which such Board members are concerned or interested are required to be approved by the Audit Committee and the Board of Directors. In such cases, the interested Directors abstain themselves from the discussions at the meeting.

PRINCIPLE 2

Businesses should provide goods and services in a manner that is sustainable and safe

Question E1

Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	FY 2023-24 (Current financial year)	FY 2022-23 (Previous financial year)	Details of improvements in environmental and social impacts
R&D	0	0	Nil
Capex	1.2	6.4	Nil

Question E2

Sustainable Sourcing

a. **Does the entity have procedures in place for sustainable sourcing?**
Yes

b. **If yes, what percentage of inputs were sourced sustainably?**
75%

Question E3

Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

All our products are supplied to original equipment manufacturer. Hence the scope of disposal of such materials after end of life is taken care by OEMs.

Question E4

Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes/No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Yes. We have applied for EPR with Central Pollution Control Board and it is currently under consideration.

Question L1

Has the entity conducted Life Cycle Perspective/Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

NIC code	Name of product/ service	% of total turnover contributed	Boundary for which the Life Cycle Perspective/ Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/ No) If yes, provide the web-link.

This is not applicable as our products are assembled with an Engine/Vehicle and the Life Cycle Assessment of the Engine/ Vehicle is dealt by customers.

Question L2

If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products/services, as identified in the Life Cycle Perspective/Assessments (LCA) or through any other means, briefly describe the same along with action taken to mitigate the same.

Name of product/service	Description of the risk/concern	Action taken
	NIL	

Question L3

Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	FY 2023-24 (Current financial year)	FY 2022-23 (Previous financial year)
	NIL	

Question L4

Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

Waste Type	FY 2023-24 (Current financial year)			FY 2022-23 (Previous financial year)		
	Re-Used	Recycled	Safely disposed	Re-Used	Recycled	Safely disposed

All our products are supplied to OEMs and hence reclaim/recycle/reuse will be under their scope.

Question L5

Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
Packing materials	0.025
Copper	0.315
Aluminium	0.08
Steel	0.103
Plastic	0.012

Apart from packaging materials copper, aluminium, steel and plastics are part of our products. The above items reclaimable value is calculated with Total sales turnover.

PRINCIPLE 3

Businesses should respect and promote the well-being of all employees, including those in their value chains

Question E1

Well-being of employees and workers:

a. Details of measures for the well-being of employees:

Category	% of employees covered by										
		Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day care Facilities	
	Total (A)	Num ber (B)	% (B/A)	Num ber (C)	% (C/A)	Num ber (D)	% (D/A)	Num ber (E)	% (E/A)	Num ber (F)	% (F/A)
Permanent employees											
Male	338	338	100	338	100	0.0	0	0.0	0	0.0	0
Female	32	32	100	32	100	32	100	0.0	0	32	100
Other	0.0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0
Total	**370**	**370**	**100**	**370**	**100**	**32**	**8.649**	**0.0**	**0**	**32**	**8.649**
Other than permanent employees											
Male	0.0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0
Female	0.0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0
Other	0.0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0
Total	**0.0**	**0.0**	**0**	**0.0**	**0**	**0.0**	**0**	**0.0**	**0**	**0.0**	**0**

b. Details of measures for the well-being of workers:

Category	% of employees covered by										
		Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day care facilities	
	Total (A)	Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	176	176	100	176	100	0.0	0	0.0	0	0.0	0
Female	44	44	100	44	100	44	100	0.0	0	44	100
Other	0.0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0
Total	**220**	**220**	**100**	**220**	**100**	**44**	**20**	**0.0**	**0**	**44**	**20**
Other than permanent employees											
Male	1,203.0	1,096	91.106	1,203	100	0.0	0	0.0	0	0.0	0
Female	275.0	250	90.909	275	100	275	100	0.0	0	275	100
Other	0.0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0
Total	**1,478**	**1,346**	**91.746**	**1,478**	**100**	**275**	**18.606**	**0.0**	**0**	**275**	**18.606**

c. **Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format:**

FY 2023-24 (Current financial year)		FY 2022-23 (Previous financial year)
1.48	Cost incurred on wellbeing measures as a % of total revenue of the company	1.61

All female employees and workers are extended with maternity benefit and day care facilities as and when required

Question E2

Details of retirement benefits, for current FY and previous financial year.

Benefits	FY 2023-24 (Current financial year)			FY 2022-23 (Previous financial year)		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100	100	Y	100	100	Y
Gratuity	100.0	100	Y	100	100	Y
ESI	100	100	Y	100	100	Y
Superannuation	9	0	Y	9	0	Y

Superannuation is an additional benefit extended to employees as part of their CTC.

Question E3

Are the premises/offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes, we have implemented requirements of the rights of persons with disabilities in one of our facilities.

Question E4

Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

No. However in practice we are ensuring the equal opportunity as per the rights of the persons with disabilities Act 2016

Question E5

Return to work and retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	-	-	-	-
Female	100	100	100	100
Other	-	-	-	-
Total	-	-	-	-

Question E6

Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

Category	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent workers	YES
Other than permanent workers	YES
Permanent employees	YES
Other than permanent employees	YES

1) **Whistle Blower Policy:** We are engaging a professionally managed external agency where any employee can raise their concern through e-mail/phone and the same is resolved as per the defined process.

2) **Voice of The Employees (VOTE):** HR will meet all the employees as per the schedule, understand their issues and provide appropriate solution.

3) **Trade Union:** We have registered/recognized Trade Unions functioning within the Company. The Union office bearers regularly interact with HR managers and amicably settle their grievances.

4) **Monthly Gemba Meetings:** The HR department addresses the above category of workers every month, understands their concerns and addresses them appropriately

5) **PoSH:** The Committee meets every month, discuss the issues arising out of women employees and resolve them appropriately.

Question E7

Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 2023-24 (Current financial year)			FY 2022-23 (Previous financial year)		
	Total employees/ workers in respective category (A)	No. of employees/ workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees/ workers in respective category (C)	No. of employees/ workers in respective category, who are part of association(s) or Union (D)	% (D/C)
Total permanent employees	370	-	-	342	-	-
Male	338	-	-	316	-	-
Female	32	-	-	26	-	-
Other	-	-	-	-	-	-
Total permanent workers	220	220	100	228	228	100
Male	176	176	100	184	184	100
Female	44	44	100	44	44	100
Other	-	-	-	-	-	-

Question E8

Details of training given to employees and workers:

Categ ory	FY 2023-24 (Current financial year)					FY 2022-23 (Previous financial year)				
	Total (A)	On health and safety measures		On skill upgradation		Total (D)	On health and safety measures		On skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	338	25	7.396	310	91.716	316	30	9.494	285	90.19
Female	32	6	318.75	28	87.5	32	15	46.875	27	84.375
Other	0.0	0.0	0	0.0	0	0	0	0	0	0
Total	**370**	**31**	**8.378**	**338**	**91.351**	**348**	**45**	**12.931**	**312**	**89.655**
Workers										
Male	1379	1106	80.20%	1124	81.51%	1256	790	62.90%	1089	86.70%
Female	319	224	70.22%	118	36.99%	288	160	58.33%	120	41.67%
Other	0.0	0.0	0	0.0	0	0	0	0	0	0
Total	**1698**	**1330**	**78.33%**	**1242**	**73.14%**	**1544**	**958**	**62.05%**	**1209**	**78.30%**

All new joinees are provided training on health and safety during the orientation. Emergency mock drills are conducted every six months, which have not been covered above.

Question E9

Details of performance and career development reviews of employees and worker.

Category	FY 2023-24 (Current financial year)			FY 2022-23 (Previous financial year)		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	338	338	100	316	316	100
Female	32	32	100	32	32	100
Other	0.0	0.0	0	0	0	0
Total	**370**	**370**	**100**	**348**	**348**	**100**
Workers						
Male	1,379	176	12.76	1,256	184	14.65
Female	319	44	13.79	258	44	15.28
Other	-	-	-	-	-	-
Total	**1,698**	**220**	**12.96**	**1,544**	**228**	**14.77**

Question E10

Health and safety management system:

a **Whether an occupational health and safety management system has been implemented by the entity? (Yes/No). If yes, the coverage such system?**

Yes. We have implemented the standards of ISO 14001 for Environmental Management System and ISO 45001 for Health and Safety Management System and certified for EOHS.

b **What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**

1) Zone-wise weekly Safety Audits are carried out by the Safety Team and work-related hazards are identified.
2) A Safety Committee meeting is conducted every alternate month and the members highlight safety concerns noticed by them.
3) An external agency is engaged once in a year to conduct an overall safety study.

All safety hazards are identified in the above manner and actions arereviewed in the weekly/onthly review by the leadership team.

c **Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)**

Yes.

1) We have a Safety Committee consisting of workers. This Committee reviews the safety issues once in two months and addresses all the issues, thereby alleviating such risks.
2) We have a practice of tracking near-miss and unsafe working conditions.
3) Employees are encouraged to participate in safety-related suggestions and competitions.

d **Do the employees/worker of the entity have access to non-occupational medical and healthcare services? (Yes/No)**

Yes, we have tie-ups with nearby hospitals for non-occupational health services to all our employees. An Annual Master Health check-up facility is extended to employees and appropriate medication is administered.

Question E11

Details of safety related incidents, in the following format: *Including in the contract workforce

Safety Incident/Number	Category*	FY 2023-24 (Current financial year)	FY 2022-23 (Previous financial year)
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	149.58
	Workers	9.68	63.88
Total recordable work- related injuries	Employees	0	1
	Workers	1	2
No. of fatalities	Employees	0.0	0
	Workers	0.0	0
High consequence work- related injury or ill-health (excluding fatalities)	Employees	0.0	0
	Workers	0.0	0

Question E12

Describe the measures taken by the entity to ensure a safe and healthy work place.

All employees are educated the importance of safe work practices. A simulation-based training is offered to help them understand the importance of wearing Personal Protective Equipment (PPE). Emergency Mock drills and Fire safety demonstrations are conducted every six months. Further.

1) Weekly Safety Audits are carried out zone-wise by the Safety Team and work-related hazards are identified. All machines are equipped with safety curtains which prevent employees from work-related injuries
2) A Safety Committee meeting is conducted every alternate month and the members highlight safety concerns noticed by them
3) External agency being engaged once in a year to prepare an overall safety study
4) Employees are rewarded for the safety-related suggestions/improvements
5) As per the various guidelines, health check-ups are carried out periodically
6) An annual health check-up is carried out for all employees

All safety hazards are identified in the above manner and actions are reviewed on a weekly basis by the leadership team

Question E13

Number of Complaints on the following made by employees and workers:

	FY 2023-24 (Current financial year)			FY 2022-23 (Previous financial year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working conditions	0	0		o	o	
Health & safety	0	0		o	o	

Question E14

Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100
Working conditions	100

EOHS audits are carried out periodically, which cover the working conditions & health and safety practices. Further, 'Work Permit' and 'HIRA' is being carried out.

We have implemented Safety and working condition practices in line with the ISO 14001:2015/ISO 45001:2018 standards.

Question E15

Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/concerns arising from assessments of health & safety practices and working conditions.

We have established a mechanism for taking corrective action for all the accidents/incidents//near misses. This has been reviewed by our senior leadership team during a weekly review meeting.

Verification of safety curtain before start of operation - Part of Routine Maintenance Check

Question L1

Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

Yes. We have the following provisions in this regard:

1) Group Personal Accident Policy (24-hours) - for all category of employees including workers

2) Apart from the above, we have an internal policy that, in the event of death of any employee and workers, all the employees would contribute 1-day's gross wages, while the management would contribute twice the contribution of the employees

Question L2

Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

The Company has implemented a system to ensure statutory dues are deducted and disposed by the value chain partners. This is done by verifying the invoices submitted by vendors and contractors. In case of delay, the Company advises the vendors and contractors suitably.

Question L3

Provide the number of employees/workers having suffered high consequence work-related injury/ill-health/fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2023-24 (Current financial year)	FY 2022-23 (Previous financial year)	FY 2023-24 (Current financial year)	FY 2022-23 (Previous financial year)
Employees	0	0	1	0
Workers	1	0	2	0

Question L4

Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/No)

No

Question L5

Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	100
Working conditions	100

Question L6

Provide details of any corrective actions taken or underway to address significant risks/concerns arising from assessments of health and safety practices and working conditions of value chain partners.

Currently, the compliance requirements in this regard are met by all our suppliers.

PRINCIPLE 4

Businesses should respect the interests of and be responsive to all its stakeholders

Question E1

Describe the processes for identifying key stakeholder groups of the entity.

Key stakeholders are identified on the basis of their material influence on the Company or on how they are impacted by the Company's corporate decisions and the consequences of those decisions.

Through this mechanism, the Company has currently identified following internal and external stakeholder groups: Customers, Employees, Workers, Investors and Community.

Question E2

List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder group	Whether identified as vulnerable & marginalized group (Yes/No)	Channels of communication (Email, SMS, newspaper, pamphlets, advertisement, community meetings, notice board, website), Other	Frequency of engagement (Annually/Half yearly/ Quarterly/Others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Customers	No	Conferences, customer meets, plant visits and surveys	Regularly	Product information, sales service and grievance redressal
Employees	No	1. Mail communication, WhatsApp group, workshops, online portals, employee surveys. 2. One-on-one interactions 3. Employee engagement team building 4. Townhall meeting 5. Notice board	Periodically	1. Inform important advancements in the Company. 2. Help the employees expand their knowledge in the industry. 3. Get employee feedback and resolving their issues.
Workers	No	Notice board, townhall meeting	Periodically	Getting feedback and resolving their issues.
Community	Yes	Community engagement through CSR activities, meeting local people in and around the operating sites	Periodically	CSR community engagement
Shareholders/ Investors	No	1. Annual report 2. Investor presentations 3. Corporate website 4. Quarterly & annual results 5. Social media/newspaper publication 6. Intimation to stock exchange	Annually, periodically and quarterly	Sharing of key updates, results, management comment on the progress of the Company including financial and non-financial disclosures
Suppliers	No	Email, One on One interactions, Virtual Meetings.	Periodically	NPD, QCD, Tech shows

Question L1

Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

The management routinely engages with essential stakeholders such as investors, customers, channel partners, and analysts to convey strategies and performance updates. These interactions are primarily managed by responsible business functions. Subsequently, pertinent issues and feedback are deliberated upon with the appropriate Board committees.

Question L2

Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes/No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes. In 2022, Government of Tamil Nadu proposed a scheme called 'Kurungadukal' (Development of Mini Forest) towards environmental sustainability. We have developed the same in our Hosur factory premises, as directed by the Tamil Nadu Pollution Control Board, Hosur.

Question L3

Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/marginalized stakeholder groups.

The Company's CSR initiatives focus on various aspects of society engagement. The Company has been able to deliver significant value through its CSR initiatives. The CSR strategy is approved and periodically reviewed by the CSR Committee of the Board and believes in Optimizing Impact on Communities and Beneficiaries. Constructed a Community Hall for vulnerable groups in Sarandapalli village, Hosur. The hall is being used for children's education and self-help group activities.

PRINCIPLE 5

Businesses should respect and promote human rights

Question E1

Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	2023-24 Current financial year			2022-23 Previous financial year		
	Total (A)	No. of employees/ workers covered (B)	% (B/A)	Total (C)	No. of employees/ workers covered (D)	% (D/C)
Employees						
Permanent	370	81	21.892	378	85	22.487
Other than permanent	0.0	0.0	0	0	0	0
Total employees	**370**	**81**	**21.892**	**378**	**85**	**22.487**
Workers						
Permanent	220	0	0	228	0	0
Other than permanent	1,478.0	1,478	100	1,316	1,316	100
Total workers	**1,698**	**1,478**	**87.044**	**1,544**	**1,316**	**85.233**

Question E2

Details of minimum wages paid to employees and workers, in the following format:

Category	2023-24 Current financial year					2022-23 Previous financial year				
	Total (A)	Equal to minimum wage		More than minimum wage		Total (D)	Equal to minimum wage		More than minimum wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent	370	0.0	0.0	370	100	376	0	0	376	100
Male	338	0.0	0.0	338	100	332	0	0	332	100
Female	32	0.0	0.0	32	100	44	0	0	44	100
Other	0.0	0.0	0.0	0.0	0	0	0	0	0	0
Other than permanent	0.0	0.0	0.0	0.0	0	0	0	0	0	0
Male	0.0	0.0	0.0	0.0	0	0	0	0	0	0
Female	0.0	0.0	0.0	0.0	0	0	0	0	0	0
Other	0.0	0.0	0.0	0.0	0	0	0	0	0	0

Category	2023-24 Current financial year					2022-23 Previous financial year				
	Total (A)	Equal to minimum wage		More than minimum wage		Total (D)	Equal to minimum wage		More than minimum wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Workers										
Permanent	220	0.0	0.0	220	100	228	0	0	228	100
Male	176	0.0	0.0	176	100	184	0	0	184	100
Female	44	0.0	0.0	44	100	44	0	0	44	100
Other	0.0	0.0	0.0	0.0	0	0	0	0	0	0
Other than permanent	1478.0	600.0	40.595	878.0	59.405	1316	520	39.514	796	60.486
Male	1203.0	442.0	36.741	761.0	63.259	1067	400	37.488	667	62.512
Female	275.0	158.0	57.455	117.0	42.545	249	120	48.193	129	51.807
Other	0.0	0.0	0.0	0.0	0	0	0	0	0	0

Question E3

Details of remuneration/salary/wages

a. Median remuneration/wages:

	Male		Female	
	Number	Median remuneration/salary/ wages of respective category	Number	Median remuneration/salary/ wages of respective category
Board of Directors (BOD)	4	16,72,500	2	13,32,500
Key Managerial Personnel	02	1,91,83,713	1	Nil - Remuneration is paid by Holding Company
Employees other than BoD and KMP	346	7,72,850	32	5,49,072
Workers	176	9,03,228	43	5,09,125

b Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2023-24 (Current financial year)	FY 2022-23 (Previous financial year)
Gross wages paid to females as % of total wages	11.37	10.80

Question E4

Do you have a focal point (Individual/Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes. The Business Head and the HR Head are authorized to handle/address human rights impacts or issues caused or contributed by the business.

We have constituted a Safety Committee, Ethics Committee, POSH Committee and Trade Union, through which we receive complaints/concerns and address them appropriately.

Question E5

Describe the internal mechanisms in place to redress grievances related to human rights issues..

The Business Head and the HR Head are authorized to handle grievances related to human rights issues.

Question E6

Number of Complaints on the following made by employees and workers:

	FY 2023-24 (Current financial year)			FY 2022-23 (Previous financial year)		
	Filed during the year	Pending resolution at end of year	Remarks	Filed during the year	Pending resolution at end of year	Remarks
Sexual harassment	2	0	Both complaints were enquired and disposed	0	0	
Discrimination at workplace	0.0	0.0		0	0	
Child labour	0.0	0.0		0	0	
Forced labour/ Involuntary labour	0.0	0.0		0	0	
Wages	0.0	0.0		0	0	
Other human rights related issues	0.0	0.0		0	0	

Question E7

Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY 2023-24 (Current financial year)	FY 2022-23 (Previous financial year)
Total complaints reported under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	2	0
Complaints on POSH as a % of female employees/workers	0.63	0
Complaints on POSH upheld	2	0

Question E8

Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases:

Our POSH policy provides protection to the complainant to come out of facts and prevent retaliation. During the enquiry process, we inform the alleged person not to discuss about the complaint/complainant to any person, till the completion of the enquiry proceedings.

Question E9

Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes.

Question E10

Assessments for the year:

Child labour	Forced/involuntary labour	Sexual harassment
100	100	100

Discrimination at workplace	Wages	Others – please specify
100	100	0

Question E11

Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 10 above.

No such incidents/observations/concerns were reported during any assessment on the above parameters.

Question L1

Details of a business process being modified/introduced as a result of addressing human rights grievances/complaints.

Does not arise.

Question L2

Details of the scope and coverage of any human rights due-diligence conducted.

Necessary due-diligence will be carried out in the coming years.

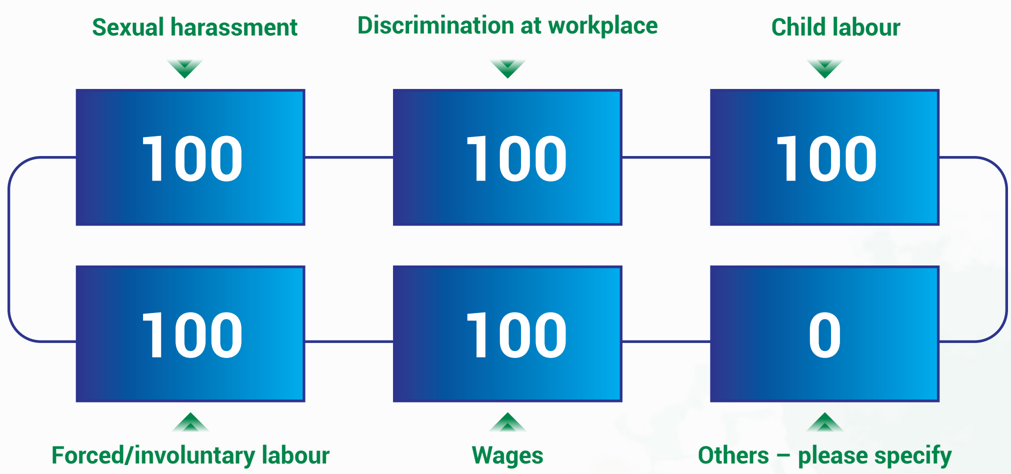
Question L3

Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?.

Yes. We have made one of our facilities in line with the expectations under the Rights of Persons with Disabilities Act. We are making an attempt to create such facilities in other units as well.

Question L4

Details on assessment of value chain partners:



Question L5

Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 4 above.

Currently, all corrective actions in this regard are met by the suppliers.

PRINCIPLE 6

Businesses should respect and make efforts to protect and restore the environment

Question E1

Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2023-24 (Current financial year)	FY 2022-23 (Previous financial year)	Unit of reporting
From renewable sources			
Total electricity consumption (A)	14,183	12,372	GJ
Total fuel consumption (B)	-	-	
Energy consumption through other sources (C)	-	-	
Total energy consumed from renewable sources (A+B+C)	14,183	12,372	GJ
From non-renewable sources			
Total electricity consumption (D)	18,925	18,230	GJ
Total fuel consumption (E)	4,040	6,211	GJ
Energy consumption through other sources (F)	-	-	
Total energy consumed from non-renewable sources (D+E+F)	22,965	24,441	
Total energy consumed (A+B+C+D+E+F)	37,148	36,813	GJ
Energy intensity per rupee of turnover (Total energy consumed/Revenue from operations)	0.0000051304	0.0000056096	GJ
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed/ Revenue from operations adjusted for PPP)	-	-	KJ/rupee
Energy intensity in terms of physical output	-	-	
Energy intensity (optional)– the relevant metric may be selected by the entity	-	-	

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes/No

No

Additional Information (Optional)

Not Applicable

Question E2

Does the entity have any sites/facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

None of the facilities of the Company are identified as 'Designated Consumer' under the PAT scheme.

Question E3

Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2023-24 (Current financial year)	FY 2022-23 (Previous financial year)	Unit of reporting
Water withdrawal by source (in kilolitres)			
i) Surface water	-	-	-
ii) Ground water	44,353	45,352	KL
iii) Third party water	4,577	3,519	KL
iv) Seawater/desalinated water	-	-	-
v) Others	-	-	-
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	48,930	48,871	KL
Total volume of water consumption (in kilolitres)	20,302.73	23,637.82	KL
Water intensity per rupee of turnover (Total water consumption/Revenue from operations)	0.00000279	0.00000361	k liter/ rupee
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption/Revenue from operations adjusted for PPP)	-	-	-
Water intensity in terms of physical output	-	-	-

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

Yes/No

No

Additional Information (Optional)

NA

Question E4

Provide the following details related to water discharged:

Parameter		FY 2023-24 (Current financial year)	FY 2022-23 (Previous financial year)	Specify the level of treatment for with treatment discharge
(i)	To surface water	-	-	-
	No treatment	-	-	-
	With treatment	-	-	-
(ii)	To groundwater	-	-	-
	No treatment	-	-	-
	With treatment	-	-	-
(iii)	To seawater	-	-	-
	No treatment	-	-	-
	With treatment	-	-	-
(iv)	Sent to third-parties	-	-	-
	No treatment	-	-	-
	With treatment	-	-	-
(v)	Others	28627.27	25233.18	Through STP & ETP
	No treatment	-	-	-
	With treatment	28627.27	25233.18	Through STP & ETP
Total water discharged (in kilolitres)		28,627.27	25,233.18	-

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes/No

No

Additional Information (Optional)

NA

Question E5

Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Yes. All our plants comply with zero liquid discharge norms. We have installed STPs in all our facilities and an ETP facility at our Hosur factory.

Question 6

Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify the unit	FY 2023-24 (Current financial year)	FY 2022-23 (Previous financial year)
NOx	-	-	-
SOx	-	-	-
Particulate matter (PM)	-	-	-
Persistent organic pollutants (POP)	-	-	-
Volatile organic compounds (VOC)	-	-	-
Hazardous air pollutants (HAP)	-	-	-

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

Yes/No

No

Ambient Air Quality monitoring is carried out by the following laboratories once in six months as stipulated by the State Pollution Control Boards and it is meeting the prescribed norms. Nawal Labs, Hosur, Chennai Mettex Lab, Puducherry, Universal Analytical Lab, Rewari. Quantitative data will be measured and presented in the subsequent report.

Question E7

Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format :

Parameter	Please specify the unit	FY 2023-24 (Current financial year)	FY 2022-23 (Previous financial year)
Total Scope 1 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	1,828	626
Total Scope 2 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	3,764	3,626
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions/Revenue from operations)	KGs of CO_2 equivalent	0.00077	0.00065
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	–	–	–

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes/No

No

Question 8

Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

We have introduced LED lighting systems for the entire factory and have Solar PV power plants at all our facilities. We are also procuring renewable wind power through a Power Purchase Agreement leveraging the discom's open access facility.

Question E9

Provide details related to waste management by the entity, in the following format:

Parameter	FY 2023-24 (Current financial year)	FY 2022-23 (Previous financial year)	Unit of reporting
Total waste generated (in metric tonnes)			
Plastic waste **(A)**	32.37	31.14	metric Ton
E-waste **(B)**	2.41	5.47	metric Ton
Bio-medical waste **(C)**	0.11	0.382	metric Ton
Construction and demolition waste **(D)**	0	0	-
Battery waste **(E)**	0.15	0.12	-
Radioactive waste **(F)**	0	0	-
Other hazardous waste. Please specify, if any. **(G)**	24.6	29.89	metric Ton
Other non-hazardous waste generated **(H)** Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	482.5	381.37	metric Ton
Total (A + B + C + D + E + F + G + H)	**542.14**	**448.372**	**metric Ton**
Waste intensity per rupee of turnover (Total waste generated/Revenue from operations)	0.748	0.685	metric Ton/₹ Cr.
Total waste generated (in metric tonnes)			
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated/ Revenue from operations adjusted for PPP)	-	-	-
Waste intensity in terms of physical output	-	-	-
Waste intensity (optional)– the relevant metric may be selected by the entity	-	-	-
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)			
Category of waste			
(i) Recycled	515.05	412.6	metric Ton
(ii) Re-used	0.0		
(iii) Other recovery operations	27.09	35.772	metric Ton
Total	**542.14**	**448.372**	**metric Ton**

Parameter	FY 2023-24 (Current financial year)	FY 2022-23 (Previous financial year)	Unit of reporting
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)			
Category of waste			
(i) Incineration	0	0	
(ii) Landfilling	0	0	
(iii) Other disposal operations	542.14	448.37	metric Ton
Total	**542.14**	**448.37**	**metric Ton**

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

Yes/No

No

Question E10

Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

Practices adopted for waste management:-

1. Authorised scrap dealers are identified by E-Auction & Contract is made with the dealer.
2. Plastic & other non-hazardous wastes are disposed through authorized recyclers.
3. E-waste & hazardous wastes are disposed through authorized vendors.
4. Proper containers are used while handling waste.
5. Encouraging employees to participate in 'Waste Reduction Kaizen' programs & implement the same.

Strategy adopted to reduce use of hazarduous & toxic chemicals:-

1. Installation of recovery machine for Solder Dross to reduce the disposal quantity
2. Introduction of welding in place of soldering.
3. Installation of part sensor detector in varnish and adhesive dispensing area.
4. Reduction in the consumption of adhesives by modifying the tube-type dispenser (Manual application) to Cartridge type (auto application)

Practices adopted to manage hazardous waste:-

1. Dedicated storage area for hazardous wastes
2. Regular disposal of hazardous waste through authorized recycler

Question E11

If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals/ clearances are required, please specify details in the following format:

Sr. no.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval/clearance are being complied with? (Y/N)	If no, the reasons thereof and corrective action taken, if any
Not Applicable				

Additional Information (Optional)

Not Applicable

Question E12

Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	EIA notification no.	Date	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web link
Not Applicable					

Additional Information (Optional)

The necessity for EIAs did not arise during the reporting period.

Question E13

Is the entity compliant with the applicable environmental law/regulations/guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Sr. no.	Specify the law/regulation/ guidelines which was not complied with	Provide details of the noncompliance	Any fines/penalties/action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
Nil				

Additional Information (Optional)

Yes.

Question L1

Water withdrawal, consumption and discharge in areas of water stress (in kilolitres): For each facility/plant located in areas of water stress, provide the following information: (i) Name of the area (ii) Nature of operations (iii) Water withdrawal, consumption and discharge in the following format:

Parameter	FY 2023-24 (Current financial year)	FY 2022-23 (Previous financial year)
Name of the area	NA	NA
Nature of operations	NA	NA
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater	-	-
(iii) Third party water	-	-
(iv) Seawater/desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres)	-	-
Total volume of water consumption (in kilolitres)	-	-
Water intensity per rupee of turnover (Water consumed/ turnover)	-	-
Water intensity (optional) – the relevant metric may be selected by the entity	-	-
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into surface water	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(ii) Into groundwater	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iii) Into seawater	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-

Parameter	FY 2023-24 (Current financial year)	FY 2022-23 (Previous financial year)
(iv) Sent to third-parties	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(v) Others	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
Total water discharged (in kilolitres)	-	-

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Not Applicable

Question L2

Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 2023-24 (Current financial year)	FY 2022-23 (Previous financial year)
Total Scope 3 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs ,SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent		
Total Scope 3 emissions per rupee of turnover			
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity			

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

In our Company, emissions as mentioned in Scope 3 are not calculated presently. We are in the process of collecting data on the same and it would be reported in the coming years

Question L3

With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Not Applicable.

Question L4

If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions/effluent discharge/waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

S. no	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
01.	Installed Wet Scrubber System	In the FBC process, the EPOXY powder with 2- micron and above in size is filtered through a fine filter bag and then collected and reused. Powder particles of less than 2-micron are collected through wet scrubber and disposed of as hazardous waste.	1. Achieved powder-free environment 2. Reduced air pollution 3. Reduced resource by reusing filtered EPOXY powder.
2.	Lead free soldering wire	We have introduced a Lead-Free Soldering Wire in our soldering process in more than 85% of the area.	Improve employee health and preserve environmental pollution
3.	Electro static filter	In-wave soldering (Surface Mounting Technology), we have introduced the Electro Static Filter.	This technology helps us to reduce fume with flex at 95%
4.	Fume killer	We have started implementing Fume Killer in 8-soldering stations.	95% of the fume is killed
5.	Effluent treatment plant (ETP)	The polluted water is being treated and reused.	Zero liquid discharge
6.	Solar and LED lighting system, rain water harvesting	Lighting, established pond.	Energy saving and water conservation

Question L5

Does the entity have a business continuity and disaster management plan? Give details in100 words/web link.

We have well documented on-site emergency plan, that covers

1) Emergency Response Team
2) Fire Fighting Team
3) First Aiders and Ambulance Services
4) An Emergency Mockdrill is conducted once in six months to make employees aware of what is to be done in an emergency situation, so that people, plants and machinery are protected.

Question L6

Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

No adverse impact.

Question L7

Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

We assessed 75% of our major suppliers for their environmental impact.

PRINCIPLE 7

Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Question E1

Trade Affiliations

a. Number of affiliations with trade and industry chambers/associations. **6**

b. List the top 10 trade and industry chambers/associations (determined based on the total members of such body) the entity is a member of/affiliated to.

Reach of trade and industry chambers/associations (State/National)	Name of the trade and industry chambers/associations
NATIONAL	Confederation of Indian Industry (CII)
	Society of Indian Automobile Manufacturers (SIAM)
	Automotive Research Association of India (ARAI)
	Automobile Components Manufacturers Association (ACMA)
	Industrial Waste Management Association
	National Safety Council (NSC)

Question E2

Provide details of corrective action taken or underway on any issues related to anticompetitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the case	Corrective action taken
	Nil	

Additional Information (Optional)

No such orders were received by the Company.

Question L1

Details of public policy positions advocated by the entity:

S. no.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/Half yearly/Quarterly/ Others – please specify)	Web Link, if available
			Nil		

Additional Information (Optional)

The Company directly or through trade bodies and other associations puts forth a number of suggestions with respect to the industry in general and its activities in particular.

PRINCIPLE 8

Businesses should promote inclusive growth and equitable development

Question E1

Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA notification no.	Date of notification	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant web link
Not Applicable					

Additional Information (Optional)

No project was undertaken which required Social Impact Assessment (SIA) as per the applicable laws.

Question E2

Provide information on project(s) for which ongoing Rehabilitation and Resettlement(R&R) is being undertaken by your entity, in the following format:

S. no.	Name of project for which R&R is ongoing	State	District	No. of project affected families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
Not Applicable						

Additional Information (Optional)

Not Applicable

Question E3

Describe the mechanisms to receive and redress grievances of the community.

Some of our employees are living in and around our factories. They approach us for their larger community requirements. Further, we interact with the local Panchayat President and address any of the community requirements under CSR initiatives. In the recent past, we have taken up some of the projects like drainage facility, road laying and constructed water tank.

Question E4

Percentage of input material (inputs to total inputs by value) sourced from suppliers:

Parameter	FY 2023-24 (Current financial year)	FY 2022-23 (Previous financial year)
Directly sourced from MSMEs/small producers	50	50
Directly from within India	84	85

Question E5

Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent/on contract basis) in the following locations, as % of total wage cost.

FY 2023-24 (Current financial year)	Location	FY 2022-23 (Previous financial year)
35	Rural	35
0	Semi-urban	0
62	Urban	63
3	Metropolitan	2

Question L1

Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
Not Applicable	

Question L2

Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

S. no.	State	Aspirational district	Amount spent (In INR)
NIL			

Question L3

Procurement Policy

a. **Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized/vulnerable groups? (Yes/No)**

No

b. **From which marginalized/vulnerable groups do you procure?**

NA

C. **What percentage of total procurement (by value) does it constitute?**

NA

Question L4

Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

S. no.	Intellectual property based on traditional knowledge	Owned/Acquired (Yes/No)	Benefit shared (Yes/No)	Basis of calculating benefit share
NIL				

Question L5

Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of authority	Brief of the case	Corrective action taken
NIL		

Question L6

Details of beneficiaries of CSR Projects:

S. no.	CSR project	No. of persons benefitted from CSR projects	% of beneficiaries from vulnerable and marginalized groups
1	Construction of Compound Wall in Govt High School, Salivaram, Denkanikottai.	189	100
2	4 Nos. of Writing Board for Government School, Devaganapalli.	52	75
3	Construction of Classrooms at Panchayat Union School, Pallalakuppam	100	100
4.	Renovation of 3 Classrooms at Sr. Secondary School, Masani	153	100
5.	Renovation of Anganwadi Kendra, Dungarwas	80	100
6.	Smart Classroom and Upgradation of Library at Govt Higher Secondary School, Madukarai	220	100
7.	RO Plant and Lab Equipment for Community Health Centre, Karikalambakkam	500	100
8.	Bitumen road work at Uliveeranapalli.	500	100

PRINCIPLE 9

Businesses should engage with and provide value to their consumers in a responsible manner

Question E1

Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

Customer complaints are received and responded through emails as applicable.

There is a key account manager assigned to each customer and they are responsible for tracking and resolving every complaint.

Question E2

Turnover of products and/services as a percentage of turnover from all products/service that carry information about:.

	As a percentage to total turnover
Environmental and social parameters relevant to the product	Nil
Safe and responsible usage	Nil
Recycling and/or safe disposal	Nil

Additional Information (Optional)

INEL manufactures products as per the specification of customers and are directly supplied to the OEMs. The Company has limited scope in providing information about environmental and social parameters relevant to the product, its safe and responsible usage, and recycling and/or safe disposal

Question E3

Number of consumer complaints in respect of the following:

	FY 2023-24 (Current financial year)			FY 2022-23 (Previous financial year)		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	Nil	Nil		Nil	Nil	
Advertising	Nil	Nil		Nil	Nil	
Cyber- security	Nil	Nil		Nil	Nil	
Delivery of essential services	Nil	Nil		Nil	Nil	
Restrictive trade practices	Nil	Nil		Nil	Nil	
Unfair trade practices	Nil	Nil		Nil	Nil	
Other	Nil	Nil		Nil	Nil	

Additional Information (Optional)

Nil

Question E4

Details of instances of product recalls on account of safety issues:

Type of recalls	Number	Reasons for recall
Voluntary recalls	No recalls	No recalls
Forced recalls	No recalls	No recalls

Additional Information (Optional)

We have not had any instances of recall on account of product safety.

Question E5

Does the entity have a framework/policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes .

As per ISO 27001: 2013, we are following all IS and cybersecurity policies.

Question E6

Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on safety of products/services.

The Company hasn't received any complaints calling for corrective actions.

Question E7

Provide the following information relating to data breaches:

a. **Number of instances of data breaches**

No data breaches.

b. **Percentage of data breaches involving personally identifiable information of customers**

NA

c. **Impact, if any, of the data breaches**

NA

Question L1

Channels/platforms where information on products and services of the entity can be accessed (provide web link, if available).

Information related to products and other services can be accessed from the following website: https://indianippon.com/

Question L2

Steps taken to inform and educate consumers about safe and responsible usage of products and/or services

The Company's products are designed and manufactured to customer specifications and supplied accordingly. Hence, the need for educating customers on safe and responsible usage of products does not arise.

Question L3

Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

Since we are supplying to the OEMs directly, any risk of disruption or discontinuation of essential services to end consumer is taken care by OEMs

Question L4

Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/ Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products/services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

Not Applicable

Independent Auditor's Report

To The Members of

India Nippon Electricals Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of India Nippon Electricals Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2024, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year ended on that date, and notes to the financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the [Indian Accounting Standards prescribed under section 133 of the Act, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2024, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	**Fair valuation of Investments** The Company has certain investments in equity shares (unquoted equity instruments) with a carrying value as at 31st March 2024 amounting to ` 19,037 lakhs. The Company has valued these investments at 'Fair Value through Other Comprehensive Income' in accordance with Indian Accounting Standard 109, Financial Instruments. The valuation of these investments is a focus area of our audit as it is highly dependent on estimates (including various assumptions and techniques used) which contain information that are not observable in the market. Given the inherent subjectivity in the valuation of the above investments, relative significance of these investments to the financial statements and the nature and extent of audit procedures involved, we determined this to be a key audit matter. (Refer note 8 to the standalone financial statements)	Principal audit procedures performed included the following: • Understanding and evaluation of the design and testing of the operating effectiveness of controls over determination of fair value of unquoted equity instruments. • Assess the appropriateness of the Company's accounting policy for accounting for such unquoted equity instruments and the method adopted to determine fair value of such instruments, with reference to the relevant accounting standards. • Assessing the basis and reasonableness of the input data considered by the Management for the purposes of the valuation as at the balance sheet date. • Perform a look back analysis to ascertain whether the input data and assumptions considered by the Management in the past is within a reasonable range when compared to the actual results of such input data. • Evaluation of competence, capabilities and objectivity of the Management personnel involved in carrying out such valuation. • Engaging our fair valuation expert to test the appropriateness of the Management's underlying assumptions and appropriateness of the valuation method used by the Management. • Testing the mathematical accuracy of the fair value determined by the Company. • Assessing appropriateness and adequacy of relevant disclosures in the standalone financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the Annual report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management and Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Company's Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal financial controls that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for not complying with the requirement of the audit trail as stated in (i)(vi).

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

   d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors as on 31st March, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2024 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to standalone financial statements.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) The modifications relating to the maintenance of accounts and other matters connected therewith, is as stated in paragraph (b) above.

i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements - Refer Note 43 to the standalone financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

iv. (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the note 47 to the financial statements no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the note 47 to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The interim dividend declared and paid by the Company during the year and until the date of this report is in accordance with section 123 of the Companies Act 2013.

vi. Based on our examination, which included test checks, the Company has used accounting software's for maintaining its books of account for the financial year ended 31st March, 2024, which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software's except that

a) Audit trail feature was not enabled for certain master tables relating to sales, procurement, production, treasury and financial reporting business processes.

b) No audit trail enabled at the database level for accounting software's to log any direct data changes.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended 31st March, 2024.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

R. Prasanna Venkatesh
Partner
Membership No.214045
UDIN: 24214045BKEKKT9350

Place: Chennai
Date: 30th May 2024

Annexure "A" to the Independent Auditor's Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls with reference to standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to standalone financial statements of India Nippon Electricals Limited ("the Company") as at 31st March 2024 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls with reference to standalone financial statements based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statements.

Meaning of Internal Financial Controls with reference to standalone financial statements

A company's internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to standalone financial statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at 31st March, 2024, based on the criteria for internal financial control with reference to standalone financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm’s Registration No. 117366W/W-100018)

R. Prasanna Venkatesh
Partner
Membership No.214045
UDIN: 24214045BKEKKT9350

Place: Chennai
Date: 30th May 2024

Annexure B to the Independent Auditor's Report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) i) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets (property, plant and equipment).

ii) The Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a program of verification of property, plant and equipment so to cover all the items once every three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Property, Plant and Equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) Based on our examination of the registered transfer deed provided to us, we report that, the title deeds of all the immovable properties, (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment are held in the name of the Company as at the balance sheet date.

(d) The Company has not revalued any of its property, plant and equipment (including Right of Use assets) and intangible assets during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at 31st March 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) (a) The inventories (except goods-in-transit and stocks held with third parties) were physically verified during the year by the Management at reasonable intervals. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. For stocks held with third parties at the year-end, written confirmations have been obtained and in respect of goods-in-transit, the goods have been received subsequent to the year-end or confirmations have been obtained from the parties. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories/alternative procedures performed as applicable, when compared with books of account.

(b) According to the information and explanations given to us, at any point of time of the year, the Company has not been sanctioned any working capital facility from banks or financial institutions and hence reporting under clause (ii)(b) of the Order is not applicable.

(iii) (a) The Company has provided advances in the nature of loans during the year and details of which are given below:

Particulars	Amount in ₹ lakh
Aggregate amount granted during the year	
- Others (Employees)	110
Balance outstanding as at balance sheet date in respect of above cases:	
- Others (Employees)	110

(b) The terms and conditions of the grant of all the above-mentioned advances in the nature of loans, during the year are, in our opinion, prima facie, not prejudicial to the Company's interest.

(c) In respect of loans granted or advances in the nature of loans provided by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are regular as per stipulation.

(d) According to information and explanations given to us and based on the audit procedures performed, in respect of advances in the nature of loans provided by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.

(e) No advance in the nature of loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties.

(f) According to information and explanations given to us and based on the audit procedures performed, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause (iii)(f) is not applicable.

(iv) The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.

(v) The Company has not accepted or is not holding any deposit or amounts which are deemed to be deposits during the year. In respect of unclaimed deposits, the Company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal against the Company in this regard.

(vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013, in respect of specified products of the company. We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained by the Company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, duty of Custom, cess and other material statutory dues applicable to the Company have been regularly deposited by it with the appropriate authorities in all cases during the year.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Goods and Services Tax, Customs Duty, cess and other material statutory dues in arrears as at 31st March 2024 for a period of more than six months from the date they became payable.

(c) Details of dues of Sales Tax, Excise Duty, Value Added Tax and Goods and Services Tax which have not been deposited as on 31st March 2024 on account of disputes are given below:

Name of Statute	**Nature of dues**	**Amount unpaid (₹ in Lakhs)**	**Period to which the Amount Relates**	**Forum where Dispute is pending**
Service tax under Finance Act,1994	Service tax	4	2012-2013 and 2015-2016	Customs, Excise and Service Tax Appellate Tribunal (CESTAT)
Central Goods and Services Tax Act,2017	Goods & service tax, penalty	119	2018-19	Commissioner of Goods & Services Tax (Appeals)
Income Tax Act 1961	Income tax, interest & penalty	601	2009-10 to 2021-22	Commissioner of Income Tax (Appeals)
Income Tax Act 1961	Income tax	433	2022-23	High court

(viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

(ix) On the reporting requirements of Clause (ix):

(a) The Company has not taken any loans or other borrowings from any lender. Hence, reporting under clause (ix)(a) of the Order is not applicable to the Company.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) The Company has not taken any term loan during the year and there are no unutilised term loans at the beginning of the year and, hence, reporting under clause (ix)(c) and (d) of the Order is not applicable.

(e) The Company has not made any investment in or given any new or advances to any of its subsidiaries, associates or joint ventures during the year and, hence, reporting under clause (ix)(e) of the Order is not applicable.

(f) The Company has not raised any loans during the year and, hence, reporting on clause(ix)(f) of the Order is not applicable.

(x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (x)(a) of the Order is not applicable.

(b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.

(xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.

(c) We have taken into consideration the whistle blower complaints received by the Company during the year (and up to the date of this report) and provided to us, when performing our audit.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) (a) and (b) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc., as required by the applicable accounting standards.

(xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports issued to the Company during the year and covering the period up to December 2023 and the draft of the internal audit reports where issued after the balance sheet date covering the period 1st January 2024 to 31st March 2024 for the period under audit.

(xv) In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.

(b) The Group does not have any CIC as part of the group and, accordingly, reporting under clause (xvi)(d) of the Order is not applicable.

(xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the Company during the year.

(xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, (Asset Liability Maturity (ALM) pattern) other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause (xx) (a) & (b) of the Order is not applicable for the year.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

R. Prasanna Venkatesh
Partner
Membership No.214045
UDIN: 24214045BKEKKT9350

Place: Chennai
Date: 30th May 2024

Standalone Balance Sheet

As at 31st March, 2024

(₹ in lakhs)

Particulars	Notes	As at 31st March, 2024	As at 31st March, 2023
Assets			
Non-current assets			
Property, plant and equipment	4	13,117	12,106
Capital work-in-progress	5	1,274	1,280
Intangible assets	6A	113	159
Intangible assets Under development	6B	32	-
Right-of-use assets	7	1,088	1,179
Financial Assets			
(i) Investments	8	25,489	20,678
(ii) Loans	9	112	118
(iii) Others financial assets	10	96	79
Other non-current assets	11	-	12
Total non-current assets		**41,321**	**35,611**
Current assets			
Inventories	12	6,917	5,606
Financial Assets			
(i) Investments	8	18,108	15,228
(ii) Trade receivables	13	14,175	11,947
(iii) Cash and cash equivalents	14	825	882
(iv) Other bank balances	14	656	996
(v) Others financial assets	15	66	133
Current tax assets, net	16	527	604
Other current assets	17	1,109	768
Total current asset		**42,383**	**36,164**
Total assets		**83,704**	**71,775**
Equity and liabilities			
Equity			
Equity share capital	18	1,131	1,131
Other equity	19	61,195	54,903
Equity - Total		**62,326**	**56,034**
Liabilities			
Non-current liabilities			
Financial Liabilities			
(i) Lease Liabilities	20	212	294
Provisions	21	363	321
Deferred tax liabilities, net	22	3,769	2,985
Total non-current liabilities		**4,344**	**3,600**
Current Liabilities			
Financial Liabilities			
(i) Lease Liabilities	20	82	71
(ii) Trade payables	23		
Total outstanding dues to micro enterprises and small enterprises		4,333	2,923
Total outstanding dues to other than micro enterprises and small enterprises		9,488	6,628
(iii) Others financial liabilities	24	358	266
Provisions	25	198	85
Other current liabilities	26	2,575	2,168
Total current liabilities		**17,034**	**12,141**
Total equity and liabilities		**83,704**	**71,775**

Notes 1 to 52 form an integral part of these standalone financial statements

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No. 117366W/W-100018

R. Prasanna Venkatesh
Partner
Membership No. 214045

Place: Chennai
Date: 30th May, 2024

For and on behalf of the Board of Directors of
India Nippon Electricals Limited
CIN: L31901TN1984PLC011021

T K Balaji
Chairman
DIN:00002010

Arvind Balaji
Managing Director
DIN:00557711

Elango Srinivasan
Chief Financial Officer

S Logitha
Company Secretary

Place: Chennai
Date: 30th May, 2024

Standalone Statement of profit and loss

For the year ended 31st March, 2024

(₹ in lakhs)

Particulars	Notes	Year ended 31st March, 2024	Year ended 31st March, 2023
Revenue from operations	27	72,408	65,625
Other income	28	2,479	4,017
Total income		**74,887**	**69,642**
Expenses:			
Cost of material consumed	29	47,550	44,123
Purchase of stock in trade	30	2,438	1,646
Changes in inventories of finished goods, work-in-progress and stock in trade	31	(35)	(320)
Other operating expenses	32	2,900	2,888
Employee benefit expenses	33	8,797	7,971
Finance costs	34	39	42
Depreciation and amortization expenses	35	1,509	1,462
Other expenses	36	4,111	4,021
Total expenses		**67,309**	**61,833**
Profit before exceptional items and tax		**7,578**	**7,809**
Exceptional items			
Impairment Loss	8	-	803
Profit before tax		**7,578**	**7,006**
Tax expenses			
(1) Current tax	38	1,642	1,156
(2) Deferred tax	22	6	63
Total tax expenses		**1,648**	**1,219**
Profit for the year		**5,930**	**5,787**
Other comprehensive income			
Items that will not be reclassified to profit or loss	37	3,458	3,752
- Income tax relating to items that will not be reclassified to profit or loss		(778)	(773)
Total other comprehensive income for the year, net of tax		**2,680**	**2,979**
Total comprehensive income for the year		**8,610**	**8,766**
Earnings per equity share	42		
Basic and Diluted		26.20	25.58
Nominal value of equity shares (in rupees)		5.00	5.00

Notes 1 to 52 form an integral part of these standalone financial statements

In terms of our report attached
For Deloitte Haskins & Sells LLP
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Firm's Registration No. 117366W/W-100018

R. Prasanna Venkatesh
Partner
Membership No. 214045

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Elango Srinivasan
Chief Financial Officer

S Logitha
Company Secretary

Place: Chennai
Date: 30th May, 2024

Standalone Statement of Cash flows

for the year ended 31st March, 2024

(₹ in lakhs)

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Cash flows from Operating Activities:		
Net Profit after tax	5,930	5,787
Adjustments for		
- Income tax expenses	1,648	1,219
- Depreciation and amortization expenses	1,509	1,462
- Dividend income from investments	(194)	(2,031)
- Interest Income	(171)	(195)
- (Gain)/Loss on fair valuation of investments	(1,334)	77
- Gain on sale of investments(net)	(551)	(1,310)
- Property, plant and equipment written off	-	37
- Advances written off	-	1
- Interest expenses	39	42
- Impairment loss	-	803
- Unrealized forex gain, net	(145)	(150)
Operating Profit before Working Capital changes	**6,731**	**5,742**
- Decrease / (increase) in loans	6	(6)
- Decrease / (increase) in other non-current financial assets	(17)	370
- Decrease / (increase) in trade receivables	(2,083)	36
- (Increase) in Inventories	(1,311)	(646)
- Decrease / (Increase) in other financial assets	67	(1)
- Decrease / (Increase) in other current assets	(341)	134
- Increase / (Decrease) in trade payables	4,137	545
- Increase / (Decrease) in in other financial liabilities	92	(15)
- Increase in other current liabilities	407	574
- Increase in non-current provisions	42	64
- Increase / (Decrease) in current provisions	113	(4)
Cash generated from operations	**7,843**	**6,793**
Income taxes paid, net	(1,565)	(1,102)
Net cash generated from operating activities: (A)	**6,278**	**5,691**
Cash flows from investing activities:		
Purchase of property, plant and equipment (including CWIP and adjustment of capital advance)	(2,399)	(2,521)
Acquisition of investments	(70,763)	(92,393)
Proceeds from sale of investments	68,517	89,794
Interest received	236	176
Dividend received	194	2,031
(Increase)/decrease in other bank balances	340	(339)
Net cash used in investing activities (B)	**(3,875)**	**(3,252)**

Standalone Statement of Cash flows

for the year ended 31st March, 2024 (Contd.)

(₹ in lakhs)

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Cash flows from Financing Activities:		
Payment of lease liabilities	(103)	(57)
Interest expenses	(39)	(42)
Dividend paid	(2,318)	(2,092)
Net Cash used in Financing Activities (C)	**(2,460)**	**(2,191)**
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(57)	248
Add : Cash and cash equivalents at the beginning of the year	882	634
Cash and cash equivalents at the end of the year	**825**	**882**
Cash and cash equivalents comprise of:		
Cash on hand	-	2
Balance with banks in current accounts	825	880
Cash and cash equivalents as per note 14	**825**	**882**

Notes 1 to 52 form an integral part of these standalone financial statements

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No. 117366W/W-100018

R. Prasanna Venkatesh
Partner
Membership No. 214045

Place: Chennai
Date: 30th May, 2024

For and on behalf of the Board of Directors of
India Nippon Electricals Limited
CIN: L31901TN1984PLC011021

T K Balaji
Chairman
DIN:00002010

Arvind Balaji
Managing Director
DIN:00557711

Elango Srinivasan
Chief Financial Officer

S Logitha
Company Secretary

Place: Chennai
Date: 30th May, 2024

Standalone Statement of Changes in Equity

for the year ended 31st March, 2024

Equity Share Capital

(₹ in lakhs)

Particulars	No.of.Shares	Amount
Balances as at 31st March, 2022	22,621,424	1,131
Balances as at 31st March, 2023	22,621,424	1,131
Balances as at 31st March, 2024	**22,621,424**	**1,131**

(₹ in lakhs)

Particulars	Balance at the beginning of the current reporting period	Changes in equity share capital during the year	Balance at the end of the current reporting period
As at 31st March, 2023	1,131	-	1,131
As at 31st March, 2024	**1,131**	**-**	**1,131**

Other Equity

(₹ in lakhs)

Particulars	Reserves and surplus			Other items of other comprehensive income	Total other equity attributable to equity share holder
	Capital redemption reserve	Retained earnings	General reserve		
Balance as at 1st April, 2022	**40**	**18,432**	**23,909**	**5,848.00**	**48,229**
Dividend paid	-	(2,092)	-	-	(2,092)
Profits for the year (a)	-	5,787	-	-	5,787
Other comprehensive income (b)	-	-	-	2,979	2,979
Total comprehensive income for the year (a +b)	**-**	**5,787**	**-**	**2,979**	**8,766**
Balance as at 31st March, 2023	**40**	**22,127**	**23,909**	**8,827**	**54,903**
Dividend paid	-	(2,318)	-	-	(2,318)
Profits for the year (a)	-	5,930	-	-	5,930
Other comprehensive income (b)	-	-	-	2,680	2,680
Total comprehensive income for the year (a +b)	**-**	**5,930**	**-**	**2,680**	**8,610**
Balance as of 31st March, 2024	**40**	**25,739**	**23,909**	**11,507**	**61,195**

Notes 1 to 52 form an integral part of these standalone financial statements

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No. 117366W/W-100018

R. Prasanna Venkatesh
Partner
Membership No. 214045

Place: Chennai
Date: 30th May, 2024

For and on behalf of the Board of Directors of
India Nippon Electricals Limited
CIN: L31901TN1984PLC011021

T K Balaji
Chairman
DIN:00002010

Arvind Balaji
Managing Director
DIN:00557711

Elango Srinivasan
Chief Financial Officer

S Logitha
Company Secretary

Place: Chennai
Date: 30th May, 2024

Notes forming part of Standalone Financial Statements

for the year ended 31st March, 2024

1) General Information

India Nippon Electricals Limited ("the Company") is a public limited company incorporated and domiciled in India under the provisions of Companies Act and has its registered office at No.11 & 13, Patullos Road, Chennai-600 002, Tamilnadu, India. The Company is a leading manufacturer of Ignition Systems for auto industry with special focus on two-wheeler industry. In addition to the support from the collaborators, the Company has a developed Research & Development centre recognized by DSIR,Govt of India. The Company has three manufacturing facilities and Technical Centre in India and supplies to domestic as well as overseas markets. The Company has became subsidiary of Lucas India Service Limited with effect from 30th March, 2022. The shares of the Company are listed on the BSE Limited and National Stock Exchange of India Limited.

2) Summary of material accounting policies

2.1 Basis of preparation of financial statements

The standalone financial statements of the Company have been prepared and presented in accordance with Indian Accounting Standards (Ind AS) as per Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standard) Amendment Rules, 2016 as notified under section 133 of Companies Act, 2013 (the "Act") and other relevant provisions of the Act. These financial statements have been prepared on a historical cost convention on accrual basis, except for certain financial assets and financial liabilities (including derivative instruments), which are measured at fair value.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

Certain comparative figures have been reclassified, wherever necessary, to conform to the presentation adopted in the financial statements. These reclassifications were not significant and have no impact on the total assets, total liabilities, total equity and profit of the Company.

The Company presents assets and liabilities in the balance sheet based on current / non-current classification. The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle. Cash or cash equivalent is treated as current, unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. In respect of other assets, it is treated as current when it is:

i) expected to be realized or intended to be sold or consumed in the normal operating cycle

ii) held primarily for the purpose of trading

iii) expected to be realized within twelve months after the reporting period.

A liability is treated as current when:

i) it is expected to be settled in the normal operating cycle

ii) it is held primarily for the purpose of trading

iii) it is due to be settled within twelve months after the reporting period, or

iv) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other assets and liabilities are classified as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The financial statements are presented in Indian Rupees which is also the Company's functional currency. All amounts have been rounded off to the nearest Lakhs, except share data and as otherwise stated

2.2 Critical accounting estimates, assumptions and judgements

The preparation of financial statements requires management to make certain estimates and assumptions that affect the amounts reported in the financial statements and notes thereto. The management believes that these estimates and assumptions are reasonable and prudent. However, actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in the current and future period.

i) **Estimation of fair value of unlisted securities** - The fair value of unlisted securities is determined using the valuation techniques. The Company uses its judgement to select the methods and make assumptions at end of each reporting period. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

ii) **Defined benefit obligation** - The cost of the defined benefit plans and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, etc. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each Balance Sheet date.

iii) **Impairment testing** - Property, plant and equipment and Intangible assets are tested for impairment when events occur or changes in circumstances indicate that the recoverable amount of the cash generating unit is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to sell. The calculation involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.

iv) **Estimation and evaluation of provisions and contingencies relating to tax litigation** - Provision for tax liabilities require judgements on the interpretation of tax legislation, developments in case law and the potential outcomes of tax audits and appeals which may be subject to significant uncertainty. Therefore the actual results may vary from expectations resulting in adjustments to provisions, the valuation of deferred tax assets, cash tax settlements and therefore the tax charge in the statement of profit or loss.

v) **Estimation Warranty claims** - Provision is made for estimated warranty claims in respect of product sold which are still under warranty at the end of the reporting period. The claims are expected to be settled in the next financial year. The Company estimates the provision based on historical warranty claim information and any recent trends that may suggest future claims could differ from the historical amounts.

vi) **Useful lives of property, plant and equipment('PPE') and intangible assets** - The useful life of an asset is an accounting estimate of the number of years it is likely to remain in service for the purpose of cost-effective revenue generation. The Internal Revenue Service (IRS) employs useful life estimates to determine the amount of time during which an asset can be depreciated.

vii) **Deferred income tax assets and liabilities** - As IAS 12 considers deferred tax from the perspective of temporary differences between the carrying amount and tax base of assets and liabilities, the standard can be said to focus on the statement of financial position.

2.3 Revenue Recognition

To determine whether to recognise revenue from contracts with customers, the Company follows a 5-step process

- Identifying the contract with customer
- Identifying the performance obligations
- Determining the transaction price
- Allocating the transaction price to the performance obligations
- Recognising revenue when/as performance obligation(s) are satisfied

Revenue from contracts with customers for products sold and service provided is recognized when control of promised products or services are transferred to the

Notes forming part of Standalone Financial Statements

for the year ended 31st March, 2024 (Contd.)

customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Revenue is measured based on the consideration to which the Company expects to be entitled in a contract with a customer and excludes Goods and services taxes and is net of rebates and discounts. No element of financing is deemed present as the sales are made with a credit term of 60-90 days, which is consistent with market practice. A receivable is recognized when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

i) Sale of product

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

The Company accounts for volume discounts and pricing incentives to customers as a reduction of revenue based on the relatable allocation of the discounts/ incentives to each of the underlying performance obligation that corresponds to the progress by the customer towards earning the discount/ incentive. Also, when the level of discount varies with increases in levels of revenue transactions, the Company recognizes the liability based on its estimate of the customer's future purchases. If it is probable that the criteria for the discount will not be met, or if the amount thereof cannot be estimated reliably, then discount is not recognized until the payment is probable and the amount can be estimated reliably. The Company recognizes changes in the estimated amount of obligations for discounts in the period in which the change occurs.

ii) Interest income

Generally, interest income from debt instruments is recognized using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying value of a financial asset. While calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options), but does not consider the expected credit losses.

iii) Dividends

Dividends are recognized in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of dividend can be reliably measured.

iv) Export benefits

Export incentives are recognized as income as per the terms of the scheme in respect of the exports made and included as part of other operating income.

2.4 Property, plant and equipment

i) Plant and equipment

Cost includes purchase price, taxes and duties, labour cost and directly attributable overheads incurred up to the date the asset is ready for its intended use. However, cost excludes Goods and service taxes, to the extent credit of the duty or tax is availed of. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

The carrying amount of any component accounted for as separate asset is derecognized when replaced. All other repairs and maintenance are charged to Profit or Loss during the reporting period in which they are incurred.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/ (losses).

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'. Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably.

ii) Depreciation

Depreciation on Property, plant & equipment (other than land) is charged over the estimated useful life of the asset or part of the asset (after considering double/triple shift) as evaluated by the Management, on straight line method, in accordance with Part A of Schedule II to the Companies Act 2013.

Tools and dies are depreciated based on quantity of components manufactured and the life of tools and dies, subject to a maximum of two to three years .

On tangible fixed assets added / disposed of during the year, depreciation is charged on pro-rata basis from the date of addition or till the date of disposal

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

2.5 Intangible assets

Intangible assets include cost of acquired software, license and technical know how. Intangible assets are initially measured at acquisition cost including any directly attributable costs of preparing the asset for its intended use. Expenditure on projects which are not yet ready for intended use are carried as intangible assets under development. Intangible assets with finite lives are amortized over their estimated useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Intangible assets are amortized on the following basis:

a) Softwares - Over a period of three years

b) SAP - Over a period of ten years

c) Licenses - Over a period of three years

d) Technical Knowhow - Over a period of five years

Useful lives are reviewed at every balance sheet date and revisited to a lower life when warranted.

2.6 Impairment of assets

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in Statement of Profit and Loss.

2.7 Foreign currency transaction

On initial recognition, all foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Monetary assets and liabilities, denominated in a foreign currency, are translated at the

Notes forming part of Standalone Financial Statements

for the year ended 31st March, 2024 (Contd.)

exchange rate prevailing on the Balance Sheet date and the resultant exchange gains or losses are recognized in the Statement of Profit and Loss. A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of the entity's net investment in that foreign operation

2.8 Inventories

i) Raw materials

Raw materials are valued at lower of cost and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined at weighted average cost.

ii) Work in progress and finished goods

Work in progress and finished goods are valued at lower of cost and net realizable value. Cost includes the combined cost of material, labour and a proportion of manufacturing overheads based on normal operating capacity. Costs are assigned to individual items of inventory on the basis of weighted average costs.

iii) Stores and spares

Stores and spares consists of primary packing materials, engineering spares and consumables, which are used in operating machines or consumed as indirect materials in the manufacturing process, has been valued using weighted average cost method. The cost comprises of costs of purchase, duties and taxes (other than those subsequently recoverable),conversion cost and other costs incurred in bringing the inventories to their present location and condition, as applicable on or after deducting rebates and discounts, if any. Net realisable value is the estimated selling price in the ordinary course of business less estimated cost to completion and applicable selling expenses.

2.9 Employee benefits:

i) Short term obligations:

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services upto the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

ii) Other long term employee benefits:

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of the expected future payments to be made in respect of services provided by employee upto the end of reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation.

Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognized in profit or loss. The obligations are presented as current liabilities in the balance sheet if the entity does not have an when the actual settlement is expected to occur.

iii) Post-employment obligation:

a) Defined contribution plan

Contribution to Provident Fund in India are in the nature of defined contribution plan and are made to a recognized fund. Contribution to Superannuation Fund is in the nature of defined contribution plan and is remitted to insurance Company in accordance with the scheme framed by the Corporation. The Company has no legal or constructive obligations to pay contributions in addition to its fixed contributions, which are recognized as an expense in the period that related employee services are received.

i) Provident fund

The Company makes contribution to the statutory provident fund in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952, which is a defined contribution plan, and contribution paid or payable is recognized as an expense in the period in which it falls due.

ii) **Provident fund**

The Company's contribution towards defined contribution plan is accrued in compliance with the requirement of the domestic laws of the countries in which the entities operate in the year of which the contributions are done. Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

iii) **Superannuation fund**

Contribution made towards Superannuation Fund (funded by payments to an insurance Company) which is a defined contribution plan, is charged as expenses on accrual basis. There are no obligations other than the contribution made to respective fund.

b) Under the Company's defined benefit plans, the amount of benefit that an employee will receive on retirement is defined by reference to the employee's length of service and final salary.

i) **Gratuity**

The liability recognized in the statement of financial position for defined benefit plans is the present value of the defined benefit obligation (DBO) at the reporting date less the fair value of plan assets. The Company estimates the DBO annually with the assistance of independent actuaries. This is based on standard rates of inflation, salary growth rate and mortality. Discount factors are determined close to each year-end by reference to government securities that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related gratuity liability

Service cost on the Company's defined benefit plan is included in employee benefits expense. Employee contributions, all of which are independent of the number of years of service, are treated as a reduction of service cost. Actuarial gains and losses resulting from measurements of the net defined benefit liability are included in other comprehensive income

ii) The Company also extends defined benefit plans in the form of compensated absences to employees. Provision for compensated absences is made on actuarial valuation basis.

2.10 Income tax

Tax expense comprises of current and deferred taxes. The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

i) **Current income tax**

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

ii) **Deferred income tax**

Deferred income tax is recognized using the balance sheet approach. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled. Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business

Notes forming part of Standalone Financial Statements

for the year ended 31st March, 2024 (Contd.)

combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred income tax assets are recognized to the extent it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where there is a legally enforceable right to offset.

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

2.11 Provisions and contingent liabilities:

i) Provisions:

A provision is recorded when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reasonably estimated. The estimated liability for product warranties is recorded when products are sold based on technical evaluation.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as finance cost.

ii) Contingent liabilities:

Wherever there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognized because (a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or (b) the amount of the obligation cannot be measured with sufficient reliability. The Company does not recognise a contingent liability but discloses its existence in Financial Statements.

2.12 Cash and Cash equivalents:

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments maturing within 3 months from the date of acquisition that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

2.13 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before exceptional items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future receipts or payments. In the cash flow statement, cash and cash equivalents includes cash in hand, cheques on hand, balances with banks in current accounts and other shortterm highly liquid investments with original maturities of 3 months or less, as applicable.

2.14 Earnings per share

Basic earnings per equity share is calculated by dividing the total profit for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares). In this scenario, the number of equity shares outstanding increases without an increase in resources due to which the number of equity shares outstanding before the event is adjusted for the proportionate change in the number of equity shares outstanding as if the event had occurred at the beginning of the earliest period reported.

2.15 Leases:

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are re-measured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

2.16 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets other than equity instruments are classified into categories: financial assets at fair value through profit or loss and at amortized cost. Financial assets that are equity instruments are classified as fair value through profit or loss or fair value through other comprehensive income. Financial liabilities are classified into financial liabilities at fair value through profit or loss or amortized cost. Financial instruments are recognized on the balance sheet when the Company becomes a party to the contractual provisions of the instrument.

At Initial recognition, the Company measures a financial asset at its fair value plus (in the case of a financial asset not at fair value through profit or loss) transaction cost that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Notes forming part of Standalone Financial Statements

for the year ended 31st March, 2024 (Contd.)

i) Classification and subsequent measurement of financial assets

For the purpose of subsequent measurement financial assets are classified and measured based on the entity's business model for managing the financial asset and the contractual cash flow characteristics of the financial asset at:

a) Amortized cost

b) Fair value through other comprehensive income (FVOCI) or

c) Fair value through profit and loss (FVTPL)

All financial assets are reviewed for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

a) Financial asset at amortized cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. These assets are measured subsequently at amortized cost using the effective interest method. The loss allowance at each reporting period is evaluated based on the expected credit losses for next 12 months and credit risk exposure. The Company shall also measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition.

b) Financial asset at fair value through other comprehensive income (FVOCI)

Assets that are held within a business model where the objective is both collecting contractual cash flows and selling financial assets along with the contractual terms giving rise on specified dates to cash flows that are solely payments of principal and interest in the principal amount outstanding.

At initial recognition, the Company, based on its assessment, makes an irrevocable election to present in other comprehensive income the changes in the fair value of an investment in an equity instrument that is not held for trading. These selections are made on an instrument-by-instrument (i.e., share-by-share) basis. If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, impairment gains or losses and foreign exchange gains and losses, are recognized in other comprehensive income. There is no recycling of the amounts from OCI to profit or loss, even on sale of investment. The dividends from such instruments are recognized in statement of profit and loss.

The fair value of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

The loss allowance at each reporting period is evaluated based on the expected credit losses for next 12 months and credit risk exposure. The Company shall also measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. The loss allowance shall be recognized in other comprehensive income and shall not reduce the carrying amount of the financial asset in the balance sheet.

c) Financial asset at fair value through profit and loss (FVTPL)

Financial assets at FVTPL include financial assets that are designated at FVTPL upon initial recognition and financial assets that are not measured at amortized cost or at fair value through other comprehensive income. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply. Assets in this category are measured at fair value with gains or losses recognized in profit or loss. The fair value of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

The loss allowance at each reporting period is evaluated based on the expected credit losses for next 12 months and credit risk exposure. The Company shall also measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. The loss allowance shall be recognized in profit and loss

d) De-recognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the Company's standalone balance sheet) when:

a. The rights to receive cash flows from the asset have expired, or

b. The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (i) the Company has transferred substantially all the risks and rewards of the asset, or (ii) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a passthrough arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay

ii) Financial liabilities

a) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables

b) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative

Notes forming part of Standalone Financial Statements

for the year ended 31st March, 2024 (Contd.)

financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109 Financial Instruments

Gains or losses on liabilities held for trading are recognized in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss

De-recognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss.

Equity instruments

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares and share options and buyback of ordinary shares are recognized as a deduction from equity, net of any tax effects.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously

Fair value of financial instruments

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices, and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized. For financial assets and liabilities maturing within one year from the Balance sheet date and which are not carried at fair value, the carrying amounts approximate fair value due to the short maturity of these instruments

c) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Levell 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities

Levell 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 3 - Inputs for the assets and liabilities that are not based on observable market data (unobservable inputs)

d) Impairment of financial assets

In accordance with Ind AS 109 Financial Instruments, the Company applies expected credit loss (ECL) model and specific identification method based on the credit risk for measurement and recognition of impairment loss for financial assets.

The Company tracks credit risk and changes thereon for each customer. For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss, except for trade receivables.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider

- All contractual terms of the financial instrument over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity uses the remaining contractual term of the financial instrument.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The Company uses default rate for credit risk to determine impairment loss allowance on portfolio of its trade receivables

Trade receivables

The Company applies approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognized from initial recognition of receivables. Default is considered to exist when the counter party fails to make the contractual payment within 90 days of when they fall due. A trade receivable is considered to be credit impaired when the management considers the amount to be non recoverable.

Other financial assets

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk

Notes forming part of Standalone Financial Statements

for the year ended 31st March, 2024 (Contd.)

since initial recognition and if credit risk has increased significantly, impairment loss is provided.

The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in the Statement of Profit and Loss.

Impairment of non-financial assets

For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

An impairment loss is recognized for the amount by which the asset's (or cash-generating unit's) carrying amount exceeds its recoverable amount, which is the higher of fair value less costs of disposal and value in-use. To determine the value-in-use, management estimates expected future cash flows from each cash generating unit and determines a suitable discount rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Company's latest approved budget, adjusted as necessary to exclude the effects of future reorganizations and asset enhancements. Discount factors are determined individually for each cashgenerating unit and reflect current market assessments of the time value of money and asset specific risk factors.

All assets are subsequently reassessed for indications that an impairment loss previously recognized may no longer exist. An impairment loss is reversed if the asset's or cashgenerating unit's recoverable amount exceeds its carrying amount.

2.17 Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief operating decision maker. The Managing Director of the Company has been identified as being the chief operating decision maker.

3. Application of new accounting pronouncements

The company has applied the following Ind AS pronouncements pursuant to issuance of the Companies (Indian Accounting Standards) Amendment Rules, 2023 with effect from April 1, 2023. The effect is described as below:

Ind AS 1 – Presentation of Financial Statements – The amendment requires disclosure of material accounting policies instead of significant accounting policies. In the Standalone financial statements the disclosure of accounting policies has been accordingly modified. The impact of such modifications to the accounting policies is insignificant

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors – The amendment has defined accounting estimate as well as laid down the treatment of accounting estimate to achieve the objective set out by accounting policy. There is no impact of the amendment on the Standalone Financial Statements.

Ind AS 12 – Income Taxes – the definition of deferred tax asset and deferred tax liability is amended to apply initial recognition exception on assets and liabilities that does not give rise to equal taxable and deductible temporary differences. There is no impact of the amendment on the Standalone Financial Statements.

Notes forming part of Standalone Financial Statements

for the year ended 31st March, 2024 (Contd.)

4 Property, plant and equipment

(₹ in lakhs)

Particulars	Land	Building	Plant and equipments	Furniture & Fixtures	Office Equipments	Vehicles	Total
Gross block							
Balance as at 1st April, 2022	**713**	**5,025**	**9,616**	**414**	**548**	**68**	**16,384**
Additions	-	514	1,185	36	74	14	1,823
Deletions	-	-	(111)	-	(1)	-	(112)
Balance as at 31st March, 2023	**713**	**5,539**	**10,690**	**450**	**621**	**82**	**18,095**
Additions	-	1,280	926	41	80	46	2,373
Deletions	-	(2)	(44)	-	(6)	-	(52)
Balance as at 31st March, 2024	**713**	**6,817**	**11,572**	**491**	**695**	**128**	**20,416**
Accumulated depreciation							
Balance as at 1st April, 2022	**-**	**567**	**3,748**	**166**	**249**	**26**	**4,756**
Charge for the year	-	213	932	39	105	9	1,298
Reversals on deletions	-	-	(64)	-	(1)	-	(65)
Balance as at 31st March, 2023	**-**	**780**	**4,616**	**205**	**353**	**35**	**5,989**
Charge for the year	-	260	946	38	107	9	1,360
Reversals on deletions	-	(2)	(42)	-	(5)	(1)	(50)
Balance as at 31st March, 2024	**-**	**1,038**	**5,520**	**243**	**455**	**43**	**7,299**
Net block							
Balance as at 31st March, 2023	**713**	**4,759**	**6,074**	**245**	**268**	**47**	**12,106**
Balance as at 31st March, 2024	**713**	**5,779**	**6,052**	**248**	**240**	**85**	**13,117**

5 Capital work in progress

i) Ageing schedule of capital work-in-progress

a) Projects in progress:

(₹ in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Less than 1 year	1,013	1,231
Project 1	460	8
Project 2	385	253
Other Projects	168	970
1-2 years	261	49
Project 1	8	-
Project 2	253	-
Other Projects	-	49
2-3 years	-	-
More than 3 years	-	-
Total	**1,274**	**1,280**

Notes forming part of Standalone Financial Statements

for the year ended 31st March, 2024 (Contd.)

b) There were no projects temporarily suspended as at 31st March, 2024 and 31st March, 2023

c) Completion schedule for the Projects which are over due :

(₹ in lakhs)

Particular	As at 31st March, 2024	As at 31st March, 2023
Less than 1 year		
Project 1	259	223
Project 2	-	316
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
Total	**259**	**539**

d) There are no projects for the year ended 31st March, 2024 and 31st March, 2023 which have exceeded its initial planned cost.

6A Intangible asset

(₹ in lakhs)

Particulars	Softwares	SAP	Licenses	Technical knowhow	Total
Gross block					
Balance as at 1st April, 2022	**117**	**178**	**125**	**34**	**454**
Additions	52	-	-	-	52
Balance as at 31st March, 2023	**169**	**178**	**125**	**34**	**506**
Additions	-	-	12	-	12
Balance as at 31st March, 2024	**169**	**178**	**137**	**34**	**518**
Accumulated amortization					
Balance as at 1st April, 2022	**71**	**112**	**68**	**34**	**285**
Charge for the year	19	18	25	-	62
Balance as at 31st March, 2023	**90**	**130**	**93**	**34**	**347**
Charge for the year	21	18	19		58
Balance as at 31st March, 2024	**111**	**148**	**112**	**34**	**405**
Net block					
Balance as at 31st March, 2023	79	48	32	-	159
Balance as at 31st March, 2024	**58**	**30**	**25**	**-**	**113**

6B Intangible assets under development ageing schedule

(Amount in ₹ Lakhs)

Intangible assets under development	Amount in Intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project in progress	32	-	-		32
Project temporarily suspended	-	-	-	-	-

Notes forming part of Standalone Financial Statements

for the year ended 31st March, 2024 (Contd.)

7. Right to use assets

(₹ in lakhs)

Particulars	Leasehold land	Leasehold buildings	Total
Gross block			
Balance as at 1st April, 2022	**1,422**	**67**	**1,489**
Additions	65	-	65
Deletions	-	-	-
Balance as at 31st March, 2023	**1,487**	**67**	**1,554**
Additions	-	-	-
Deletions	-	-	-
Balance as at 31st March, 2024	**1,487**	**67**	**1,554**
Accumulated amortization			
Balance as at 1st April, 2022	**216**	**57**	**273**
Charge for the year	93	9	102
Disposals	-	-	-
Balance as at 31st March, 2023	**309**	**66**	**375**
Charge for the year	91	-	91
Balance as at 31st March, 2024	**400**	**66**	**466**
Net block			
Balance as at 31st March, 2023	1,178	1	1,179
Balance as at 31st March, 2024	**1,087**	**1**	**1,088**

8. Investments

A) Non-current investments

(₹ in lakhs)

	Face value	No. of Shares/Units		Amount	
		As at 31st March, 2024	As at 31st March, 2023	As at 31st March, 2024	As at 31st March, 2023
a) Investment carried at cost					
i) Equity instruments in subsidiaries (fully paid-up) (Unquoted)					
PT Automotive Systems Indonesia Limited	4,474	27,000	27,000	1,208	1,208
Less: Impairment loss (Also refer note 8.1 below)				(803)	(803)
Net Carrying Value				**405**	**405**
b) Investment carried at amortized cost					
i) Debentures / bonds					
Indian Railway Finance Corporation Limited	1,000	-	50,000	-	500
India Infrastructure Finance Corporation Limited	1,000	-	50,000	-	500
Mahindra & Mahindra Financial Services Limited	1,000,000	-	22	-	207
360 One Prime Non Convertible Debenture	1,000,000	500	-	501	-

Notes forming part of Standalone Financial Statements

for the year ended 31st March, 2024 (Contd.)

(₹ in lakhs)

		Face value	No. of Shares/Units		Amount	
			As at 31st March, 2024	As at 31st March, 2023	As at 31st March, 2024	As at 31st March, 2023
c)	**Investment carried at fair value through other comprehensive income (FVTOCI)**					
i)	**Equity instruments (fully paid-up) (Unquoted)**					
	Lucas TVS Ltd	100	97,351	97,351	19,037	15,446
	IRIS Ecopower Venture Private Limited (Refer note no: 8.2)	4	356,400	318,400	36	32
d)	**Investment carried at fair value through profit and loss: (FVTPL)**					
i)	**Debentures / bonds**					
	State Bank Of India Series - 8.75% Perpetual Bond	1,000,000	25	25	262	251
	State Bank Of India Series - 7.74% Perpetual Bond	1,000,000	25	25	259	246
	L&T Bond Market Linked Debentures	1,092	50	50	546	505
ii)	**Non listed equity shares**					
	NSE Equity	1	13,000	13,000	533	384
iii)	**Listed equity shares**					
	HDFC Bank Ltd	1	14,098	6,900	203	111
	Housing Development Finance Corporation Ltd	2	-	4,285	-	113
	ICICI Bank Ltd	2	13,150	13,150	144	115
	Infosys Ltd	5	5,745	5,745	86	82
	Reliance Industries Ltd	10	3,865	3,865	115	90
	JIO Financial Service Ltd	10	3,865	-	14	-
	Tata Consultancy Service Ltd	1	2,760	2,760	107	88
	Blue Dart Express Ltd.	10	787	-	49	-
	Ultratech Cement Ltd.	10	495	-	48	-
iv)	**Alternative investment funds**					
	TVS Shriram Growth Fund Scheme 3	1,000	90,800	85,800	1,367	1,250
v)	**Mutual funds**					
	Hdfc Index Fund-Nifty 50 Plan -Direct Growth	10	227,411	55,925	484	92
	Hdfc Hof Series 1 1140D November 2017 - 1- Reg-G	10	1,000,000	1,000,000	204	132
	Nippon India Nifty Midcap 150 Index Fund - Direct Plan Growth	10	778,809	400,948	159	52
	Icici Prudential Nifty Next 50 Index Fund - Direct Plan Growth	10	372,314	222,095	208	77
	ICICI Prudential India opportunities Fund - Direct Plan Growth	10	247,282	-	79	-
	360 One Focused equity fund Direct plan Growth	10	61,356	-	28	-
	TATA Large & Mid Cap Fund Direct plan Growth	10	20,277	-	106	-
	Tata Balanced Advantage Fund - Direct Plan Growth	10	979,844	-	200	-
	ICICI Prudential Balanced Advantage Fund - Direct Plan Growth	10	282,312	-	201	-
	HDFC Focused 30 fund Direct plan Growth	10	51,886	-	108	-
					25,489	**20,678**

Notes forming part of Standalone Financial Statements

for the year ended 31st March, 2024 (Contd.)

B) Current investments

	Face value	No. of Shares/Units		Amount	
		As at 31st March, 2024	As at 31st March, 2023	As at 31st March, 2024	As at 31st March, 2023
Investment carried at fair value through profit and loss:					
Current Investments - Quoted					
Investment In Mutual Funds					
Axis Short Term-G	10	9,456,821	9,456,821	2,638	2,459
Aditya Birla SL Corporate Bond-G	10	1,400,088	1,400,088	1,425	1,322
ICICI pru liquid fund Direct plan - Growth	100	230,250	120,699	823	402
Aditya Birla Sun life Money manager fund Direct Growth	100	235,530	136,812	803	433
Kotak Bond Short-term Reg-G	10	4,624,333	4,624,333	2,185	2,040
Nippon India Money Market Fund Direct plan - Growth	1,000	24,154	22,131	923	785
Bhandhan CRISIL Glit 2027 Index Fund Regular Plan- Growth	10	16,834,871	16,834,871	1,961	1,829
IDFC SSI ST Reg-G	10	3,937,462	3,937,462	2,032	1,897
Nippon India Short-term-Growth	10	1,835,238	1,835,238	874	814
Nippon India liquid fund Direct plan - Growth	1,000	12,744	18,395	753	1,013
Aditya Birla SL Overnight fund - Growth - Direct	1,000	15,480	61,091	200	741
Nippon India Overnight Fund - Direct Plan	1,000	217,986	524,108	280	631
DSP Overnight Fund - Direct Plan	1,000	31,254	8,330	401	100
AXIS Liquid Fund Direct-G	1,000	11,211	28,483	301	712
HSBC Overnight Fund - Direct	1,000	43,958	4,263	551	50
Sundaram Liquid Fund - Direct Plan	10	37,672	-	803	-
AXIS Money Market Fund Direct-G	1,000	32,142	-	422	-
Aditya Birla SL Liquid fund Direct Plan - Growth	100	188,247	-	733	-
				18,108	**15,228**

8.1 The net worth of the subsidiary PT Automotive Systems Indonesia Limited was lowered by ₹ 803 Lakhs as compared to the carrying value of the investment in the books of the Company which has been impaired during the previous year.

8.2 Investment made in IRIS Ecopower Venture Private Limited is Group captive investment with 356,000 units carried at Value of ₹ 36 Lakhs as at 31st March, 2024.

8.3

Particular	As at 31st March, 2024	As at 31st March, 2023
Aggregate amount of unquoted investments carried at cost	1,208	1,208
Aggregate amount of impairment in value of investments	(803)	(803)
Aggregate amount of unquoted investments carried at amortized cost	501	1,207
Aggregate amount of unquoted investments carried at FVTOCI	19,073	15,478
Aggregate value of quoted/Un-Quoted investments - Carried at FVTPL	5,510	3,588
Total non-current investment	**25,489**	**20,678**
Aggregate value of quoted investments - Carried at FVTPL	18,108	15,228
Total current investment	**18,108**	**15,228**

Notes forming part of Standalone Financial Statements

for the year ended 31st March, 2024 (Contd.)

9. Non - current loans

(₹ in lakhs)

	As at 31st March, 2024	As at 31st March, 2023
(Unsecured and considered good)		
Loans to employees	112	118
	112	**118**

10. Other non-current financial assets

(₹ in lakhs)

	As at 31st March, 2024	As at 31st March, 2023
(Unsecured and considered good)		
Bank deposits with more than 12 months maturity	1	1
Security deposits	95	78
	96	**79**

11. Other non-current assets

(₹ in lakhs)

	As at 31st March, 2024	As at 31st March, 2023
(Unsecured and considered good)		
Capital Advance	-	12
	-	**12**

12. Inventories

(₹ in lakhs)

	As at 31st March, 2024	As at 31st March, 2023
(Lower of cost and net realisable value)		
Raw material	4,114	3,535
Raw material - goods in transit	911	216
Work in progress	200	209
Finished goods	789	1,000
Finished goods in transit	372	333
Stores and spares	8	6
Stock in trade	523	307
	6,917	5,606

a)	Cost of Inventories recognized as expense in statement of profit and loss	50,905	46,473

b) The mode of valuation of inventories has been stated in Note 2.8

c) Net of inventory provision/write off of ₹ 433 Lakhs as at 31st March, 2024 (as at 31st March, 2023: ₹ 393 Lakhs)

13. Trade receivables

(₹ in lakhs)

	As at 31st March, 2024	As at 31st March, 2023
Considered good	14,175	11,947
	14,175	**11,947**

Notes forming part of Standalone Financial Statements

for the year ended 31st March, 2024 (Contd.)

a) Trade receivables are non-interest bearing and are generally on terms of 45 to 60 days. The carrying amount of the current trade receivable is considered a reasonable approximation of fair value as it is expected to be collected within twelve months.

b) The Company's exposure to credit and currency risks, and loss allowances related to trade receivables are disclosed in note 46.

c) Ageing of trade receivables

i) Undisputed trade receivables considered good 31st March, 2024

(₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 Months	6 Months - 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Undisputed Trade Receivable - Considered Good	12,005	2,113	44	2	11	-	14,175
Undisputed Trade Receivable - Which Have Significant Increase In Credit Risk	-	-	-	-	-	-	-
Undisputed Trade Receivable - Credit Impaired	-	-	-	-	-	-	-
Disputed Trade Receivables Considered Good	-	-	-	-	-	-	-
Disputed Trade Receivables - Which Have Significant Increase In Credit Risk	-	-	-	-	-	-	-
Disputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	-
Grand Total	**12,005**	**2,113**	**44**	**2**	**11**	**-**	**14,175**

Undisputed trade receivables considered good 31st March, 2023

(₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 Months	6 Months - 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Undisputed Trade Receivable - Considered Good	10,572	1,327	25	23	-	-	11,947
Undisputed Trade Receivable - Which Have Significant Increase In Credit Risk	-	-	-	-	-	-	-
Undisputed Trade Receivable - Credit Impaired	-	-	-	-	-	-	-
Disputed Trade Receivables Considered Good	-	-	-	-	-	-	-
Disputed Trade Receivables - Which Have Significant Increase In Credit Risk	-	-	-	-	-	-	-
Disputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	-
GRAND TOTAL	**10,572**	**1,327**	**25**	**23**	**-**	**-**	**11,947**

ii) There were no undisputed trade receivables which have significant credit risk, credit impaired, disputed receivables considered good, trade receiavbles which have significant credit risk and credit impaired as at 31st March, 2024 and 31st March, 2023.

Notes forming part of Standalone Financial Statements

for the year ended 31st March, 2024 (Contd.)

14 Cash and bank balances

(₹ in lakhs)

	As at 31st March, 2024	As at 31st March, 2023
Cash and cash equivalents:		
Cash on hand	-	2
Balance with banks in current accounts	825	880
	825	**882**
Bank balances other than mentioned in cash and cash equivalents		
- Deposit accounts (with original maturity greater than 3 months upto 12 months)	600	934
- Unpaid dividend (Also, refer note (i) below)	56	62
	656	**996**
	1,481	**1,878**

i) Unpaid dividend included above represent amounts to be credited to the Investors Education and Protection Fund as and when they become due. There are no delays in transferring the amounts due for payment to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as at the balance sheet date.

15 Other current financial asset:

(₹ in lakhs)

	As at 31st March, 2024	As at 31st March, 2023
Interest accrued on deposits	59	124
Duty draw back receivable	7	9
	66	**133**

16. Income tax assets

(₹ in lakhs)

	As at 31st March, 2024	As at 31st March, 2023
Advance tax (net of Provision for tax ₹ 118 Lakhs as at March 31, 2024; (₹ 86) Lakhs as at March 31, 2023).	527	604
	527	**604**

17 Other current assets

(₹ in lakhs)

	As at 31st March, 2024	As at 31st March, 2023
Supplier advances	513	277
Other advances	7	7
Gratuity assets (Also, refer note 39)	-	9
Prepaid expenses	348	280
Other receivables	241	195
	1,109	**768**

18 Equity share capital

(₹ in lakhs)

	As at 31st March, 2024		As at 31st March, 2023	
	Numbers	Amount	Numbers	Amount
Authorized	3,00,00,000	1,500	3,00,00,000	1,500
Equity shares of ₹ 5 each				
Issued, subscribed and fully paid up share capital	2,26,21,424	1,131	2,26,21,424	1,131

a) There is no change in issued and subscribed equity share capital during the year.

b) Terms/ rights attached to equity shares

The Company has one class of equity shares having a par value of ₹ 5 per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting, except interim dividend, which is approved by the Board of Directors. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be proportional to the number of equity shares held by the shareholders.

c) Shareholders holding more than 5% of the aggregate shares in the Company

(₹ in lakhs)

	As at 31st March, 2024		As at 31st March, 2023	
	Numbers	% shareholding	Numbers	% shareholding
Equity shares of ₹ 5 each	1,59,07,374	70.32%	1,14,92,588	50.80%
Lucas Indian Service Ltd, India	-	0.00%	14,14,786	6.25%
Mahle Electric Drives Japan Corpn., Japan (formerly Kokusan Denki Co Ltd, Japan) **(Refer below)**	-	0.00%	30,00,000	13.26%
Mahle Holding (India) Private Limited	**1,59,07,374**	**70.32%**	**1,59,07,374**	**70.32%**

Note: The equity shares held in the Company by Mahle Electric Drives Japan Corporation and Mahle Holding (India) Private Limited has been purchased by Lucas Indian Service Limited on 26th June, 2023. Consequently, The shareholding of percentage of Lucas Indian Service Limited in the Company has increased from 50.8% to 70.3%.

e) Disclosure of shareholding of promoters

(₹ in lakhs)

Promoter Name	As at 31st March, 2024		As at 31st March, 2023		% Change during the year
	Numbers	% shareholding	Numbers	% shareholding	
Equity shares of ₹ 5 each					
Lucas Indian Service Limited	1,59,07,374	70.32%	1,14,92,588	50.80%	19.52%
Mahle Holding India Private Limited **(refer note above)**	-	0.00%	30,00,000	13.26%	(13.26%)
Mahle Electric Drives Japan Corporation **(refer note above)**	-	0.00%	14,14,786	6.25%	(6.25%)
Sheela Balaji	3,712	0.02%	3,712	0.02%	0.00%
T K Balaji	1,694	0.01%	-	0.00%	0.01%
Vatsala Raghu	542	0.00%	8	0.00%	0.00%
Sowmyan Ramakrishnan	4,308	0.02%	7,308	0.03%	(0.01%)
V A Raghu	8	0.00%	8	0.00%	0.00%
Mala Ramakrishnan	742	0.00%	-	0.00%	0.00%
Vijaya Mohanram	742	0.00%	-	0.00%	0.00%
D Saroja	-	0.00%	3,712	0.02%	(0.02%)
	1,59,19,122	**70.37%**	**1,59,22,122**	**70.39%**	**(0)**

Notes forming part of Standalone Financial Statements

for the year ended 31st March, 2024 (Contd.)

f) There were no shares issued pursuant to contract without payment being received in cash, allotted as fully paid up by way of bonus issues and there were no buy back of shares during the last 5 years immediately preceding 31st March, 2024.

g) Details of interim dividend declared:

(₹ in lakhs)

	For the year 31st March, 2024	For the year 31st March, 2023
Date of meeting of board of directors	13th February, 2024	14th February, 2023
Dividend per share	10.25	9.25
Cash outflow in Lakhs	**2,318**	**2,092**

19 Other equity

(₹ in lakhs)

	For the year 31st March, 2024	For the year 31st March, 2023
Capital redemption reserve	**40**	**40**
General reserve	**23,909**	**23,909**
Retained earnings		
Opening Balance	22,127	18,432
Dividend paid during the year	(2,318)	(2,092)
Profit for the year	5,930	5,787
Closing balance	25,739	22,127
Other Comprehensive income		
Opening Balance	8,827	5,848
Add : Other comprehensive income for the year, net of tax	2,680	2,979
Closing balance	11,507	8,827
Total Other Equity	61,195	54,903

General Reserve:

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purpose. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

Retained Earnings:

The amount that can be distributed by the Company as dividends to its equity shareholders is determined based on the separate financial statements of the Company and also considering the requirements of the Companies Act, 2013. Thus, the amounts reported above are not distributable in entirety.

Reserve for equity instruments through other comprehensive income:

The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVTOCI equity investments reserve within equity. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognized.

Notes forming part of Standalone Financial Statements

for the year ended 31st March, 2024 (Contd.)

20 Lease liabilities

(₹ in lakhs)

	As at 31st March, 2024		As at 31st March, 2023	
	Non-current	Current	Non-current	Current
Lease liabilities	212	82	294	71
	212	**82**	**294**	**71**

(₹ in lakhs)

	As at 31st March, 2024	As at 31st March, 2023
a) Movement in lease liability		
Balance at beginning of the year	364	391
Additions	-	65
Deletion	-	-
Finance cost (Also, refer note 34)	33	37
Payment of Lease liabilities	(103)	(129)
Balance as at end of the year	**294**	**364**
b) Summary of contractual maturities of lease liabilities on undiscounted basis		
i) Less than one Year	108	104
ii) One to five years	239	347
iii) More than five years	-	-
	347	**451**
c) Amount recognized in statement of profit and loss		
Interest on lease liabilities	33	37
Amortization of ROU	91	102
	124	**139**

21 Non-current provision

(₹ in lakhs)

	As at 31st March, 2024	As at 31st March, 2023
Provision for employee benefits:	363	321
- Compensated absences	**363**	**321**

22 Deferred tax liability

(₹ in lakhs)

Deferred tax liability arising on account of	As at 31st March, 2024	As at 31st March, 2023
- Timing difference between written down value as per financials and as per Income tax on property plant and equipment	929	964
- Fair valuation of investments	3,189	2,250
Deferred tax asset arising on account of :		
- Provision for employee benefits	(290)	(139)
- Others	(59)	(90)
	3,769	**2,985**

Notes forming part of Standalone Financial Statements

for the year ended 31st March, 2024 (Contd.)

Particular	Timing difference between written down value as per financials and as per Income tax on property plant and equipment	Fair value change in Investment	Provision for employee benefits	Others	Total
Balance as at 1st April, 2022	965	1,582	(285)	(112)	2,150
Recognized in statement of profit and loss	(1)	(105)	147	22	63
Recognized in other comprehensive income	-	761	11	-	772
Balance as at 31st March, 2023	964	2,250	(139)	(90)	2,985
Recognized in statement of profit and loss	(35)	169	(159)	31	6
Recognized in other comprehensive income	-	770	8	-	778
Balance as at 31st March, 2024	**929**	**3,189**	**(290)**	**(59)**	**3,769**

23 Trade payables

(₹ in lakhs)

	As at 31st March, 2024	As at 31st March, 2023
Total outstanding dues to micro enterprises and small enterprises (Also, refer note (a) and (b))	4,333	2,923
Total outstanding dues to other than micro enterprises and small enterprises (Also, refer note (b))	9,488	6,628
	13,821	**9,551**

a) Disclosures Required Under Section 22 Of The Micro, Small And Medium Enterprises Development Act, 2006:

(₹ in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	4,333	2,923
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

The management has identified enterprises which have provided goods and services to the Company and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006 (MSMEDA). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31st March, 2024 and 31st March, 2023 has been made in the financials statements based on information received and available with the Company. Further, the Company has not paid any interest to any micro and small enterprises during the current year and previous year.

b) **Ageing of trade payables**

31st March, 2024

Particulars	Outstanding for following period from due date from payment				
	Less than 1year	1 to 2 years	2 to 3 years	More than 3 years	Total
Undisputed Micro and Small enterprises	4,333	-	-	-	**4,333**
Disputed - Micro and Small enterprises	-	-	-	-	**-**
Undisputed - Other than Micro and Small enterprises	9,404	32	-	52	**9,488**
Disputed - Other than Micro and Small enterprises	-	-	-	-	**-**

31st March, 2023

Particulars	Outstanding for following period from due date from payment				
	Less than 1year	1 to 2 years	2 to 3 years	More than 3 years	Total
Undisputed Micro and Small enterprises	2,923	-	-	-	**2,923**
Disputed - Micro and Small enterprises	-	-	-	-	**-**
Undisputed - Other than Micro and Small enterprises	6,570	4	10	44	**6,628**
Disputed - Other than Micro and Small enterprises	-	-	-	-	**-**

24 Other financial liabilities:

(₹ in lakhs)

	As at 31st March, 2024	As at 31st March, 2023
Unpaid dividend	56	62
Earnest money deposit	72	49
Commission to directors	230	155
Others*	0	-
	358	266

* Amount is below the rounding off norms adopted by the Company

25 Current provision

(₹ in lakhs)

	As at 31st March, 2024	As at 31st March, 2023
Provisions for employee benefits		
- Compensated absences	24	25
Gratuity (Also, refer note 39)	97	-
Provision for warranty (Also, refer note (a) below)	77	60
	198	**85**
Product Warranty:		
Opening Balance	60	55
Additions	61	48
Utilizations	(44)	(43)
Closing Balance	**77**	**60**

Notes forming part of Standalone Financial Statements

for the year ended 31st March, 2024 (Contd.)

a) A provision is recognized for expected warranty claims on supply of goods, based on past experience of level of repairs and returns. The current and non-current classification of the provision is made based on the remaining warranty period of the goods supplied as at the balance sheet date. The assumptions used to calculate the provision for warranties are based on the Company's current status of goods supplied that are under warranty and information available about expenditure more probable to be incurred based on the Company's warranty terms which provides for a warranty period of about 12-36 months.

26 Other current liabilities

(₹ in lakhs)

	As at 31st March, 2024	As at 31st March, 2023
Statutory dues	676	737
Liability towards discounts to customers	1,403	963
Tooling advance	496	426
Others	-	42
Closing Balance	**2,575**	**2,168**

27 Revenue from operations

(₹ in lakhs)

	Year ended 31st March, 2024	Year ended 31st March, 2023
Sale of Manufactured Products:		
Export sales	3,578	3,708
Domestic sales	65,084	61,047
	68,662	**64,755**
Sale of Traded Products:		
Domestic sales	3,940	679
Discount to customers (Turnover discount)	(932)	(813)
	71,670	**64,621**
Other operating revenues:		
- Export benefits	91	99
- Scrap sales and others	646	905
	72,408	**65,625**

a) Disaggregation of revenue information

The table below presents disaggregated revenues from contracts with customer which is recognized based on goods transferred at a point of time by geography and offerings of the Company. As per the management, the below disaggregation best depicts the nature, amount, timing and uncertainty of how revenues and cash flows are affected by industry, market and other economic factors.

(₹ in lakhs)

	Year ended 31st March, 2024	Year ended 31st March, 2023
Revenue by geography		
India	68,830	61,917
Rest of the world	3,578	3,708
Total revenue from operations	**72,408**	**65,625**

b) Contract balances

(₹ in lakhs)

	As at 31st March, 2024	As at 31st March, 2023
Receivables, which are included in Trade receivables (gross) (Contract Asset)	14,175	11,947
Tooling advances, Which are included in Other financial liabilities (Contract Liabilities)	496	426

c) Segment information

In accordance with Ind AS 108, Operating Segments, the Company has identified manufacture and sale of Ignition Systems for auto industry with special focus on two-wheeler and support with the collaborators, the Company has a developed research and development centre recognized by DSIR, Government of India. As per Ind AS 108 Operating Segments, the Chief Operating Decision Maker (CODM) evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments. Accordingly, the Company has identified only one segment as reportable segment for the year ended 31st March, 2024 and 31st March, 2023.

d) Geographical information

The Company is domiciled in India. The amount of its revenue from external customers and non-current assets other than financial instruments, and deferred tax assets, broken down by location of the assets, is shown below:

(₹ in lakhs)

	Year ended 31st March, 2024	Year ended 31st March, 2023
Revenue by geography		
India	68,830	61,917
Rest of the world	3,578	3,708
Total revenue from operations	**72,408**	**65,625**

(₹ in lakhs)

	As at 31st March, 2024	As at 31st March, 2023
Non-current asset		
India	40,440	34,657
Rest of the world	881	954
	41,321	**35,611**

e) Information about major customers

Revenue from operations include revenue from major customer group contributing individually to more than 10% of the Company's total revenue from operations as given below. There is no other single customer who contributed more than 10% to the Company's revenue for the respective years.

(₹ in lakhs)

	Year ended 31st March, 2024	Year ended 31st March, 2023
No of customer	2	2
Amount involved	48,751	43,384

Notes forming part of Standalone Financial Statements

for the year ended 31st March, 2024 (Contd.)

28 Other income

(₹ in lakhs)

	Year ended 31st March, 2024	Year ended 31st March, 2023
Interest Income :		
- From bank deposits	39	53
- From bonds	132	142
Dividend Income	194	2,031
Net gain on foreign currency transactions	144	149
Net gain on sale of investments carried at FVTPL	551	1,310
Gain on fair valuation of investment carried at fair value through profit and loss	1,334	-
Provision no longer required written back	83	261
Other non-operating income	2	71
	2,479	**4,017**

29 Cost of raw materials consumed

(₹ in lakhs)

	Year ended 31st March, 2024	Year ended 31st March, 2023
Opening stock	3,751	3,430
Add: Purchases	48,824	44,444
	52,575	**47,874**
Less: Closing stock	(5,025)	(3,751)
	47,550	**44,123**

30 Purchase of stock in trade

(₹ in lakhs)

	Year ended 31st March, 2024	Year ended 31st March, 2023
Purchase of stock in trade	2,438	1,646
	2,438	**1,646**

31 Changes in inventories of finished goods, work-in-progress and stock-in-trade

(₹ in lakhs)

	Year ended 31st March, 2024	Year ended 31st March, 2023
Closing stock		
Finished goods	1,161	1,333
Work in progress	200	209
Stock in trade	523	307
	1,884	**1,849**

(₹ in lakhs)

	Year ended 31st March, 2024	Year ended 31st March, 2023
Opening stock		
Finished goods	1,333	800
Work in progress	209	499
Stock in trade	307	230
	1,849	**1,529**
Changes in inventories	(35)	(320)

32 Other operating expenses

(₹ in lakhs)

	Year ended 31st March, 2024	Year ended 31st March, 2023
Stores and spares consumed	952	1,024
Power and fuel	862	821
Repairs to:		
-Building	325	326
-Machinery	401	428
-Others	98	105
Research and development expenses	262	184
	2,900	**2,888**

33 Employee benefits expenses

(₹ in lakhs)

	Year ended 31st March, 2024	Year ended 31st March, 2023
Salaries, wages and bonus	7,259	6,503
Gratuity expenses (Also, refer note 39)	64	66
Contribution to provident and other funds (Refer Note 39)	403	352
Staff welfare expenses	1,070	1,050
	8,797	**7,971**

34 Finance costs

(₹ in lakhs)

	Year ended 31st March, 2024	Year ended 31st March, 2023
Bank charges	6	5
Interest on lease liabilities (Refer note 20)	33	37
	39	**42**

Notes forming part of Standalone Financial Statements

for the year ended 31st March, 2024 (Contd.)

35 Depreciation and amortization expenses

(₹ in lakhs)

	Year ended 31st March, 2024	Year ended 31st March, 2023
Depreciation of Property, plant and equipment (Also, refer note 4)	1,360	1,298
Amortization of intangible assets (Also, refer note 6)	58	62
Amortization of right to use asset (Also, refer note 7)	91	102
	1,509	**1,462**

36 Other expenses

(₹ in lakhs)

	Year ended 31st March, 2024	Year ended 31st March, 2023
Rent (Also, refer note (a) below)	5	22
Repairs and maintenance - others	23	16
Insurance	51	63
Rates and taxes	51	40
Communication expenses	47	49
Postage, printing and stationery	46	50
Director sitting fees	21	29
Travelling and conveyance	298	235
Legal and professional charges	1,063	429
Management fees (Also, refer note 40)	654	563
Commission to directors	159	155
Warranty expenses	61	48
Freight outwards	417	377
Advertisement and sales promotion expenses	267	1,078
Audit Fees:		
a) Statutory Auditors:		
- Statutory Audit	18	18
- Tax Audit	4	4
- Other Attestation Matters	8	7
- Reimbursement of Expenses	2	1
b) Cost Audit	3	3
c) Secretarial Audit	2	2
d) Reimbursement - Other audits	2	1
Loss on fair valuation of investment carried at fair value through profit and loss	-	77
Miscellaneous expenses	810	666
	4,111	**4,021**

a) The Company has lease contracts for office premises and these lease contracts are cancellable/renewable for further period on mutually agreeable terms during the tenure of lease contracts. These lease contracts are classified as short term lease contracts under Ind AS 116.

Notes forming part of Standalone Financial Statements

for the year ended 31st March, 2024 (Contd.)

37 Items will not be reclassified to profit and loss

(₹ in lakhs)

	Year ended 31st March, 2024	Year ended 31st March, 2023
Increase in fair value of investments	3,591	3,710
Remeasurement of the defined benefit plan	(133)	42
Income tax relating to items that will not be reclassified to profit or loss	(778)	(773)
	2,680	**2,979**

38 Income tax

The major components of tax expense and the reconciliation of the expected tax expense based on the domestic effective tax rate of the Company at 25.17% and the reported tax expense in the statement of profit and loss are as follows:

(₹ in lakhs)

	Year ended 31st March, 2024	Year ended 31st March, 2023
Income tax expenses		
Accounting profit before taxes and exceptional items	7,578	7,809
Tax rates	25.17%	25.17%
Tax on profit at enacted tax rate	**1,907**	**1,966**
Dividend income from mutual funds and equity instruments exempted under the income tax act (u/s.80M deduction)	(49)	(519)
Effect of adjustment of income over the carried forward loss	(17)	(152)
On account of enacted tax rates	(248)	(101)
Others	49	(38)
Actual tax expenses as per P&L a/c	**1,642**	**1,156**
Deferred tax expenses		
On account of timing difference between written down value as per financials and as per Income tax on property plant and equipment	(35)	(1)
On account of fair value change in Investment	169	(105)
On account of provision for employee benefits	(159)	147
Others	31	22
Deferred tax expenses	**6**	**63**
Total tax expenses recognized in statement of profit and loss	**1,648**	**1,219**

39 Employee benefits

The Company provides for gratuity, a defined benefit retirement plan covering eligible employees. The gratuity plan provides a lumpsum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount on the respective employee's salary and the tenure of employment with the Company. The employee benefits notified under section 133 of the companies act are given below:

Notes forming part of Standalone Financial Statements

for the year ended 31st March, 2024 (Contd.)

a) Defined contribution plan:

i) Provident fund

Eligible employees receive benefits from a provident fund, which is a defined contribution plan. Aggregate contributions along with interest thereon are paid at retirement, death, incapacitation or termination of employment. Both the employee and the Company make monthly contributions to the Employee's Provident Fund scheme administered by Government of India equal to a specified percentage of the covered employee's salary.

ii) Superannuation fund

Eligible employees receive benefits from the superannuation fund, which is a defined contribution plan. Aggregate contributions along with interest theron are paid at retirement, death, incapacitation or termination of employment. The Company makes yearly contributions to the Superannuation Fund Scheme administered by Life Insurance Corporation of India. Liabilities with regard to the Superannuation fund are determined by the Life Insurance Corporation of India as the balance sheet date, based upon which, the Company contributes all the ascertained liabilities to the Life Insurance Corporation of India's Employees Superannuation Fund.

iii) Employee State Insurance Benefits

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Employee State Insurance, which is defined contribution plan. The Company has no obligations other than to make the specified contributions. The contributions are charged to the statement of profit and loss as they accrue.

(₹ in lakhs)

	Year ended 31st March, 2024	Year ended 31st March, 2023
Employer's contribution to provident fund	284	225
Employer's contributions to employee state insurance	8	4
Employer's contribution to superannuation fund	50	48
Employer's contribution to labour welfare fund	-	-
	341	**277**

b) Leave encashment:

The Employees of the Company are entitled to compensated absence. Employees can carry forward a portion of the unutilized accrued compensated absence and utilize it in future periods or receive cash compensation at retirement or termination of employment for the unutilized accrued compensated absence for a maximum of 52 days (up to the age of 50) and 90 days (age beyond 50). The Company records an obligation for compensated absences in the period in which employees render services that increase this entitlement. The Company measures the expected cost of compensated absence as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the balance sheet date. The liability has been actuarially determined and accounted in the books.

c) **Defined benefit Plan:**

Gratuity:

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act, 1972 or the Company scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The Company provides the gratuity benefit through annual contributions to a fund managed by the Life Insurance Corporation of India (LIC).

These plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk: The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. When there is a deep market for such bonds; if the return on plan asset is below this rate, it will create a plan deficit. Currently, for these plans, investments are made in government securities, debt instruments, Short term debt instruments, Equity instruments and Asset Backed, Trust Structured securities as per notification of Ministry of Finance.

Interest risk: A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's investments.

Longevity risk: The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

In respect of the above plans, the most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as at 31st March, 2024 by a member firm of the Institute of Actuaries of India. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

d) **The following table set out the status of the gratuity plan and the amount recognized in the Company's financial statement**

i) **Change in projected benefit obligation**

(₹ in lakhs)

	As at 31st March, 2024	As at 31st March, 2023
Opening defined benefit obligation	1,273	1,185
Benefits paid	(129)	(24)
Current service cost	68	67
Interest cost on benefit obligation	86	81
Actuarial (gain) on obligation	140	(36)
Projected benefit obligation at the end of the year	**1,438**	**1,273**

Notes forming part of Standalone Financial Statements

for the year ended 31st March, 2024 (Contd.)

ii) Change in plan assets

(₹ in lakhs)

	As at 31st March, 2024	As at 31st March, 2023
Opening fair value of plan assets	**1,282**	**1,160**
Contributions by employer	91	58
Benefits paid	(129)	(24)
Expected return	90	82
Actuarial gain / (loss) on plan assets	7	6
Closing fair value of plan assets	**1,341**	**1,282**

iii) Reconciliation of present value of obligation on the fair value of plan assets to the liability recognized

(₹ in lakhs)

	Year ended 31st March, 2024	Year ended 31st March, 2023
Present value of projected benefit obligation at the end of the year	1,438	1,273
Fair value of plan assets at the end of the year	1,341	1,282
(Asset) / liability recognized in the balance sheet	**97**	**(9)**
Funded Status		
Funded	1,438	1,273
Unfunded	-	-

iv) Components of net gratuity costs are

(₹ in lakhs)

	Year ended 31st March, 2024	Year ended 31st March, 2023
Current service cost	68	67
Interest cost on benefit obligation	(4)	(0)
Past service cost	-	-
Total amount recognized in the statement of profit or loss	**64**	**67**
Actuarial (gain)	133	(42)
Total amount recognized in other comprehensive income	**133**	**(42)**

v) Principal actuarial assumptions used:

(₹ in lakhs)

	As at 31st March, 2024	As at 31st March, 2023
Discount Rate (%)	6.97%	7.14%
Estimated Rate of Return on Plan Assets	6.97%	7.14%
Attrition Rate	12.00%	15.00%
Expected rate of salary increase (%)	7.00%	7.00%
Expected Average Remaining Service (years)	6.70	5.68

Notes forming part of Standalone Financial Statements

for the year ended 31st March, 2024 (Contd.)

The Company assesses these assumptions with the projected long-term plans of growth and prevalent industry standards.

The estimates of rate of escalation in salary considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary. The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

vi) Employee benefits - maturity profile (undiscounted)

(₹ in lakhs)

	As at 31st March, 2024	As at 31st March, 2023
Within 1 year	185	213
1 - 2 years	299	237
2 - 3 years	177	219
3 - 4 years	161	154
4 - 5 years	173	143
Above 5 years	649	522
	1,645	**1,488**

vii) Sensitivity analyses

(₹ in lakhs)

		As at 31st March, 2024	As at 31st March, 2023
A.	Discount Rate + 50 BP	7.47%	7.64%
	Defined Benefit Obligation [PVO]	1,404	1,246
	Current Service Cost	79	66
B.	Discount Rate - 50 BP	6.47%	6.64%
	Defined Benefit Obligation [PVO]	1,474	1,301
	Current Service Cost	84	70
C.	Salary Escalation Rate +50 BP	7.50%	7.50%
	Defined Benefit Obligation [PVO]	1,476	1,302
	Current Service Cost	84	70
D.	Salary Escalation Rate -50 BP	6.50%	6.50%
	Defined Benefit Obligation [PVO]	1,402	1,244
	Current Service Cost	79	66

Notes forming part of Standalone Financial Statements

for the year ended 31st March, 2024 (Contd.)

40 Related parties (As per Ind AS 24)

40.1

Names of related parties	Nature of relationship
Ultimate holding Company	SB TVS Industrial Ventures Private Limited
Holding Company	Lucas Indian Service Ltd
Entity which has significant influence over the Company	Mahle Electric Drives Japan Corporation (upto 26th June, 2023)
	Mahle Holding (India) Private Limited (upto 26th June, 2023)
Subsidiary	P T Automotive Systems Indonesia
Enterprise having transaction with the Company during the current year/ previous year over which the Key Managerial Personnel and their relatives are able to exercise significant influence/control	Lucas TVS Limited
Entities in which Director's are interested	TVS Educational Society
	Southern Roadways P Ltd
	Subbaraya Aiyar, Padmanabhan and Ramamani, Advocates (upto 20th September, 2023)
Key Managerial Personnel and Other Directors	Arvind Balaji, Managing Director
	Anant Jaivant Talaulicar, Director
	Tirumala Kumara Balaji, Director
	Tirumala Kumara Balaji Priyamvada, Director
	Heramb Ravindra Hajarnavis, Director (from 10th August, 2023)
	Gangapriya Chakraverti, Director (from 10th August, 2023)
	KG Raghavan, Director (till 20th September, 2023)
	R Vijaya Raghavan, Director (till 20th September, 2023)
	Jakob Ruemmler, Director (till 19th July, 2023)
	Kiyoyasu Kawakami, Director (till 19th July, 2023)
	V Jayabalaraman, Director (till 21st September, 2022)
	Jayashree Suresh, Director (till 21st September, 2022)
	Elango Srinivasan, CFO
	G Venkatram, Company Secretary (till June 2022)
	Logitha, Company Secretary

a) Related party relationships are as identified by the management and relied upon by the auditors.

40.2 Transactions with related parties

(₹ in lakhs)

Name of the related party	Year ended 31st March, 2024	Year ended 31st March, 2023
Mahle Electric Drives Japan Corporation		
Sale of products	-	49
Dividend paid	-	131
Lucas Indian Service Ltd		
Sale of products	4,909	3,887
Rent paid	25	23
Dividend paid	1,630	1,063
Mahle Holding (India) Pvt Ltd		
Dividend paid	-	277
Lucas TVS Limited		
Sale of products	153	125
Purchase of raw materials	-	47
Rent expenses	79	86
Reimbursement of expenses	467	557
Travel reimbursements received	24	13
Management and testing fees	647	573
Dividend received	175	232
TVS Training and Services Limited		
Training expenses	-	1
TVS Educational Society		
Reimbursement of expenses	24	14
Stipend to apprentices	1,338	1,238
Arvee Consultants & Services Private Limited		
Professional charges	2	2
Remuneration		
Arvind Balaji- Managing director*	307	297
Anant Jaivant Talaulicar, Director	12	10
Tirumala Kumara Balaji, Director	7	8
Tirumala Kumara Balaji Priyamvada, Director	8	5
Heramb Ravindra Hajarnavis,Director	12	6
Gangapriya Chakraverti,Director	11	5
KG Raghavan,Director	2	6
R Vijaya Raghavan, Director	4	4
Jakob Ruemmler, Director	-	5
V Jayabalaraman, Director	-	3
Jayashree Suresh, Director	-	3
Elango Srinivasan-Chief financial officer	68	66
G Venkatram- Company Secretary	-	6

*Gratuity and Compensated absences are being provided based on actuarial valuation performed for the Company as a whole and accordingly is not identifiable separately for the KMPs. The above amount includes the value of perquisites inform of rent free accomodation, furniture, Gas, electricity, water, Internet and Security, valued as per the Income Tax rules

Notes forming part of Standalone Financial Statements

for the year ended 31st March, 2024 (Contd.)

40.3 Balance with related parties

Name of the related party	As at 31st March, 2024	As at 31st March, 2023
Trade receivables		
Lucas Indian Service Limited	1,474	839
Lucas TVS Limited	71	4
Trade payables		
Lucas TVS Limited	253	259
Arvee Consultants & Services Private Limited	1	1
Remuneration payable		
Commission payable	230	155
Investments in Equity Shares accounted as fair value through comprehensive income		
Lucas TVS Limited	19,037	15,446

41 Research and Development expenses*

Particular	Year ended 31st March, 2024	Year ended 31st March, 2023
The amount spent towards Research and Development expenses during the year are as under:		
Capital expenditure	**102**	**391**
Revenue expenditure		
Salaries, wages and bonus	1,032	857
Power and fuel	95	76
Travelling and conveyance	51	46
Miscellaneous expenses	765	556
Total	2,045	1,926

*The summary is prepared based on the information available with the Company and is relied upon by the auditors

42 Earnings per equity share (EPS)

Particular	Year ended 31st March, 2024	Year ended 31st March, 2023
Basic and diluted earnings per share		
Nominal value of equity shares	5	5
Profit attributable to equity shareholders (A)	5,930	5,787
Weighted average number of equity shares outstanding during the year (B)	2,26,21,424	2,26,21,424
Basic earnings per equity share (A/B)	26.20	25.58
Diluted earnings per equity share (A/B)	26.20	25.58

Notes forming part of Standalone Financial Statements

for the year ended 31st March, 2024 (Contd.)

43 Contingent liabilities and commitment

Particular	As at 31st March, 2024	As at 31st March, 2023
a) Claims not acknowledged as debt		
Disputed income tax demands	684	-
Sales tax matters	3	-
Others	-	2
b) Estimated amount of contracts remaining to be executed on capital account and not provided, net of advance	401	931

Note:

The Company has received a favourable order from Gurugram District court in respect of a claim for compensation for a land acquired from the Company in 2010 to the extent of ₹ 445 Lakhs plus interest as specified in the order. The Company's execution petition is in the process of being heard. The said compensation will be accounted on conclusion of the matter.

44 Corporate social responsibility (CSR) expenditure

Particular	Year ended 31st March, 2024	Year ended 31st March, 2023
a) Gross amount required to be spent by the Company during the year	96	94
b) Amount spent during the year on :		
- Construction/Acquisition of any Asset:	-	-
- Education	61	60
- Rural Development Projects	25	-
- Health Care and Sanitation	8	32
- On purposes other than above	2	2
c) (Shortfall) / excess paid at the end of the year	0.1	-
-Reason for shortfall	Not applicable	Not applicable
d) Total of previous years shortfall	-	-
-Reason for shortfall	Not applicable	Not applicable
Nature of CSR activities		
Eradicating Hunger, poverty, Rural Development projects, Promoting Education, enhancing vocational skills especially among children and women, Promoting gender equality, Health care and sanitation, Environment & sustainability.		
e) Details of related party transactions in relation to CSR expenditure, e.g., contribution to a trust controlled by the Company in relation to CSR expenditure	Nil	Nil
f) 'Provisions w.r.t CSR Expenditure pursuant to contractual obligation	Nil	Nil

Notes forming part of Standalone Financial Statements

for the year ended 31st March, 2024 (Contd.)

45 Fair value measurement

a) Financial instruments by category

The carrying value and fair value of financial instruments by categories as of 31st March, 2024

Particulars	Amortized Cost	FVTPL	FVOCI	Total carrying value	Total fair value
Financial assets					
Investments*	501	23,618	19,073	43,192	43,192
Trade receivables	14,175	-	-	14,175	14,175
Loans	112	-	-	112	112
Cash and cash equivalents	825	-	-	825	825
Other bank balances	656	-	-	656	656
Other Financial Assets	162	-	-	162	162
Total	**16,431**	**23,618**	**19,073**	**59,122**	**59,122**
Financial liabilities					
Trade payables	13,821	-	-	13,821	13,821
Lease liability	294	-	-	294	294
Other financial liabilities	358	-	-	358	358
Total	**14,473**	**-**	**-**	14,473	**14,473**

The carrying value and fair value of financial instruments by categories as of 31st March, 2023

Particulars	Amortized Cost	FVTPL	FVOCI	Total carrying value	Total fair value
Financial assets					
Investments*	1,207	18,816	15,478	35,501	35,501
Trade receivables	11,947	-	-	11,947	11,947
Loans	118	-	-	118	118
Cash and cash equivalents	882	-	-	882	882
Other bank balances	996	-	-	996	996
Other Financial Assets	212	-	-	212	212
Total	**15,362**	**18,816**	**15,478**	**49,656**	**49,656**
Financial liabilities					
Trade payables	9,551	-	-	9,551	9,551
Lease liability	365	-	-	365	365
Other financial liabilities	266	-	-	266	266
Total	**10,182**	**-**	**-**	10,182	**10,182**

* Does not include Investment which are accounted at cost in accordance with Ind AS 27.

Fair value measurements

(i) Fair value hierarchy

Financial assets and financial liabilities measured at fair value in the statement of financial position are classified into three Levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurements:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

(ii) Financial assets measured at fair value through profit and loss (FVTPL) on a recurring basis

Particular	Fair value hierarchy	As at 31st March, 2024	As at 31st March, 2023
Investments in Alternate Investment funds	Level I	1,367	1,250
Investments in equity shares	Level I	1,299	983
Investment in mutual funds	Level I	20,952	16,583
Total		**23,618**	**18,816**

(iii) Financial assets measured at fair value through Other Comprehensive Income (FVTOCI) on a recurring basis

Particulars	As at 31st March, 2024	As at 31st March, 2023	Fair value hierarchy	Valuation technique(s) and key input(s)
Un listed equity instruments	19,073	15,478	Level III	The fair value is calculated based on the inputs for the assets that are not based on observable market data

Notes:

a) **Level 1:** level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period

b) **Level 2:** level 2 hierarchy includes mutual funds. The mutual funds are valued using the closing NAV provided by the fund management Company at the end of each reporting year.

c) **Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3

d) The investments in equity instruments are not held for trading. Instead, they are held for medium or long-term strategic purpose. Upon the application of Ind AS 109, the Company has chosen to designate these investments in equity instruments as at FVTOCI as the directors believe that this provides a more meaningful presentation for medium or long-term strategic investments, than reflecting changes in fair value immediately in profit or loss.

e) The Company has invested in the energy generating companies as per the regulation of Electricity Act. Although the investments are classified as "Equity" shares, as per IND AS 32 –"Financial Instruments, Presentation" the definition of "equity" requires an entitlement in the residual interest in net assets whereas the Company as per share holder agreement requires to transfer the shares at cost. However, no changes are given effect to the above as per IND AS 32, since the regulation of Electricity Act does not permit distribution in any other manner. IND AS 109 requires an equity share other than investments in subsidiaries, associates and joint ventures to be valued at "Fair Value Through Other Comprehensive Income" if elected initially or valued at "Fair Value Through Profit and Loss Account". However, on account of what is stated in the previous paragraph, these shares are shown at cost and the fair value is deemed to be the cost. Accordingly, investment in IRIS Ecopower is considered to be a Level 3 fair valuation.

f) The Company has invested in the equity shares of Lucas TVS Limited. This investment is considered to be a level 3 fair valuation. Valuation technique used - Market Approach: Comparable companies Method ("CCM") (EV/EBITDA Multiple i.e. Enterprise Value/Earnings Before Interest Tax Depreciation and Amortization multiple).

Notes forming part of Standalone Financial Statements

for the year ended 31st March, 2024 (Contd.)

g) *Significant unobservable inputs - EV/EBITDA Multiple at 9x*

Relationship of Unobservable Inputs to Fair Value - A slight increase or decrease in the multiple will result in an increase or decrease in the fair value. A decrease in the multiple by 0.5x would result in a decrease in the fair value by ₹ 1,058 Lakhs and an increase in the multiple by 0.5x would result in a increase in the fair value by ₹ 1,058 Lakhs

h) The Company has not disclosed the fair values for loans, cash and bank balances, trade receivables, other financial assets, trade payables, and other financial liabilities because their carrying amounts are a reasonable approximation to the fair value.

i) There have been no transfers between levels 1 and 2 during the year.

46 Financial risk management

a Financial Risk Management Framework

Company's principal financial liabilities comprise trade payables and Other financial liabilities. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include Investments, Trade receivables, loans, cash and bank balances and other financial assets that derive directly from its operations

Risk Exposures and Responses

The Company is exposed to market risk, interest rate risk, foreign currency risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management assesses the financial risks and the appropriate financial risk governance framework in accordance with the Company's policies and risk objectives. The Board of Directors review and agree on policies for managing each of these risks, which are summarized below.

i) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company only transacts with entities that are rated the equivalent of investment grade and above. The Company uses other publicly available financial information and its own trading records to rate its major customers. The Company's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

Trade receivables consist of a four to five major OEMs and large number of small customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable. At 31st March, 2024, the Company did not consider there to be any significant concentration of credit risk which had not been adequately provided for. The carrying amount of the financial assets recorded in the financial statements represents the maximum exposure to credit risk.

Other financial assets mainly comprises of rental deposits, security deposits and loans which are given to landlords or other governmental agencies in relation to contracts executed and related parties are assessed by the Company for credit risk on a continuous basis.

ii) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk i.e. interest rate risk, currency risk, and Commodity risk.

Notes forming part of Standalone Financial Statements

for the year ended 31st March, 2024 (Contd.)

Interest rate risk

The Company has no outstanding borrowings and investment in bonds at fixed rates. Accordingly, no Interest risk is perceived.

Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instruments will fluctuate because of changes in foreign exchange rates. The Company is exposed to foreign exchange risk arising from transactions i.e. imports of materials, recognized assets and liabilities denominated in a currency that is not the Company's functional currency. The Company has not entered into any derivative contracts to hedge its foreign currency exposure during the reporting period.

The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are as under:

Particulars	Currency	31st March, 2024		31st March, 2023	
		Amount in Foreign Currency	Amount in ₹	Amount in Foreign Currency	Amount in ₹
Trade Receivables	EUR	2	189	2	175
	USD	8	692	10	779
Trade Payables	GBP	0	8	-	-
	USD	3	289	6	503
	JPY	47	27	1	0
	CNY	26	308	16	197

Foreign currency sensitivity

Particulars	Currency	31st March, 2024		31st March, 2023	
		Increase	Decrease	Increase	Decrease
Effect on profit before tax	EUR	9.43	(9.43)	8.74	(8.74)
Increase/(Decrease) of 5%	USD	20.29	(20.29)	14.01	(14.01)
	JPY	(1.34)	1.34	(0.02)	0.02
	CNY	(15.40)	15.40	(9.85)	9.85
	GBP	(0.39)	0.39	-	-

Commodity Risk

The Company has commodity price risk, primarily related to the purchases of Steel, Aluminium and Copper. However, the Company do not bear significant exposure to earnings risk, as such changes are included in the rate-recovery mechanisms with the customers.

iii. Liquidity risk

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Company has no outstanding bank borrowings. The Company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

Notes forming part of Standalone Financial Statements

for the year ended 31st March, 2024 (Contd.)

The tables below set out the maturities of the Company's financial liabilities:

Particulars	As at 31st March, 2024				Total
	Up to 1 year	1 to 3 years	3 to 5 years	5 years and above	
Trade payables	13,821	-	-	-	13,821
Lease Liability	82	212	-	-	294
Other financial liabilities	358	-	-	-	358
Total	**14,261**	**212**	**-**	**-**	**14,473**

Particulars	As at 31st March, 2023				Total
	Up to 1 year	1 to 3 years	3 to 5 years	5 years and above	
Trade payables	9,551	-	-	-	9,551
Lease Liability	71	156	138	-	365
Other financial liabilities	266	-	-	-	266
Total	**9,888**	**156**	**138**	**-**	**10,182**

47 Additional regulatory information as required by Schedule III to the Companies Act, 2013

a) The Company does not have any benami property, where any proceeding has been initiated or pending against the Company for holding any benami property.

b) The Company did not have any transactions with companies struck off.

c) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

d) The Company has not traded or invested in crypto currency or virtual currency during the financial year.

e) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding that the intermediary shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (ultimate beneficiaries) or

(ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

f) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or

(ii) provide any guarantee, security or the like on behalf of the ultimate beneficiaries,

g) The Company does not have any transaction which is not recorded in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

h) The Company has not been declared willful defaulter by any bank or financial Institution or other lender.

i) The Company does not have any scheme of arrangements which have been approved by the competent authority in terms of sections 230 to 237 of the Act.

j) The Company has complied with the number of layers prescribed under of Section 2(87) of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

k) The Company has no borrowings, accordingly no return is required to be furnished on periodical basis to banks, financial institutions or others.

48 Audit Trial:

The Company has deployed various accounting software for maintaining its books of account for the year ended March 31, 2024, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that audit trail feature was not enabled a) for certain master tables in the Company's ERP relating to sales, procurement, production, treasury and financial reporting business processes b) at the database level to log any direct data changes. This has not resulted in any impact on the operating effectiveness of the Company's internal financial controls.Adequate alternate control exists to ensure that the internal financial controls over financial reporting have operated effectively throughout the financial year.

49 Particulars of Loans, Guarantees or Investments covered under Section 186(4) of the Companies Act, 2013 :

(i) Advances in the nature of loans given to Companies as at Mar 31, 2024: ₹ Nil (As at Mar 31, 2023: ₹ Nil)

(ii) Details of investments made under Section 186 of the Companies Act, 2013 are disclosed in Note 8. There are no loans/guarantees issued under Section 186 of the Companies Act, 2013 read with rules issued thereunder.

50 Analytical ratios

Ratio	Current year	Previous year	% Variance	Remarks
Current ratio	2.49	2.98	(16.47%)	Not applicable
Return on equity	10%	11%	(8.91%)	Not applicable
Inventory turnover ratio	7.98	8.60	(7.23%)	Not applicable
Trade receivables turnover ratio	5.54	5.53	0.25%	Not applicable
Trade payables turnover ratio	4.39	4.97	(11.73%)	Not applicable
Net capital turnover ratio	2.86	2.73	4.63%	Not applicable
Net profit ratio	8.19%	8.82%	(7.15%)	Not applicable
Return on capital employed	12%	12%	(3.96%)	Not applicable
Return on investment*	27%	22.0%	20.99%	Not applicable

Ratio	Numerator	Denominator
Current Ratio	Current Assets	Current liabilities
Return On Equity	Profit available for Equity shareholders (PAT-Preference Dividend)	Average Shareholder's Equity
Inventory Turnover Ratio	COGS or Sales	Average inventory
Trade Receivables Turnover Ratio	Net credit sales (net of sales returns)	Average accounts receivable
Trade Payables Turnover Ratio	Net credit purchases (net of purchase returns)	Average trade payables
Net Capital Turnover Ratio	Net sales (net of sales)	Net working capital
Net Profit Ratio	PAT	Net sales (net of sales)
Return On Capital Employed	PBIT	(Tangible net worth = Total assets-Intangible assets-Total liabilities) *(though investments are not tangible, they are generally included while computing tangible net worth)*
Return On Investment	Income generated on Investments	Average Investments*

* Due to practical difficulties in arriving at the time weighted average investments, yearly average of investments is considered.

@ Explanations are provided for any change in the ratio by more than 25% as compared to 31st March, 2023

Notes forming part of Standalone Financial Statements

for the year ended 31st March, 2024 (Contd.)

51 Approval of Financial Statements

In connection with the preparation of the standalone financial statements for the year ended 31st March, 2024, the Board of Directors have confirmed the propriety of the contracts / agreements entered into by / on behalf of the Company and the resultant revenue earned / expenses incurred arising out of the same after reviewing the levels of authorization and the available documentary evidences and the overall control environment. Further, the Board of Directors have also reviewed the realizable value of all the current assets of the Company and have confirmed that the value of such assets in the ordinary course of business will not be less than the value at which these are recognized in the standalone financial statements. In addition, the Board has also confirmed the carrying value of the non-current assets in the financial statements. The Board, duly taking into account all the relevant disclosures made, has approved these financial statements at its meeting held on 30th May, 2024. The shareholders of the Company have the rights to amend the Financial Statements in the ensuing Annual general meeting post issuance of the same by the Board of directors.

52 Events after the reporting period

No adjusting or significant non-adjusting events have occurred since the reporting date other than those disclosed.

For and on behalf of the Board of Directors of

India Nippon Electricals Limited

CIN: L31901TN1984PLC011021

T K Balaji
Chairman
DIN:00002010

Arvind Balaji
Managing Director
DIN:00557711

Elango Srinivasan
Chief Financial Officer

S Logitha
Company Secretary

Place: Chennai
Date: 30th May, 2024

Independent Auditor's Report

To The Members of

India Nippon Electricals Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of India Nippon Electricals Limited ("the Parent") and its subsidiary, (the Parent and its subsidiary together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31st March, 2024, and the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year ended on that date, and notes to the financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2024, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing ("SAs") specified under section 143 (10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. we have determined the matters described below to be the key audit matters to be communicated in our report.

Independent Auditor's Report (Contd.)

Sr. No.	Key Audit Matter	Auditor's Response
1	**Fair valuation of Investments** The Company has certain investments in equity shares (unquoted equity instruments) with a carrying value as at 31st March, 2024 amounting to Rs. 19,037 lakhs. The Company has valued these investments at 'Fair Value through Other Comprehensive Income' in accordance with Indian Accounting Standard 109, Financial Instruments. The valuation of these investments is a focus area of our audit as it is highly dependent on estimates (including various assumptions and techniques used) which contain information that are not observable in the market. Given the inherent subjectivity in the valuation of the above investments, relative significance of these investments to the financial statements and the nature and extent of audit procedures involved, we determined this to be a key audit matter. (Refer note 8 to the consolidated financial statements)	Principal audit procedures performed included the following: • Understanding and evaluation of design and testing of operating effectiveness of the controls over determination of fair value of unquoted equity instruments. • Assess the appropriateness of the Company's accounting policy for accounting for such unquoted equity instruments and the method adopted to determine fair value of such instruments, with reference to the relevant accounting standards. • Assessing the basis and reasonableness of the input data considered by the Management for the purposes of the valuation as at the balance sheet date. • Perform a look back analysis to ascertain whether the input data and assumptions considered by the Management in the past is within a reasonable range when compared to the actual results of such input data. • Evaluation of competence, capabilities and objectivity of the Management personnel involved in carrying out such valuation. • Engaging our fair valuation expert to test the appropriateness of the Management's underlying assumptions and appropriateness of the valuation method used by the Management. • Testing the mathematical accuracy of the fair value determined by the Company. • Assessing appropriateness and adequacy of relevant disclosures in the Consolidated financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Parent's Board of Directors is responsible for the other information. The other information comprises the annual report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Parent's Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including Ind AS specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intend to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent Company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of entities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction,

supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Parent Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal financial controls that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

(a) We did not audit the financial information of one subsidiary, whose financial information reflect total assets of Rs.410 lakh as at 31st March, 2024, total revenues of Rs. Nil and net cash inflows amounting to Rs.7 lakh for the year ended on that date, as considered in the consolidated financial statements. This financial information is unaudited and has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included with respect of this subsidiary is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, this financial information is not material to the Group.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to the financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report, to the extent applicable that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

   b) In our opinion, proper books of account as required by law maintained by the Group including relevant records relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books except for not complying with the requirement of the audit trail as stated in (i)(vi).

   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors of the Parent Company as on 31st March, 2024 taken on record by the Board of

Directors of the Company, none of the directors of the Group incorporated in India is disqualified as on 31st March, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.

f) The modification/s relating to the maintenance of accounts and other matters connected therewith, is/are as stated in paragraph (b) above.

g) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls with reference to consolidated financial statements of those companies.

h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us the remuneration paid by the Parent Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group - Refer Note 43 to the consolidated financial statements;

ii) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.

iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent.

iv) (a) The Management of the Parent Company, whose financial statements have been audited under the Act, have represented to us, to the best of their knowledge and belief, as disclosed in the note 47 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Parent Company or subsidiary to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Parent or subsidiary, ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The Management of the Parent Company which is a company incorporated in India, whose financial statements have been audited under the Act, have represented to us , to the best of their knowledge and belief, as disclosed in the note 47 to the consolidated financial statements, no funds have been received by the Parent Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Parent Company or Subsidiary Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances performed by us nothing has come to our to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v) The interim dividend proposed in the current year, declared and paid by the Parent whose financial statements have been audited under the Act, where applicable, during the year is in accordance with section 123 of the Act, as applicable.

vi) Based on our examination, which included test checks, the Parent has used accounting software's for maintaining its books of account for the financial year ended 31st March, 2024, which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software's except that

a) Audit trail feature was not enabled for certain master tables relating to sales, procurement, production, treasury and financial reporting business processes.

b) No audit trail enabled at the database level for accounting software's to log any direct data changes.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended 31st March, 2024.

2. With respect to the matters specified in Clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the audit report under section 143 issued by us, we report that CARO is applicable only to the Parent and not to any other company included in the consolidated financial statements. We have not reported any qualification or adverse remark in the CARO report of the Parent Company.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

R. Prasanna Venkatesh
Partner
Membership No.214045
UDIN: 24214045BKEKKU9162

Place: Chennai
Date: 30th May 2024

Annexure "A" to the Independent Auditor's Report

(Referred to in paragraph 1(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls with reference to consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated Ind AS (financial statements of the Company as at and for the year ended 31st March, 2024, we have audited the internal financial controls with reference to consolidated financial statements of India Nippon Electricals Limited (hereinafter referred to as "the "Parent"), as of that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Parent, is responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the internal control with reference to consolidated financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the ICAI)". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Parent's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Parent's internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Parent's internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial Controls with reference to consolidated financial statements

A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to consolidated financial statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion to the best of our information and according to the explanations given to us, the Parent, has, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at 31st March, 2024, based on "the internal control with reference to consolidated financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

R. Prasanna Venkatesh
Partner
Membership No.214045
UDIN: 24214045BKEKKU9162

Place: Chennai
Date: 30th May 2024

Consolidated Balance Sheet

As at 31st March, 2024

(₹ in lakhs)

Particulars	Notes	As at 31st March, 2024	As at 31st March, 2023
Assets			
Non-current assets			
Property, plant and equipment	4	13,117	12,106
Capital work-in-progress	5	1,274	1,280
Intangible assets	6A	113	159
Intangible assets Under development	6B	32	-
Right-of-use assets	7	1,088	1,179
Financial Assets			
(i) Investments	8	25,078	20,274
(ii) Loans	9	112	118
(iii) Others financial assets	10	96	79
Other non-current assets	11	-	12
Total non-current assets		**40,910**	**35,207**
Current assets			
Inventories	12	6,917	5,606
Financial Assets			
(i) Investments	8	18,108	15,228
(ii) Trade receivables	13	14,175	11,947
(iii) Cash and cash equivalents	14	1,235	1,286
(iv) Other bank balances	14	656	996
(v) Others financial assets	15	66	133
Current tax assets, net	16	527	604
Other current assets	17	1,109	768
Total current asset		**42,793**	**36,568**
Total assets		**83,703**	**71,775**
Equity and liabilities			
Equity			
Equity share capital	18	1,131	1,131
Other equity	19	61,194	54,902
Equity - Total		**62,325**	**56,033**
Liabilities			
Non-current liabilities			
Financial Liabilities			
(i) Lease Liabilities	20	212	294
Provisions	21	363	321
Deferred tax liabilities, net	22	3,769	2,985
Total non-current liabilities		**4,344**	**3,600**
Current Liabilities			
Financial Liabilities			
(i) Lease Liabilities	20	82	71
(ii) Trade payables	23		
Total outstanding dues to micro enterprises and small enterprises		4,333	2,923
Total outstanding dues to other than micro enterprises and small enterprises		9,488	6,628
(iii) Others financial liabilities	24	358	266
Provisions	25	198	85
Other current liabilities	26	2,575	2,169
Total current liabilities		**17,034**	**12,142**
Total equity and liabilities		**83,703**	**71,775**

Notes 1 to 52 form an integral part of these Consolidated financial statements

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No. 117366W/W-100018

R. Prasanna Venkatesh
Partner
Membership No. 214045

Place: Chennai
Date: 30th May, 2024

For and on behalf of the Board of Directors of
India Nippon Electricals Limited
CIN: L31901TN1984PLC011021

T K Balaji
Chairman
DIN:00002010

Arvind Balaji
Managing Director
DIN:00557711

Elango Srinivasan
Chief Financial Officer

S Logitha
Company Secretary

Place: Chennai
Date: 30th May, 2024

Consolidated Statement of profit and loss

For the year ended 31st March, 2024

(₹ in lakhs)

Particulars	Notes	Year ended 31st March, 2024	Year ended 31st March, 2023
Revenue from operations	27	72,408	65,625
Other income	28	2,487	2,256
Total income		**74,895**	**67,881**
Expenses:			
Cost of material consumed	29	47,550	44,123
Purchase of stock in trade	30	2,438	1,646
Changes in inventories of finished goods, work-in-progress and stock in trade	31	(35)	(320)
Other operating expenses	32	2,900	2,888
Employee benefit expenses	33	8,797	7,971
Finance costs	34	39	42
Depreciation and amortisation expenses	35	1,509	1,462
Other expenses	36	4,119	4,027
Total expenses		**67,317**	**61,839**
Profit before tax		**7,578**	**6,042**
Tax expenses			
(1) Current tax	38	1,642	1,156
(2) Deferred tax	22	6	63
Total tax expenses		**1,648**	**1,219**
Profit for the year		**5,930**	**4,823**
Other comprehensive income			
Items that will not be reclassified to profit or loss	37	3,377	3,752
- Income tax relating to items that will not be reclassified to profit or loss		(778)	(773)
Total other comprehensive income for the year, net of tax		**2,599**	**2,979**
Total comprehensive income for the year		**8,529**	**7,802**
Profits attributable to :			
a) Owners of the Company		5,930	4,823
b) Non controlling interest		-	-
Total Comprehensive income attributable to			
a) Owners of the Company		8,529	7,802
b) Non controlling interest		-	-
Earnings per equity share	42		
Basic and Diluted		26.21	21.32
Nominal value of equity shares (in ₹)		5.00	5.00

Notes 1 to 52 form an integral part of these Consolidated financial statements

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No. 117366W/W-100018

R. Prasanna Venkatesh
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Elango Srinivasan
Chief Financial Officer

S Logitha
Company Secretary

Place: Chennai
Date: 30th May, 2024

Consolidated Statement of Cash flows

for the year ended 31st March, 2024

(₹ in lakhs)

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Cash flows from Operating Activities:		
Net Profit after tax	5,930	4,823
Adjustments for		
- Income tax expenses	1,648	1,219
- Depreciation and amortisation expenses	1,509	1,462
- Dividend income from investments	(194)	(232)
- Interest Income	(179)	(206)
- (Loss) / Gain on fair valuation of investments	(1,334)	77
- Gain on sale of investments(net)	(551)	(1,310)
- Property, plant and equipment written off	-	37
- Advances written off	-	1
- Interest expenses	39	42
- Unrealised forex gain, net	(145)	(176)
Operating Profit before Working Capital changes	**6,723**	**5,737**
- Decrease / (increase) in loans	6	(6)
- Decrease / (increase) in other non-current financial assets	(17)	370
- Decrease / (increase) in trade receivables	(2,083)	36
- (Increase) in Inventories	(1,311)	(646)
- Decrease / (Increase) in other financial assets	67	(1)
- Decrease / (Increase) in other current assets	(341)	134
- Increase / (Decrease) in trade payables	4,137	545
- Increase / (Decrease) in in other financial liabilities	92	(15)
- Increase in other current liabilities	406	574
- Increase in non-current provisions	42	64
- Increase / (Decrease) in current provisions	113	(4)
Cash generated from operations	**7,834**	**6,788**
Income taxes paid, net	(1,565)	(1,102)
Net cash generated from operating activities: (A)	**6,269**	**5,686**
Cash flows from investing activities:		
Purchase of property, plant and equipment (including CWIP and adjustment of capital advance)	(2,399)	(2,521)
Acquisition of investments	(70,763)	(92,564)
Proceeds from sale of investments	68,517	89,794
Interest received	251	187
Dividend received	194	232
(Increase)/decrease in other bank balances	340	305
Net cash used in investing activities (B)	**(3,860)**	**(4,567)**

Consolidated Statement of Cash flows

for the year ended 31st March, 2024 (Contd.)

(₹ in lakhs)

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Cash flows from Financing Activities:		
Payment of lease liabilities	(103)	(57)
Interest expenses	(39)	(42)
Dividend paid	(2,318)	(2,092)
Net Cash used in Financing Activities (C)	**(2,460)**	**(2,191)**
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(51)	(1,072)
Add : Cash and cash equivalents at the beginning of the year	1,286	2,358
Cash and cash equivalents at the end of the year	**1,235**	**1,286**
Cash and cash equivalents comprise of:		
Cash on hand	-	2
Balance with banks in current accounts	1,235	1,284
Cash and cash equivalents as per note 14	**1,235**	**1,286**

Notes 1 to 52 form an integral part of these Consolidated financial statements

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No. 117366W/W-100018

R. Prasanna Venkatesh
Partner
Membership No. 214045

Place: Chennai
Date: 30th May, 2024

For and on behalf of the Board of Directors of
India Nippon Electricals Limited
CIN: L31901TN1984PLC011021

T K Balaji
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DIN:00002010

Arvind Balaji
Managing Director
DIN:00557711

Elango Srinivasan
Chief Financial Officer

S Logitha
Company Secretary

Place: Chennai
Date: 30th May, 2024

Consolidated Statement of Changes in Equity

for the year ended 31st March, 2024

Equity Share Capital

(₹ in lakhs)

Particulars	No.of.Shares	Amount
Balances as at 31st March 2022	2,26,21,424	1,131
Balances as at 31st March, 2023	2,26,21,424	1,131
Balances as at 31st March, 2024	**2,26,21,424**	**1,131**

(₹ in lakhs)

Particulars	Balance at the beginning of the current reporting period	Changes in equity share capital during the year	Balance at the end of the current reporting period
As at 31st March, 2023	1,131	-	1,131
As at 31st March, 2024	**1,131**	**-**	**1,131**

Other Equity

(₹ in lakhs)

Particulars	Reserves and surplus			Other comprehensive income		Total other equity attributable to equity share holder	Non-controlling interest	Total
	Capital redemption reserve	Retained earnings	General reserve	Foreign currency translation reserves	Other items of other comprehensive income			
Balance as at 1st April, 2022	**40**	**31,860**	**10,948**	**90**	**6,448**	**49,386**	**2**	**49,388**
Dividend paid	-	(2,092)	-	-	-	(2,092)	-	(2,092)
Profits for the year	-	4,823	-	-	-	4,823	1	4,824
Other comprehensive income	-	-	-	-	2,979	2,979	-	2,979
Foreign currency translation	-	-	-	(194)		(194)	(3)	(197)
Balance as at 31st March, 2023	**40**	**34,591**	**10,948**	**(104)**	**9,427**	**54,902**	**-**	**54,902**
Dividend paid	-	(2,318)	-	-	-	(2,318)	-	(2,318)
Profits for the year	-	5,930	-	-	-	5,930	-	5,930
Other comprehensive income	-	-	-	-	2,599	2,599	-	2,599
Foreign currency translation	-	-	-	81	-	81	-	81
Balance as of 31st March, 2024	**40**	**38,203**	**10,948**	**(23)**	**12,026**	**61,194**	**-**	**61,194**

Notes 1 to 52 form an integral part of these Consolidated financial statements

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No. 117366W/W-100018

R. Prasanna Venkatesh
Partner
Membership No. 214045

Place: Chennai
Date: 30th May, 2024

For and on behalf of the Board of Directors of
India Nippon Electricals Limited
CIN: L31901TN1984PLC011021

T K Balaji
Chairman
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Arvind Balaji
Managing Director
DIN:00557711

Elango Srinivasan
Chief Financial Officer

S Logitha
Company Secretary

Place: Chennai
Date: 30th May, 2024

Notes forming part of Consolidated Financial Statements

for the year ended 31st March, 2024

1) General Information

India Nippon Electricals Limited ("the Company") is a public limited company incorporated and domiciled in India under the provisions of Companies Act and has its registered office at No.11 & 13, Patullos Road, Chennai-600 002, Tamilnadu, India. The Company is a leading manufacturer of Ignition Systems for auto industry with special focus on two-wheeler industry. In addition to the support from the collaborators, the Company has a developed Research & Development centre recognised by DSIR,Govt of India. The Company has three manufacturing facilities and Technical centre in India and supplies to domestic as well as overseas markets. The Company has became subsidiary of Lucas India Service Limited with effect from 30th March 2022. The shares of the Company are listed on the BSE Limited and National Stock Exchange of India Limited.

2) Summary of material accounting policies

2.1 Basis of preparation of financial statements

The Consolidated financial statements of the Company have been prepared and presented in accordance with Indian Accounting Standards (Ind AS) as per Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standard) Amendment Rules, 2016 as notified under section 133 of Companies Act, 2013 (the "Act") and other relevant provisions of the Act. These financial statements have been prepared on a historical cost convention on accrual basis, except for certain financial assets and financial liabilities (including derivative instruments), which are measured at fair value.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

Certain comparative figures have been reclassified, wherever necessary, to conform to the presentation adopted in the financial statements. These reclassifications were not significant and have no impact on the total assets, total liabilities, total equity and profit of the Company.

The Company presents assets and liabilities in the balance sheet based on current / non-current classification. The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle. Cash or cash equivalent is treated as current, unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. In respect of other assets, it is treated as current when it is:

i) expected to be realised or intended to be sold or consumed in the normal operating cycle

ii) held primarily for the purpose of trading

iii) expected to be realised within twelve months after the reporting period.

A liability is treated as current when:

i) it is expected to be settled in the normal operating cycle

ii) it is held primarily for the purpose of trading

iii) it is due to be settled within twelve months after the reporting period, or

iv) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other assets and liabilities are classified as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The financial statements are presented in Indian Rupees which is also the Company's functional currency. All amounts have been rounded off to the nearest Lakhs, except share data and as otherwise stated

2.2 Critical accounting estimates, assumptions and judgements

The preparation of financial statements requires management to make certain estimates and assumptions that affect the amounts reported in the financial statements and notes thereto. The management believes that these estimates and assumptions are reasonable and prudent. However, actual results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in the current and future period.

i) Estimation of fair value of unlisted securities - The fair value of unlisted securities is determined using the valuation techniques. The Company uses its judgement to select the methods and make assumptions at end of each reporting period. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

ii) Defined benefit obligation - The cost of the defined benefit plans and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, etc. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each Balance Sheet date.

iii) Impairment testing - Property, plant and equipment and Intangible assets are tested for impairment when events occur or changes in circumstances indicate that the recoverable amount of the cash generating unit is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to sell. The calculation involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.

iv) Estimation and evaluation of provisions and contingencies relating to tax litigation - Provision for tax liabilities require judgements on the interpretation of tax legislation, developments in case law and the potential outcomes of tax audits and appeals which may be subject to significant uncertainty. Therefore the actual results may vary from expectations resulting in adjustments to provisions, the valuation of deferred tax assets, cash tax settlements and therefore the tax charge in the statement of profit or loss.

v) Estimation Warranty claims - Provision is made for estimated warranty claims in respect of product sold which are still under warranty at the end of the reporting period. The claims are expected to be settled in the next financial year. The Company estimates the provision based on historical warranty claim information and any recent trends that may suggest future claims could differ from the historical amounts.

vi) Useful lives of property, plant and equipment('PPE') and intangible assets: The useful life of an asset is an accounting estimate of the number of years it is likely to remain in service for the purpose of cost-effective revenue generation. The Internal Revenue Service (IRS) employs useful life estimates to determine the amount of time during which an asset can be depreciated.

vii) Deferred income tax assets and liabilities: As Ins AS 12 considers deferred tax from the perspective of temporary differences between the carrying amount and tax base of assets and liabilities, the standard can be said to focus on the statement of financial position.

2.3 Revenue Recognition

To determine whether to recognise revenue from contracts with customers, the Company follows a 5-step process

- Identifying the contract with customer
- Identifying the performance obligations
- Determining the transaction price
- Allocating the transaction price to the performance obligations
- Recognising revenue when/as performance obligation(s) are satisfied

Notes forming part of Consolidated Financial Statements

for the year ended 31st March, 2024 (Contd.)

Revenue from contracts with customers for products sold and service provided is recognised when control of promised products or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Revenue is measured based on the consideration to which the Company expects to be entitled in a contract with a customer and excludes Goods and services taxes and is net of rebates and discounts. No element of financing is deemed present as the sales are made with a credit term of 60-90 days, which is consistent with market practice. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

i) Sale of product

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

The Company accounts for volume discounts and pricing incentives to customers as a reduction of revenue based on the relatable allocation of the discounts/ incentives to each of the underlying performance obligation that corresponds to the progress by the customer towards earning the discount/ incentive. Also, when the level of discount varies with increases in levels of revenue transactions, the Company recognizes the liability based on its estimate of the customer's future purchases. If it is probable that the criteria for the discount will not be met, or if the amount thereof cannot be estimated reliably, then discount is not recognized until the payment is probable and the amount can be estimated reliably. The Company recognizes changes in the estimated amount of obligations for discounts in the period in which the change occurs.

ii) Interest income

Generally, interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying value of a financial asset. While calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options), but does not consider the expected credit losses.

iii) Dividends

Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of dividend can be reliably measured.

iv) Export benefits

Export incentives are recognised as income as per the terms of the scheme in respect of the exports made and included as part of other operating income.

2.4 Property, plant and equipment

i) Plant and equipment

Cost includes purchase price, taxes and duties, labour cost and directly attributable overheads incurred up to the date the asset is ready for its intended use. However, cost excludes Goods and service taxes, to the extent credit of the duty or tax is availed of. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

The carrying amount of any component accounted for as separate asset is derecognized when replaced. All other repairs and maintenance are charged to Profit or Loss during the reporting period in which they are incurred.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/ (losses).

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'. Subsequent expenditures relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably.

ii) Depreciation

Depreciation on Property, plant & equipment (other than land) is charged over the estimated useful life of the asset or part of the asset (after considering double/triple shift) as evaluated by the Management, on straight line method, in accordance with Part A of Schedule II to the Companies Act 2013.

Tools and dies are depreciated based on quantity of components manufactured and the life of tools and dies, subject to a maximum of two to three years .

On tangible fixed assets added / disposed of during the year, depreciation is charged on pro-rata basis from the date of addition or till the date of disposal

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

2.5 Intangible assets

Intangible assets include cost of acquired software, license and technical know how. Intangible assets are initially measured at acquisition cost including any directly attributable costs of preparing the asset for its intended use. Expenditure on projects which are not yet ready for intended use are carried as intangible assets under development. Intangible assets with finite lives are amortized over their estimated useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Intangible assets are amortized on the following basis:

a) Softwares - Over a period of three years

b) SAP - Over a period of ten years

c) Licenses - Over a period of three years

d) Technical Knowhow - Over a period of five years

Useful lives are reviewed at every balance sheet date and revisited to a lower life when warranted.

2.6 Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in Statement of Profit and Loss.

2.7 Foreign currency transaction

On initial recognition, all foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Monetary assets and liabilities, denominated in a foreign currency, are translated at the exchange rate prevailing on the Balance Sheet date and the resultant exchange gains or losses are recognised in the Statement of Profit and Loss. A monetary item

Notes forming part of Consolidated Financial Statements

for the year ended 31st March, 2024 (Contd.)

for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of the entity's net investment in that foreign operation

2.8 Inventories

i) Raw materials

Raw materials are valued at lower of cost and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined at weighted average cost."

ii) Work in progress and finished goods

Work in progress and finished goods are valued at lower of cost and net realizable value. Cost includes the combined cost of material, labour and a proportion of manufacturing overheads based on normal operating capacity. costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Materials and supplies held for use in production of inventories are not written down if the finished products in which they will be used are expected to be sold at or above cost.

iii) Stores and spares

Stores and spares consists of primary packing materials, engineering spares and consumables , which are used in operating machines or consumed as indirect materials in the manufacturing process, has been valued using weighted average cost method. The cost comprises of costs of purchase, duties and taxes (other than those subsequently recoverable),conversion cost and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business less estimated cost to completion and applicable selling expenses.

2.9 Employee benefits:

i) Short term obligations:

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services upto the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

ii) Other long term employee benefits:

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of the expected future payments to be made in respect of services provided by employee upto the end of reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation.

Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss. The obligations are presented as current liabilities in the balance sheet if the entity does not have an when the actual settlement is expected to occur.

iii) Post-employment obligation:

a) Defined contribution plan

Contribution to Provident Fund in India are in the nature of defined contribution plan and are made to a recognised fund. Contribution to Superannuation Fund is in the nature of defined contribution plan and is remitted to insurance Company in accordance with the scheme framed by the Corporation. The Company has no legal or constructive obligations to pay contributions in addition to its fixed contributions, which are recognised as an expense in the period that related employee services are received.

i) **Provident fund**

The Company makes contribution to the statutory provident fund in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952, which is a defined contribution plan, and contribution paid or payable is recognised as an expense in the period in which it falls due.

ii) **Provident fund**

The Company's contribution towards defined contribution plan is accrued in compliance with the requirement of the domestic laws of the countries in which the entities operate in the year of which the contributions are done. Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

iii) **Superannuation fund**

Contribution made towards Superannuation Fund (funded by payments to an insurance Company) which is a defined contribution plan, is charged as expenses on accrual basis. There are no obligations other than the contribution made to respective fund."

b) Under the Company's defined benefit plans, the amount of benefit that an employee will receive on retirement is defined by reference to the employee's length of service and final salary.

i) **Gratuity**

The liability recognised in the statement of financial position for defined benefit plans is the present value of the defined benefit obligation (DBO) at the reporting date less the fair value of plan assets. The Company estimates the DBO annually with the assistance of independent actuaries. This is based on standard rates of inflation, salary growth rate and mortality. Discount factors are determined close to each year-end by reference to government securities that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related gratuity liability"

Service cost on the Company's defined benefit plan is included in employee benefits expense. Employee contributions, all of which are independent of the number of years of service, are treated as a reduction of service cost. Actuarial gains and losses resulting from measurements of the net defined benefit liability are included in other comprehensive income

ii) The Company also extends defined benefit plans in the form of compensated absences to employees. Provision for compensated absences is made on actuarial valuation basis."

2.10 Income tax

Tax expense comprises of current and deferred taxes. The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

i) **Current income tax**

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Notes forming part of Consolidated Financial Statements

for the year ended 31st March, 2024 (Contd.)

ii) Deferred income tax

Deferred income tax is recognized using the balance sheet approach. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred income tax assets are recognized to the extent it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where there is a legally enforceable right to offset.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

2.11 Provisions and contingent liabilities:

i) Provisions:

A provision is recorded when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reasonably estimated. The estimated liability for product warranties is recorded when products are sold based on technical evaluation.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as finance cost.

ii) Contingent liabilities:

Wherever there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognised because (a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or (b) the amount of the obligation cannot be measured with sufficient reliability. The Company does not recognise a contingent liability but discloses its existence in Financial Statements.

2.12 Cash and Cash equivalents:

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments maturing within 3 months from the date of acquisition that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

2.13 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before exceptional items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future receipts or payments. In the cash flow statement, cash and cash equivalents includes cash in hand, cheques on hand, balances with banks in current accounts and other shortterm highly liquid investments with original maturities of 3 months or less, as applicable.

2.14 Earnings per share

Basic earnings per equity share is calculated by dividing the total profit for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares). In this scenario, the number of equity shares outstanding increases without an increase in resources due to which the number of equity shares outstanding before the event is adjusted for the proportionate change in the number of equity shares outstanding as if the event had occurred at the beginning of the earliest period reported.

2.15 Leases:

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are re-measured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

2.16 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets other than equity instruments are classified into categories: financial assets at fair value through profit or loss and at amortised cost. Financial assets that are equity instruments are classified as fair value through profit or loss or fair value through other comprehensive income. Financial liabilities are classified into financial liabilities at fair value through profit or loss or amortised cost. Financial instruments are recognised on the balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Notes forming part of Consolidated Financial Statements

for the year ended 31st March, 2024 (Contd.)

At Initial recognition, the Company measures a financial asset at its fair value plus (in the case of a financial asset not at fair value through profit or loss) transaction cost that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

i) Classification and subsequent measurement of financial assets

For the purpose of subsequent measurement financial assets are classified and measured based on the entity's business model for managing the financial asset and the contractual cash flow characteristics of the financial asset at:

a) Amortised cost

b) Fair value through other comprehensive income (FVOCI) or

c) Fair value through profit and loss (FVTPL)"

All financial assets are reviewed for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

a) Financial asset at amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. These assets are measured subsequently at amortised cost using the effective interest method. The loss allowance at each reporting period is evaluated based on the expected credit losses for next 12 months and credit risk exposure. The Company shall also measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition.

b) Financial asset at fair value through other comprehensive income (FVOCI)

Assets that are held within a business model where the objective is both collecting contractual cash flows and selling financial assets along with the contractual terms giving rise on specified dates to cash flows that are solely payments of principal and interest in the principal amount outstanding. At initial recognition, the Company, based on its assessment, makes an irrevocable election to present in other comprehensive income the changes in the fair value of an investment in an equity instrument that is not held for trading. These selections are made on an instrument-by-instrument (i.e., share-by-share) basis. If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, impairment gains or losses and foreign exchange gains and losses, are recognised in other comprehensive income. There is no recycling of the amounts from OCI to profit or loss, even on sale of investment. The dividends from such instruments are recognised in statement of profit and loss.

The fair value of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

The loss allowance at each reporting period is evaluated based on the expected credit losses for next 12 months and credit risk exposure. The Company shall also measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. The loss allowance shall be recognised in other comprehensive income and shall not reduce the carrying amount of the financial asset in the balance sheet.

c) Financial asset at fair value through profit and loss (FVTPL)

Financial assets at FVTPL include financial assets that are designated at FVTPL upon initial recognition and financial assets that are not measured at amortised cost or at fair value through other comprehensive income. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply. Assets in this category are measured at fair value with gains or losses recognised in profit or loss. The fair value of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

The loss allowance at each reporting period is evaluated based on the expected credit losses for next 12 months and credit risk exposure. The Company shall also measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. The loss allowance shall be recognised in profit and loss

d) De-recognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the Company's Consolidated balance sheet) when:

a. The rights to receive cash flows from the asset have expired, or

b. The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (i) the Company has transferred substantially all the risks and rewards of the asset, or (ii) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a passthrough arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay

ii) Financial liabilities

a) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables

b) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Notes forming part of Consolidated Financial Statements

for the year ended 31st March, 2024 (Contd.)

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109 Financial Instruments

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss

De-recognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Equity instruments

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares and share options and buyback of ordinary shares are recognised as a deduction from equity, net of any tax effects.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously

Fair value of financial instruments

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices, and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized. For financial assets and liabilities maturing within one year from the Balance sheet date and which are not carried at fair value, the carrying amounts approximate fair value due to the short maturity of these instruments

c) **Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or

- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Levell 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities

Levell 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 3 - Inputs for the assets and liabilities that are not based on observable market data (unobservable inputs)

d) Impairment of financial assets

In accordance with Ind AS 109 Financial Instruments, the Company applies expected credit loss (ECL) model and specific identification method based on the credit risk for measurement and recognition of impairment loss for financial assets.

The Company tracks credit risk and changes thereon for each customer. For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss, except for trade receivables.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider

- All contractual terms of the financial instrument over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity uses the remaining contractual term of the financial instrument.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The Company uses default rate for credit risk to determine impairment loss allowance on portfolio of its trade receivables

Trade receivables

The Company applies approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of receivables. Default is considered to exist when the counter party fails to make the contractual payment within 90 days of when they fall due. A trade receivable is considered to be credit impaired when the management considers the amount to be non recoverable.

Notes forming part of Consolidated Financial Statements

for the year ended 31st March, 2024 (Contd.)

Other financial assets

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition and if credit risk has increased significantly, impairment loss is provided.

The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in the Statement of Profit and Loss.

Impairment of non-financial assets

For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

An impairment loss is recognised for the amount by which the asset's (or cash-generating unit's) carrying amount exceeds its recoverable amount, which is the higher of fair value less costs of disposal and value in-use. To determine the value-in-use, management estimates expected future cash flows from each cash generating unit and determines a suitable discount rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Company's latest approved budget, adjusted as necessary to exclude the effects of future reorganisations and asset enhancements. Discount factors are determined individually for each cash generating unit and reflect current market assessments of the time value of money and asset specific risk factors.

All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment loss is reversed if the asset's or cash generating unit's recoverable amount exceeds its carrying amount.

2.17 Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief operating decision maker. The Managing Director of the Company has been identified as being the chief operating decision maker.

3) Application of new accounting pronouncements

The company has applied the following Ind AS pronouncements pursuant to issuance of the Companies (Indian Accounting Standards) Amendment Rules, 2023 with effect from April 1, 2023. The effect is described as below:

Ind AS 1 – Presentation of Financial Statements – The amendment requires disclosure of material accounting policies instead of significant accounting policies. In the Standalone financial statements the disclosure of accounting policies has been accordingly modified. The impact of such modifications to the accounting policies is insignificant

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors – The amendment has defined accounting estimate as well as laid down the treatment of accounting estimate to achieve the objective set out by accounting policy. There is no impact of the amendment on the Standalone Financial Statements.

Ind AS 12 – Income Taxes – the definition of deferred tax asset and deferred tax liability is amended to apply initial recognition exception on assets and liabilities that does not give rise to equal taxable and deductible temporary differences. There is no impact of the amendment on the Standalone Financial Statements.

Notes forming part of Consolidated Financial Statements

for the year ended 31st March, 2024 (Contd.)

4 Property, plant and equipment

(₹ in lakhs)

Particulars	Land	Building	Plant and equipments	Furniture & Fixtures	Office Equipments	Vehicles	Total
Gross block							
Balance as at 1st April, 2022	**713**	**5,025**	**9,616**	**414**	**548**	**68**	**16,384**
Additions	-	514	1,185	36	74	14	1,823
Deletions	-	-	(111)	-	(1)	-	(112)
Balance as at 31st March, 2023	**713**	**5,539**	**10,690**	**450**	**621**	**82**	**18,095**
Additions	-	1,280	926	41	80	46	2,373
Deletions	-	(2)	(44)	-	(6)	-	(52)
Balance as at 31st March, 2024	**713**	**6,817**	**11,572**	**491**	**695**	**128**	**20,416**
Accumulated depreciation							
Balance as at 1st April, 2022	**-**	**567**	**3,748**	**166**	**249**	**26**	**4,756**
Charge for the year	-	213	932	39	105	9	1,298
Reversals on deletions	-	-	(64)	-	(1)	-	(65)
Balance as at 31st March, 2023	**-**	**780**	**4,616**	**205**	**353**	**35**	**5,989**
Charge for the year	-	260	946	38	107	9	1,360
Reversals on deletions	-	(2)	(42)	-	(5)	(1)	(50)
Balance as at 31st March, 2024	**-**	**1,038**	**5,520**	**243**	**455**	**43**	**7,299**
Net block							
Balance as at 31st March, 2023	**713**	**4,759**	**6,074**	**245**	**268**	**47**	**12,106**
Balance as at 31st March, 2024	**713**	**5,779**	**6,052**	**248**	**240**	**85**	**13,117**

5 Capital work in progress

i) Ageing schedule of capital work-in-progress

a) Projects in progress:

(₹ in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Less than 1 year	1,013	1,231
Project 1	460	8
Project 2	385	253
Other Projects	168	970
1-2 years	261	49
Project 1	8	-
Project 2	253	-
Other Projects	-	49
2-3 years	-	-
More than 3 years	-	-
Total	**1,274**	**1,280**

Notes forming part of Consolidated Financial Statements

for the year ended 31st March, 2024 (Contd.)

b) There were no projects temporarily suspended as at 31st March, 2024 and 31st March, 2023

c) Completion schedule for the Projects which are over due :

(₹ in lakhs)

Particular	As at 31st March, 2024	As at 31st March, 2023
Less than 1 year		
Project 1	259	223
Project 2	-	316
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
Total	**259**	**539**

d) There are no projects for the year ended 31st March, 2024 and 31st March, 2023 which have exceeded its initial planned cost.

6A Intangible asset

(₹ in lakhs)

Particulars	Softwares	SAP	Licenses	Technical knowhow	Total
Gross block					
Balance as at 1st April, 2022	**117**	**178**	**125**	**34**	**454**
Additions	52	-	-	-	52
Balance as at 31st March, 2023	**169**	**178**	**125**	**34**	**506**
Additions	-	-	12	-	12
Balance as at 31st March, 2024	**169**	**178**	**137**	**34**	**518**
Accumulated amortisation					
Balance as at 1st April, 2022	**71**	**112**	**68**	**34**	**285**
Charge for the year	19	18	25	-	62
Balance as at 31st March, 2023	**90**	**130**	**93**	**34**	**347**
Charge for the year	21	18	19		58
Balance as at 31st March, 2024	**111**	**148**	**112**	**34**	**405**
Net block					
Balance as at 31st March, 2023	79	48	32	-	159
Balance as at 31st March, 2024	**58**	**30**	**25**	**-**	**113**

6B Intangible assets under development ageing schedule

(Amount in ₹ Lakhs)

Intangible assets under development	Amount in Intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project in progress	32	-	-	-	32
Project temporarily suspended	-	-	-	-	**-**

Notes forming part of Consolidated Financial Statements

for the year ended 31st March, 2024 (Contd.)

7 Right to use assets

(₹ in lakhs)

Particulars	Leasehold land	Leasehold buildings	Total
Gross block			
Balance as at 1st April, 2022	**1,422**	**67**	**1,489**
Additions	65	-	65
Deletions	-	-	-
Balance as at 31st March, 2023	**1,487**	**67**	**1,554**
Additions	-	-	-
Deletions	-	-	-
Balance as at 31st March, 2024	**1,487**	**67**	**1,554**
Accumulated amortisation			
Balance as at 1st April, 2022	**216**	**57**	**273**
Charge for the year	93	9	102
Disposals	-	-	-
Balance as at 31st March, 2023	**309**	**66**	**375**
Charge for the year	91	-	91
Balance as at 31st March, 2024	**400**	**66**	**466**
Net block			
Balance as at 31st March, 2023	1,178	1	1,179
Balance as at 31st March, 2024	**1,087**	**1**	**1,088**

8. Investments

A) Non-current investments

(₹ in lakhs)

		Face value	No. of Shares/Units		Amount	
			As at 31st March, 2024	As at 31st March, 2023	As at 31st March, 2024	As at 31st March, 2023
a)	**Investment carried at amortised cost**					
	Indian Railway Finance Corporation Limited	**1,000**	**-**	**50,000**	**-**	**500**
	India Infrastructure Finance Corporation Limited	1,000	-	50,000	-	500
	Mahindra & Mahindra Financial Services Limited	**10,00,000**	**-**	**22**	-	207
	360 One Prime Non Convertable Debenture	**10,00,000**	**500**	**-**	**501**	**-**
b)	**Investment carried at fair value through other comprehensive income (FVTOCI)**					
i)	**Equity instruments (fully paid-up) (Unquoted)**					
	Lucas TVS Ltd	100	97,351	97,351	19,037	15,446
	IRIS Ecopower Venture Private Limited	4	3,56,400	3,18,400	36	32
c)	**Investment carried at fair value through profit and loss: (FVTPL)**					
i)	**Debentures / bonds**					
	State Bank Of India Series - 8.75% Perpetual Bond	10,00,000	25	25	262	251
	State Bank Of India Series - 7.74% Perpetual Bond	10,00,000	25	25	259	246
	L&T Bond Market Linked Debentures	1,092	50	50	546	505

Notes forming part of Consolidated Financial Statements

for the year ended 31st March, 2024 (Contd.)

(₹ in lakhs)

		Face value	No. of Shares/Units		Amount	
			As at 31st March, 2024	As at 31st March, 2023	As at 31st March, 2024	As at 31st March, 2023
ii)	**Non listed equity shares**					
	NSE Equity	1	13,000	13,000	533	384
iii)	**Listed equity shares**					
	HDFC Bank Ltd	1	14,098	6,900	203	111
	Housing Development Finance Corporation Ltd	2	-	4,285	-	113
	ICICI Bank Ltd	2	13,150	13,150	144	115
	Infosys Ltd	5	5,745	5,745	86	82
	Reliance Industries Ltd	10	3,865	3,865	115	90
	JIO Financial Service Ltd	10	3,865	-	14	-
	Tata Consultancy Service Ltd	1	2,760	2,760	107	88
	Blue Dart Express Ltd.	10	787	-	49	-
	Ultratech Cement Ltd.	10	495	-	48	-
iv)	**Alternative investment funds**					
	TVS Shriram Growth Fund Scheme 3	1,000	90,800	85,800	1,362	1,250
	Sundaram Alternative Opportunities series		–	–	–	–
v)	**Mutual funds**					
	Hdfc Index Fund-Nifty 50 Plan -Direct Growth	10	2,27,411	55,925	484	92
	Hdfc Hof Series 1 1140D November 2017 - 1- Reg-G	10	10,00,000	10,00,000	204	133
	Nippon India Nifty Midcap 150 Index Fund - Direct Plan Growth	10	7,78,809	4,00,948	159	52
	ICICI Prudential Nifty Next 50 Index Fund - Direct Plan Growth	10	3,72,314	2,22,095	208	77
	ICICI Prudential India opportunities Fund - Direct Plan Growth	10	2,47,282	-	79	-
	360 One Focused equity fund Direct plan Growth	10	61,356	-	28	-
	TATA Large & Mid Cap Fund Direct plan Growth	10	20,277	-	106	-
	Tata Balanced Advantage Fund - Direct Plan Growth	10	9,79,844	-	200	-
	ICICI Prudential Balanced Advantage Fund - Direct Plan Growth	10	2,82,312	-	201	-
	HDFC Focused 30 fund Direct plan Growth	10	51,886	-	107	-
					25,078	**20,274**

Notes forming part of Consolidated Financial Statements

for the year ended 31st March, 2024 (Contd.)

B) Current investments

	Face value	No. of Shares/Units		Amount	
		As at 31st March, 2024	As at 31st March, 2023	As at 31st March, 2024	As at 31st March, 2023
Investment carried at fair value through profit and loss:					
Current Investments - Quoted					
Investment In Mutual Funds					
Axis Short Term-G	10	94,56,821	94,56,821	2,638	2,459
Aditya Birla SL Corporate Bond-G	10	14,00,088	14,00,088	1,425	1,322
ICICI pru liquid fund Direct plan - Growth	100	2,30,250	1,20,699	823	402
Aditya Birla Sun life Money manager fund Direct Growth	100	2,35,530	1,36,812	803	433
Kotak Bond Short-term Reg-G	10	46,24,333	46,24,333	2,185	2,040
Nippon India Money Market Fund Direct plan - Growth	1,000	24,154	22,131	923	785
Bhandhan CRISIL Glit 2027 Index Fund Regular Plan- Growth	10	1,68,34,871	1,68,34,871	1,961	1,829
IDFC SSI ST Reg-G	10	39,37,462	39,37,462	2,032	1,897
Nippon India Short-term-Growth	10	18,35,238	18,35,238	874	814
Nippon India liquid fund Direct plan - Growth	1,000	12,744	18,395	753	1,013
Aditya Birla SL Overnight fund - Growth - Direct	1,000	15,480	61,091	200	741
Nippon India Overnight Fund - Direct Plan	1,000	2,17,986	5,24,108	280	631
DSP Overnight Fund - Direct Plan	1,000	31,254	8,330	401	100
AXIS Liquid Fund Direct-G	1,000	11,211	28,483	301	712
HSBC Overnight Fund - Direct	1,000	43,958	4,263	551	50
Sundaram Liquid Fund - Direct Plan	10	37,672	-	803	-
AXIS Money Market Fund Direct-G	1,000	32,142	-	422	-
Aditya Birla SL Liquid fund Direct Plan - Growth	100	1,88,247	-	733	-
				18,108	**15,228**

8.1 Investment made in IRIS Ecopower Venture Private Limited is Group captive investment with 356,000 units carried at Value of ₹36 Lakhs as at 31st March 2024.

8.2

Particular	As at 31st March, 2024	As at 31st March, 2023
Aggregate amount of unquoted investments carried at cost	-	-
Aggregate amount of impairment in value of investments	-	-
Aggregate amount of unquoted investments carried at amortised cost	501	1,207
Aggregate amount of unquoted investments carried at FVTOCI	19,073	15,478
Aggregate value of quoted/Un-Quoted investments - Carried at FVTPL	5,504	3,589
Total non-current investment	**25,078**	**20,274**
Aggregate value of quoted investments - Carried at FVTPL	18,108	15,228
Total current investment	**18,108**	**15,228**

Notes forming part of Consolidated Financial Statements

for the year ended 31st March, 2024 (Contd.)

9. Non - current loans

(₹ in lakhs)

	As at 31st March, 2024	As at 31st March, 2023
(Unsecured and considered good)		
Loans to employees	112	118
	112	**118**

10. Other non-current financial assets

(₹ in lakhs)

	As at 31st March, 2024	As at 31st March, 2023
(Unsecured and considered good)		
Bank deposits with more than 12 months maturity	1	1
Security deposits	95	78
	96	**79**

11. Other non-current assets

(₹ in lakhs)

	As at 31st March, 2024	As at 31st March, 2023
(Unsecured and considered good)		
Capital Advance	-	12
	-	**12**

12. Inventories

(₹ in lakhs)

	As at 31st March, 2024	As at 31st March, 2023
(Lower of cost and net realisable value)		
Raw material	4,114	3,535
Raw material - goods in transit	911	216
Work in progress	200	209
Finished goods	789	1,000
Finished goods in transit	372	333
Stores and spares	8	6
Stock in trade	523	307
	6,917	5,606

a)	Cost of Inventories recognised as expense in statement of profit and loss	50,905	46,473

b) The mode of valuation of inventories has been stated in Note 2.8

c) Net of inventory provision/write off of Rs 433 Lakhs as at 31st March, 2024 (as at 31st March, 2023: ₹393 Lakhs)

13. Trade receivables

(₹ in lakhs)

	As at 31st March, 2024	As at 31st March, 2023
Considered good	14,175	11,947
	14,175	**11,947**

Notes forming part of Consolidated Financial Statements

for the year ended 31st March, 2024 (Contd.)

a) Trade receivables are non-interest bearing and are generally on terms of 45 to 60 days. The carrying amount of the current trade receivable is considered a reasonable approximation of fair value as it is expected to be collected within twelve months.

b) The Company's exposure to credit and currency risks, and loss allowances related to trade receivables are disclosed in note 46.

c) Ageing of trade receivables

i) Undisputed trade receivables considered good March 31, 2024

(₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 Months	6 Months - 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Undisputed Trade Receivable - Considered Good	12,005	2,113	44	2	11	-	14,175
Undisputed Trade Receivable - Which Have Significant Increase In Credit Risk	-	-	-	-	-	-	
Undisputed Trade Receivable - Credit Impaired	-	-	-	-	-	-	
Disputed Trade Receivables - Which Have Significant Increase In Credit Risk	-	-	-	-	-	-	
Disputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	
GRAND TOTAL	**12,005**	**2,113**	**44**	**2**	**11**	**-**	**14,175**

Undisputed trade receivables considered good 31st March, 2023

(₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 Months	6 Months - 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Undisputed Trade Receivable - Considered Good	10,572	1,327	25	23	-	-	11,947
Undisputed Trade Receivable - Which Have Significant Increase In Credit Risk	-	-	-	-	-	-	-
Undisputed Trade Receivable - Credit Impaired	-	-	-	-	-	-	-
Disputed Trade Receivables - Which Have Significant Increase In Credit Risk	-	-	-	-	-	-	-
Disputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	-
GRAND TOTAL	**10,572**	**1,327**	**25**	**23**	**-**	**-**	**11,947**

ii) There were no undisputed trade receivables which have significant credit risk, credit impaired, disputed receivables considered good, trade receivables which have significant credit risk and credit impaired as at 31st March, 2024 and 31st March, 2023.

Notes forming part of Consolidated Financial Statements

for the year ended 31st March, 2024 (Contd.)

14 Cash and bank balances

(₹ in lakhs)

	As at 31st March, 2024	As at 31st March, 2023
Cash and cash equivalents:		
Cash on hand	-	2
Balance with banks in current accounts	1,235	1,284
	1,235	**1,286**
Bank balances other than mentioned in cash and cash equivalents		
- Deposit accounts (with original maturity greater than 3 months up to 12 months)	600	934
- Unpaid dividend (Also, refer note (i) below)	56	62
	656	**996**
	1,891	**2,282**

i) Unpaid dividend included above represent amounts to be credited to the Investors Education and Protection Fund as and when they become due. There are no delays in transferring the amounts due for payment to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as at the balance sheet date.

15 Other current financial asset:

(₹ in lakhs)

	As at 31st March, 2024	As at 31st March, 2023
Interest accrued on deposits	59	124
Duty draw back receivable	7	9
	66	**133**

16. Income tax assets

(₹ in lakhs)

	As at 31st March, 2024	As at 31st March, 2023
Advance tax (net of Provision for tax ₹ 118 Lakhs as at March 31, 2024; (₹86) Lakhs as at March 31, 2023).	527	604
	527	**604**

17 Other current assets

(₹ in lakhs)

	As at 31st March, 2024	As at 31st March, 2023
Supplier advances	513	277
Other advances	7	7
Gratuity assets (Also, refer note 39)	-	9
Prepaid expenses	348	280
Other receivables	241	195
	1,109	**768**

Notes forming part of Consolidated Financial Statements

for the year ended 31st March, 2024 (Contd.)

18 Equity share capital

(₹ in lakhs)

	As at 31st March, 2024		As at 31st March, 2023	
	Numbers	Amount	Numbers	Amount
Authorised	3,00,00,000	1,500	3,00,00,000	1,500
Equity shares of ₹ 5 each				
Issued, subscribed and fully paid up share capital	2,26,21,424	1,131	2,26,21,424	1,131
Equity shares of ₹ 5 each				

a) There is no change in issued and subscribed equity share capital during the year.

b) Terms/ rights attached to equity shares

The Company has one class of equity shares having a par value of ₹ 5 per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting, except interim dividend, which is approved by the Board of Directors. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be proportional to the number of equity shares held by the shareholders.

c) Shareholders holding more than 5% of the aggregate shares in the Company

(₹ in lakhs)

	As at 31st March, 2024		As at 31st March, 2023	
	Numbers	% shareholding	Numbers	% shareholding
Equity shares of ₹ 5 each	1,59,07,374	70.32%	1,14,92,588	50.80%
Lucas Indian Service Ltd, India	-	0.00%	14,14,786	6.25%
Mahle Electric Drives Japan Corpn., Japan (formerly Kokusan Denki Co Ltd, Japan)	-	0.00%	30,00,000	13.26%
Mahle Holding (India) Private Limited	**1,59,07,374**	**70.32%**	**1,59,07,374**	**70.32%**

Note: The equity shares held in the Company by Mahle Electric Drives Japan Corporation and Mahle Holding (India) Private Limited has been purchased by Lucas Indian Service Limited on 26th June, 2023. Consequently, The shareholding of percentage of Lucas Indian Service Limited in the Company has increased from 50.8% to 70.3%.

e) Disclosure of shareholding of promoters

(₹ in lakhs)

Promoter Name	As at 31st March, 2024		As at 31st March, 2023		% Change during the year
	Numbers	% shareholding	Numbers	% shareholding	
Equity shares of ₹ 5 each					
Lucas Indian Service Limited	1,59,07,374	70.32%	1,14,92,588	50.80%	19.52%
Mahle Holding India Private Limited(refer note above)	-	0.00%	30,00,000	13.26%	(13.26%)
Mahle Electric Drives Japan Corporation(refer note above)	-	0.00%	14,14,786	6.25%	(6.25%)
Sheela Balaji	3,712	0.02%	3,712	0.02%	0.00%
T K Balaji	1,694	0.01%	-	0.00%	0.01%
Vatsala Raghu	542	0.00%	8	0.00%	0.00%
Sowmyan Ramakrishnan	4,308	0.02%	7,308	0.03%	(0.01%)
V A Raghu	8	0.00%	8	0.00%	0.00%
Mala Ramakrishnan	742	0.00%	-	0.00%	0.00%
Vijaya Mohanram	742	0.00%	-	0.00%	0.00%
D Saroja	-	0.00%	3,712	0.02%	(0.02%)
	1,59,19,122	**70.37%**	**1,59,22,122**	**70.39%**	**(0)**

Notes forming part of Consolidated Financial Statements

for the year ended 31st March, 2024 (Contd.)

f) There were no shares issued pursuant to contract without payment being received in cash, allotted as fully paid up by way of bonus issues and there were no buy back of shares during the last 5 years immediately preceding 31st March, 2024.

g) Details of interim dividend declared:

(₹ in lakhs)

	For the year 31st March, 2024	For the year 31st March, 2023
Date of meeting of board of directors	13th February, 2024	14th February, 2023
Dividend per share	10.25	9.25
Cash outflow in Lakhs	**2,318**	**2,092**

19 Other equity

(₹ in lakhs)

	For the year 31st March, 2024	For the year 31st March, 2023
Capital redemption reserve	**40**	**40**
General reserve	**10,948**	**10,948**
Retained earnings		
Opening Balance	34,591	31,860
Dividend paid during the year	(2,318)	(2,092)
Profit for the year	5,930	4,823
Closing balance	38,203	34,591
Other Comprehensive income		
Opening Balance	9,427	6,448
Add : Other comprehensive income for the year, net of tax	**2,599**	**2,979**
Closing balance	**12,026**	**9,427**
Foreign currency translation reserves		
Opening Balance	(104)	90
Add : movement during the year	81	(194)
Closing balance	**(23)**	**(104)**
Total Other Equity	**61,194**	**54,902**

General Reserve:

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purpose. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

Retained Earnings:

The amount that can be distributed by the Company as dividends to its equity shareholders is determined based on the separate financial statements of the Company and also considering the requirements of the Companies Act, 2013. Thus, the amounts reported above are not distributable in entirety.

Reserve for equity instruments through other comprehensive income:

The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVTOCI equity investments reserve within equity. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

Notes forming part of Consolidated Financial Statements

for the year ended 31st March, 2024 (Contd.)

20 Lease liabilities

(₹ in lakhs)

	As at 31st March, 2024		As at 31st March, 2023	
	Non-current	Current	Non-current	Current
Lease liabilities	212	82	294	71
	212	**82**	**294**	**71**

(₹ in lakhs)

	As at 31st March, 2024	As at 31st March, 2023
a) Movement in lease liability		
Balance at beginning of the year	364	391
Additions	-	65
Deletion	-	-
Finance cost (Also, refer note 34)	33	37
Payment of Lease liabilities	(103)	(129)
Balance as at end of the year	**294**	**364**
b) Summary of contractual maturities of lease liabilities on undiscounted basis		
i) Less than one Year	108	104
ii) One to five years	239	347
iii) More than five years	-	-
	347	**451**
c) Amount recognised in statement of profit and loss		
Interest on lease liabilities	33	37
Amortisation of ROU	91	102
	124	**139**

21 Non-current provision

(₹ in lakhs)

	As at 31st March, 2024	As at 31st March, 2023
Provision for employee benefits:	363	321
- Compensated absences	**363**	**321**

22 Deferred tax liability

(₹ in lakhs)

Deferred tax liability arising on account of	As at 31st March, 2024	As at 31st March, 2023
- Timing difference between written down value as per financials and as per Income tax on property plant and equipment	929	964
- Fair valuation of investments	3,189	2,250
Deferred tax asset arising on account of :		
- Provision for employee benefits	(290)	(139)
- Others	(59)	(90)
	3,769	**2,985**

Notes forming part of Consolidated Financial Statements

for the year ended 31st March, 2024 (Contd.)

Particular	Timing difference between written down value as per financials and as per Income tax on property plant and equipment	Fair value change in Investment	Provision for employee benefits	Others	Total
Balance as at 1st April, 2022	965	1,582	(285)	(112)	2,150
Recognised in statement of profit and loss	(1)	(105)	147	22	63
Recognised in other comprehensive income	-	761	11	-	772
Balance as at 31st March, 2023	964	2,250	(139)	(90)	2,985
Recognised in statement of profit and loss	(35)	169	(159)	31	6
Recognised in other comprehensive income	-	770	8	-	778
Balance as at 31st March, 2024	**929**	**3,189**	**(290)**	**(59)**	**3,769**

23 Trade payables

(₹ in lakhs)

	As at 31st March, 2024	As at 31st March, 2023
Total outstanding dues to micro enterprises and small enterprises (Also, refer note (a) and (b))	4,333	2,923
Total outstanding dues to other than micro enterprises and small enterprises (Also, refer note (b))	9,488	6,628
	13,821	**9,551**

a) Disclosures Required Under Section 22 Of The Micro, Small And Medium Enterprises Development Act, 2006:

(₹ in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	4,333	2,923
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

The management has identified enterprises which have provided goods and services to the Company and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006 (MSMEDA). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31st March, 2024 and 31st March, 2023 has been made in the financials statements based on information received and available with the Company. Further, the Company has not paid any interest to any micro and small enterprises during the current year and previous year.

Notes forming part of Consolidated Financial Statements

for the year ended 31st March, 2024 (Contd.)

b) Ageing of trade payables

31st March, 2024

Particulars	Outstanding for following period from due date from payment				
	Less than 1year	1 to 2 years	2 to 3 years	More than 3 years	Total
Undisputed Micro and Small enterprises	4,333	-	-	-	**4,333**
Disputed - Micro and Small enterprises	-	-	-	-	**-**
Undisputed - Other than Micro and Small enterprises	9,404	32	-	52	**9,488**
Disputed - Other than Micro and Small enterprises	-	-	-	-	**-**

31st March, 2023

Particulars	Outstanding for following period from due date from payment				
	Less than 1year	1 to 2 years	2 to 3 years	More than 3 years	Total
Undisputed Micro and Small enterprises	2,923	-	-	-	**2,923**
Disputed - Micro and Small enterprises	-	-	-	-	**-**
Undisputed - Other than Micro and Small enterprises	6,570	4	10	44	**6,628**
Disputed - Other than Micro and Small enterprises	-	-	-	-	**-**

24 Other financial liabilities:

(₹ in lakhs)

	As at 31st March, 2024	As at 31st March, 2023
Unpaid dividend	56	62
Earnest money deposit	72	49
Commission to directors	230	155
Others*	0	-
	358	**266**

* Amount is below the rounding off norms adopted by the Company

25 Current provision

(₹ in lakhs)

	As at 31st March, 2024	As at 31st March, 2023
Provisions for employee benefits		
- Compensated absences	24	25
Gratuity (Also, refer note 39)	97	-
Provision for warranty (Also, refer note (a) below)	77	60
	198	**85**
Product Warranty:		
Opening Balance	60	55
Additions	61	48
Utilizations	(44)	(43)
Closing Balance	**77**	**60**

Notes forming part of Consolidated Financial Statements

for the year ended 31st March, 2024 (Contd.)

a) A provision is recognized for expected warranty claims on supply of goods, based on past experience of level of repairs and returns. The current and non-current classification of the provision is made based on the remaining warranty period of the goods supplied as at the balance sheet date. The assumptions used to calculate the provision for warranties are based on the Company's current status of goods supplied that are under warranty and information available about expenditure more probable to be incurred based on the Company's warranty terms which provides for a warranty period of about 12-36 months.

26 Other current liabilities

(₹ in lakhs)

	As at 31st March, 2024	As at 31st March, 2023
Statutory dues	676	737
Liability towards discounts to customers	1,403	963
Tooling advance	496	426
Others	-	43
	2,575	**2,169**

27 Revenue from operations

(₹ in lakhs)

	Year ended 31st March, 2024	Year ended 31st March, 2023
Sale of Manufactured Products:		
Export sales	3,578	3,708
Domestic sales	65,084	61,047
	68,662	**64,755**
Sale of Traded Products:		
Domestic sales	3,940	679
Discount to customers (Turnover discount)	(932)	(813)
	71,670	**64,621**
Other operating revenues:		
- Export benefits	91	99
- Scrap sales and others	647	905
	72,408	**65,625**

a) Disaggregation of revenue information

The table below presents disaggregated revenues from contracts with customer which is recognised based on goods transferred at a point of time by geography and offerings of the Company. As per the management, the below disaggregation best depicts the nature, amount, timing and uncertainty of how revenues and cash flows are affected by industry, market and other economic factors.

(₹ in lakhs)

	Year ended 31st March, 2024	Year ended 31st March, 2023
Revenue by geography		
India	68,830	61,917
Rest of the world	3,578	3,708
Total revenue from operations	**72,408**	**65,625**

Notes forming part of Consolidated Financial Statements

for the year ended 31st March, 2024 (Contd.)

b) Contract balances

(₹ in lakhs)

	As at 31st March, 2024	As at 31st March, 2023
Receivables, which are included in Trade receivables (gross) (Contract Asset)	14,175	11,947
Tooling advances, Which are included in Other financial liabilities (Contract Liabilities)	496	426

c) Segment information

In accordance with Ind AS 108, Operating Segments, the Company has identified manufacture and sale of Ignition Systems for auto industry with special focus on two-wheeler and support with the collaborators, the Company has a developed research and development centre recognised by DSIR, Government of India. As per Ind AS 108 Operating Segments, the Chief Operating Decision Maker (CODM) evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments. Accordingly, the Company has identified only one segment as reportable segment for the year ended 31st March, 2024 and 31st March, 2023.

d) Geographical information

The Company is domiciled in India. The amount of its revenue from external customers and non-current assets other than financial instruments, and deferred tax assets, broken down by location of the assets, is shown below:

(₹ in lakhs)

	Year ended 31st March, 2024	Year ended 31st March, 2023
Revenue by geography		
India	68,830	61,917
Rest of the world	3,578	3,708
Total revenue from operations	**72,408**	**65,625**

(₹ in lakhs)

	As at 31st March, 2024	As at 31st March, 2023
Non-current asset		
India	40,029	34,253
Rest of the world	881	954
	40,910	**35,207**

e) Information about major customers

Revenue from operations include revenue from major customer group contributing individually to more than 10% of the Company's total revenue from operations as given below. There is no other single customer who contributed more than 10% to the Company's revenue for the respective years.

(₹ in lakhs)

	Year ended 31st March, 2024	Year ended 31st March, 2023
No of customer	2	2
Amount involved	48,751	43,384

Notes forming part of Consolidated Financial Statements

for the year ended 31st March, 2024 (Contd.)

28 Other income

(₹ in lakhs)

	Year ended 31st March, 2024	Year ended 31st March, 2023
Interest Income :		
- From bank deposits	47	64
- From bonds	132	142
Dividend Income	194	232
Net gain on foreign currency transactions	144	176
Net gain on sale of investments carried at FVTPL	551	1,310
Gain on fair valuation of investment carried at fair value through profit and loss	1,334	-
Provision no longer required written back	83	261
Other non-operating income	2	71
	2,487	**2,256**

29 Cost of raw materials consumed

(₹ in lakhs)

	Year ended 31st March, 2024	Year ended 31st March, 2023
Opening stock	3,751	3,430
Add: Purchases	48,824	44,444
	52,575	**47,874**
Less: Closing stock	(5,025)	(3,751)
	47,550	**44,123**

30 Purchase of stock in trade

(₹ in lakhs)

	Year ended 31st March, 2024	Year ended 31st March, 2023
Purchase of stock in trade	2,438	1,646
	2,438	**1,646**

31 Changes in inventories of finished goods, work-in-progress and stock-in-trade

(₹ in lakhs)

	Year ended 31st March, 2024	Year ended 31st March, 2023
Closing stock		
Finished goods	1,161	1,333
Work in progress	200	209
Stock in trade	523	307
	1,884	**1,849**
Opening stock		
Finished goods	1,333	800
Work in progress	209	499
Stock in trade	307	230
	1,849	**1,529**
Changes in inventories	**(35)**	**(320)**

Notes forming part of Consolidated Financial Statements

for the year ended 31st March, 2024 (Contd.)

32 Other operating expenses

(₹ in lakhs)

	Year ended 31st March, 2024	Year ended 31st March, 2023
Stores and spares consumed	952	1,024
Power and fuel	862	821
Repairs to:		
-Building	325	326
-Machinery	401	428
-Others	98	105
Royalty	-	-
Research and development expenses	262	183
	2,900	**2,888**

33 Employee benefits expenses

(₹ in lakhs)

	Year ended 31st March, 2024	Year ended 31st March, 2023
Salaries, wages and bonus	7,260	6,503
Gratuity expenses (Also, refer note 39)	64	66
Contribution to provident and other funds (Refer Note 39)	403	353
Staff welfare expenses	1,070	1,049
	8,797	**7,971**

34 Finance costs

(₹ in lakhs)

	Year ended 31st March, 2024	Year ended 31st March, 2023
Bank charges	6	5
Interest on lease liabilities (Refer note 20)	33	37
	39	**42**

35 Depreciation and amortization expenses

(₹ in lakhs)

	Year ended 31st March, 2024	Year ended 31st March, 2023
Depreciation of Property, plant and equipment (Also, refer note 4)	1,360	1,298
Amortisation of intangible assets (Also, refer note 6)	58	62
Amortisation of right to use asset (Also, refer note 7)	91	102
	1,509	**1,462**

36 Other expenses

(₹ in lakhs)

	Year ended 31st March, 2024	Year ended 31st March, 2023
Rent (Also, refer note (a) below)	5	22
Repairs and maintenance - others	23	16
Insurance	51	63
Rates and taxes	53	42
Communication expenses	47	49
Postage, printing and stationery	47	50
Director sitting fees	21	29

Notes forming part of Consolidated Financial Statements

for the year ended 31st March, 2024 (Contd.)

(₹ in lakhs)

	Year ended 31st March, 2024	Year ended 31st March, 2023
Travelling and conveyance	299	235
Legal and professional charges	1,068	433
Management fees (Also, refer note 40)	654	563
Corporate social responsibility (Also, refer note 44)	99	88
Commission to directors	159	155
Warranty expenses	61	48
Freight outwards	417	377
Advertisement and sales promotion expenses	267	1,078
Audit Fees:		
a) Statutory Auditors:		
- Statutory Audit	18	18
- Tax Audit	4	4
- Other Attestation Matters	8	7
- Reimbursement of Expenses	2	1
b) Cost Audit	3	3
c) Secretarial Audit	2	2
d) Reimbursement - Other audits	2	1
Loss on fair valuation of investment carried at fair value through profit and loss	-	77
Miscellaneous expenses	809	666
	4,119	**4,027**

a) The Company has lease contracts for office premises and these lease contracts are cancellable/renewable for further period on mutually agreeable terms during the tenure of lease contracts. These lease contracts are classified as short term lease contracts under Ind AS 116

37 Items will not be reclassified to profit and loss

(₹ in lakhs)

	Year ended 31st March, 2024	Year ended 31st March, 2023
Increase in fair value of investments	3,510	3,710
Remeasurement of the defined benefit plan	(133)	42
Income tax relating to items that will not be reclassified to profit or loss	(778)	(773)
	2,599	**2,979**

38 Income tax

The major components of tax expense and the reconciliation of the expected tax expense based on the domestic effective tax rate of the Company at 25.17% and the reported tax expense in the statement of profit and loss are as follows:

(₹ in lakhs)

	Year ended 31st March, 2024	Year ended 31st March, 2023
Income tax expenses		
Accounting profit before taxes and exceptional items	7,578	6,042
Tax rates	25.17%	25.17%
Tax on profit at enacted tax rate	**1,907**	**1,521**
"Dividend income from mutual funds and equity instruments exempted under the income tax act (u/s.80M deduction)"	(49)	(74)
Effect of adjustment of income over the carried forward loss	(17)	(152)
On account of enacted tax rates	(248)	(101)
Others	49	(38)

Notes forming part of Consolidated Financial Statements

for the year ended 31st March, 2024 (Contd.)

(₹ in lakhs)

	Year ended 31st March, 2024	Year ended 31st March, 2023
Actual tax expenses	**1,642**	**1,156**
Deferred tax expenses		
On account of timing difference between written down value as per financials and as per Income tax on property plant and equipment	(35)	(1)
On account of fair value change in Investment	169	(105)
On account of provision for employee benefits	(159)	147
Others	31	22
Deferred tax expenses	**6**	**63**
Total tax expenses recognised in statement of profit and loss	**1,648**	**1,219**

39 Employee benefits

The Company provides for gratuity, a defined benefit retirement plan covering eligible employees. The gratuity plan provides a lumpsum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount on the respective employee's salary and the tenure of employment with the Company. The employee benefits notified under section 133 of the companies act are given below:

a) Defined contribution plan:

i) Provident fund

Eligible employees receive benefits from a provident fund, which is a defined contribution plan. Aggregate contributions along with interest thereon are paid at retirement, death, incapacitation or termination of employment. Both the employee and the Company make monthly contributions to the Employee's Provident Fund scheme administered by Government of India equal to a specified percentage of the covered employee's salary.

ii) Superannuation fund

Eligible employees receive benefits from the superannuation fund, which is a defined contribution plan. Aggregate contributions along with interest theron are paid at retirement, death, incapacitation or termination of employment. The Company makes yearly contributions to the Superannuation Fund Scheme administered by Life Insurance Corporation of India. Liabilities with regard to the Superannuation fund are determined by the Life Insurance Corporation of India as the balance sheet date, based upon which, the Company contributes all the ascertained liabilities to the Life Insurance Corporation of India's Employees Superannuation Fund.

iii) Employee State Insurance Benefits

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Employee State Insurance, which is defined contribution plan. The Company has no obligations other than to make the specified contributions. The contributions are charged to the statement of profit and loss as they accrue.

(₹ in lakhs)

	Year ended 31st March, 2024	Year ended 31st March, 2023
Employer's contribution to provident fund	284	225
Employer's contributions to employee state insurance	7	4
Employer's contribution to superannuation fund	50	48
Employer's contribution to labour welfare fund	-	-
	341	**277**

Notes forming part of Consolidated Financial Statements

for the year ended 31st March, 2024 (Contd.)

b) Leave encashment:

The Employees of the Company are entitled to compensated absence. Employees can carry forward a portion of the unutilized accrued compensated absence and utilize it in future periods or receive cash compensation at retirement or termination of employment for the unutilized accrued compensated absence for a maximum of 52 days (upto the age of 50) and 90 days (age beyond 50). The Company records an obligation for compensated absences in the period in which employees render services that increase this entitlement. The Company measures the expected cost of compensated absence as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the balance sheet date. The liability has been actuarially determined and accounted in the books.

c) Defined benefit Plan:

Gratuity

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act, 1972 or the Company scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The Company provides the gratuity benefit through annual contributions to a fund managed by the Life Insurance Corporation of India (LIC).

These plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk: The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. When there is a deep market for such bonds; if the return on plan asset is below this rate, it will create a plan deficit. Currently, for these plans, investments are made in government securities, debt instruments, Short term debt instruments, Equity instruments and Asset Backed, Trust Structured securities as per notification of Ministry of Finance.

Interest risk: A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's investments.

Longevity risk: The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

In respect of the above plans, the most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as at 31st March, 2024 by a member firm of the Institute of Actuaries of India. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

Notes forming part of Consolidated Financial Statements

for the year ended 31st March, 2024 (Contd.)

d) The following table set out the status of the gratuity plan and the amount recognised in the Company's financial statement

i) Change in projected benefit obligation

(₹ in lakhs)

	As at 31st March, 2024	As at 31st March, 2023
Opening defined benefit obligation	1,273	1,185
Benefits paid	(129)	(24)
Current service cost	68	67
Interest cost on benefit obligation	86	81
Actuarial (gain) on obligation	140	(36)
Projected benefit obligation at the end of the year	**1,438**	**1,273**

ii) Change in plan assets

(₹ in lakhs)

	As at 31st March, 2024	As at 31st March, 2023
Opening fair value of plan assets	**1,282**	**1,160**
Contributions by employer	91	58
Benefits paid	(129)	(24)
Expected return	90	82
Actuarial gain / (loss) on plan assets	7	6
Closing fair value of plan assets	**1,341**	**1,282**

iii) Reconciliation of present value of obligation on the fair value of plan assets to the liability recognised

(₹ in lakhs)

	Year ended 31st March, 2024	Year ended 31st March, 2023
Present value of projected benefit obligation at the end of the year	1,438	1,273
Fair value of plan assets at the end of the year	1,341	1,282
(Asset) / liability recognized in the balance sheet	**97**	**(9)**
Funded Status		
Funded	1,438	1,273
Unfunded	-	-

iv) Components of net gratuity costs are

(₹ in lakhs)

	Year ended 31st March, 2024	Year ended 31st March, 2023
Current service cost	68	67
Interest cost on benefit obligation	(4)	(0)
Expected return on plan assets	-	-
Total amount recognised in the statement of profit or loss	**64**	**67**
Actuarial (gain)	133	(42)
Total amount recognised in other comprehensive income	**133**	**(42)**

Notes forming part of Consolidated Financial Statements

for the year ended 31st March, 2024 (Contd.)

v) Principal actuarial assumptions used:

(₹ in lakhs)

	As at 31st March, 2024	As at 31st March, 2023
Discount Rate (%)	6.97%	7.14%
Estimated Rate of Return on Plan Assets	6.97%	7.14%
Attrition Rate	12.00%	15.00%
Expected rate of salary increase (%)	7.00%	7.00%
Expected Average Remaining Service (years)	6.70	5.68

The Company assesses these assumptions with the projected long-term plans of growth and prevalent industry standards.

The estimates of rate of escalation in salary considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary. The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

vi) Employee benefits - maturity profile (undiscounted)

(₹ in lakhs)

	As at 31st March, 2024	As at 31st March, 2023
Within 1 year	186	213
1 - 2 years	299	237
2 - 3 years	177	219
3 - 4 years	161	154
4 - 5 years	173	143
Above 5 years	649	522
	1,645	**1,488**

vii) Sensitivity analyses

(₹ in lakhs)

		As at 31st March, 2024	As at 31st March, 2023
A.	Discount Rate + 50 BP	7.47%	7.64%
	Defined Benefit Obligation [PVO]	1,404	1,246
	Current Service Cost	79	66
B.	Discount Rate - 50 BP	6.47%	6.64%
	Defined Benefit Obligation [PVO]	1,474	1,301
	Current Service Cost	84	70
C.	Salary Escalation Rate +50 BP	7.50%	7.50%
	Defined Benefit Obligation [PVO]	1,476	1,302
	Current Service Cost	84	70
D.	Salary Escalation Rate -50 BP	6.50%	6.50%
	Defined Benefit Obligation [PVO]	1,402	1,244
	Current Service Cost	79	66

Notes forming part of Consolidated Financial Statements

for the year ended 31st March, 2024 (Contd.)

40 Related parties (As per Ind AS 24)

40.1 Names of related parties	Nature of relationship
Ultimate holding Company	SB TVS Industrial Ventures Private Limited
Holding Company	Lucas Indian Service Ltd
Entity which has significant influence over the Company	Mahle Electric Drives Japan Corporation (upto 26th June, 2023)
	Mahle Holding (India) Private Limited (upto 26th June, 2023)
Enterprise having transaction with the Company during the current year/ previous year over which the Key Managerial Personnel and their relatives are able to exercise significant influence/control	Lucas TVS Limited
Entities in which Director's are interested	TVS Educational Society
	Southern Roadways P Ltd
	Subbaraya Aiyar, Padmanabhan and Ramamani, Advocates (upto 20th September, 2023)
Key Managerial Personnel and Other Directors	Arvind Balaji, Managing Director
	Anant Jaivant Talaulicar, Director
	Tirumala Kumara Balaji, Director
	Tirumala Kumara Balaji Priyamvada, Director
	Heramb Ravindra Hajarnavis, Director (from 10th August, 2023)
	Gangapriya Chakraverti, Director (from 10th August, 2023)
	KG Raghavan, Director (till 20th September, 2023)
	R Vijaya Raghavan, Director (till 20th September, 2023)
	Jakob Ruemmler, Director (till 19th July, 2023)
	Kiyoyasu Kawakami, Director (till 19th July, 2023)
	V Jayabalaraman, Director (till 21st September, 2022)
	Jayashree Suresh, Director (till 21st September, 2022)
	Elango Srinivasan, CFO
	G Venkatram, Company Secretary (till June, 2022)
	Logitha, Company Secretary

a) Related party relationships are as identified by the management and relied upon by the auditors.

Notes forming part of Consolidated Financial Statements

for the year ended 31st March, 2024 (Contd.)

40.2 Transactions with related parties

(₹ in lakhs)

Name of the related party	Year ended 31st March, 2024	Year ended 31st March, 2023
Mahle Electric Drives Japan Corporation		
Sale of products	-	49
Dividend paid	-	131
Lucas Indian Service Ltd		
Sale of products	4,909	3,887
Rent paid	25	23
Dividend paid	1,630	1,063
Mahle Holding (India) Pvt Ltd		
Dividend paid	-	277
Lucas TVS Limited		
Sale of products	153	125
Purchase of raw materials	-	47
Rent expenses	79	86
Reimbursement of expenses	467	557
Travel reimbursements received	24	13
Management and testing fees	647	573
Dividend received	194	232
Sundram Fastners Limited		
Purchase of raw materials	-	-
TVS Training and Services Limited		
Training expenses	-	1
TVS Educational Society		
Reimbursement of expenses	24	14
Stipend to apprentices	1,338	1,238
Arvee Consultants & Services Private Limited		
Professional charges	2	2
Remuneration		
Arvind Balaji*	307	297
Anant Jaivant Talaulicar, Director	12	10
Tirumala Kumara Balaji, Director	7	8
Tirumala Kumara Balaji Priyamvada, Director	8	5
Heramb Ravindra Hajarnavis,Director	12	6
Gangapriya Chakraverti, Director	11	5
KG Raghavan, Director	2	6
R Vijaya Raghavan, Director	4	4
Jakob Ruemmler, Director	-	5
V Jayabalaraman, Director	-	3
Jayashree Suresh, Director	-	3
Elango srinivasan-Chief financial officer	68	66
G Venkatram- Company Secretary	-	6

*Gratuity and Compensated absences are being provided based on actuarial valuation performed for the Company as a whole and accordingly is not identifiable separately for the KMPs. The above amount includes the value of perquisites inform of rent free accomodation, furniture, gas, electricity, water, Internet and Security, valued as per the Income Tax rules

Notes forming part of Consolidated Financial Statements

for the year ended 31st March, 2024 (Contd.)

40.3 Balance with related parties

Name of the related party	As at 31st March, 2024	As at 31st March, 2023
Trade receivables		
Lucas Indian Service Limited	1,474	839
Lucas TVS Limited	71	4
Trade payables		
Lucas TVS Limited	253	259
Arvee Consultants & Services Private Limited	1	1
Remuneration payable		
Commission payable	159	155
Investments in Equity Shares accounted as fair value through comprehensive income		
Lucas TVS Limited	19,037	15,446

41 Research and Development expenses*

Particular	Year ended 31st March, 2024	Year ended 31st March, 2023
The amount spent towards Research and Development expenses during the year are as under:		
Capital expenditure	**102**	**391**
Revenue expenditure		
Salaries, wages and bonus	1,032	857
Power and fuel	95	76
Travelling and conveyance	51	46
Miscellaneous expenses	765	556
Total	**2,045**	**1,926**

*The summary is prepared based on the information available with the Company and is relied upon by the auditors

42 Earnings per equity share (EPS)

Particular	Year ended 31st March, 2024	Year ended 31st March, 2023
Basic and diluted earnings per share		
Nominal value of equity shares	5	5
Profit attributable to equity shareholders (A)	5,930	4,823
Weighted average number of equity shares outstanding during the year (B)	2,26,21,424	2,26,21,424
Basic earnings per equity share (A/B)	26.21	21.32
Diluted earnings per equity share (A/B)	26.21	21.32

Notes forming part of Consolidated Financial Statements

for the year ended 31st March, 2024 (Contd.)

43 Contingent liabilities and commitment

Particular	As at 31st March, 2024	As at 31st March, 2023
a) Claims not acknowledged as debt		
Disputed income tax demands	684	-
Sales tax matters	3	-
Others	-	2
b) Estimated amount of contracts remaining to be executed on capital account and not provided, net of advance	401	931

Note:

1) The company has received a favourable order from Gurugram District court in respect of a claim for compensation for a land acquired from the company in 2010 to the extent of ₹ 445 Lakhs plus interest as specified in the order. The company's execution petition is in the process of being heard. The said compensation will be accounted on conclusion of the matter.

44 Corporate social responsibility (CSR) expenditure

Particular	Year ended 31st March, 2024	Year ended 31st March, 2023
a) Gross amount required to be spent by the Company during the year	96	94
b) Amount spent during the year on :		
- Construction/Acquisition of any Asset:	-	0
- Education	61	60
- Rural Development Projects	25	0
- Health Care and Sanitation	8	32
- On purposes other than above	2	2
c) (Shortfall) / excess paid at the end of the year	0.1	-
- Reason for shortfall	Not applicable	Not applicable
d) Total of previous years shortfall	-	-
- Reason for shortfall	Not applicable	Not applicable
Nature of CSR activities		
Eradicating Hunger, poverty, Rural Development projects, Promoting Education, enhancing vocational skills especially among children and women, Promoting gender equality, Health care and sanitation, Environment & sustainability.		
e) Details of related party transactions in relation to CSR expenditure, e.g., contribution to a trust controlled by the Company in relation to CSR expenditure	Nil	Nil
f) 'Provisions w.r.t CSR Expenditure pursuant to contractual obligation	Nil	Nil

Notes forming part of Consolidated Financial Statements

for the year ended 31st March, 2024 (Contd.)

45 Fair value measurement

a) Financial instruments by category

The carrying value and fair value of financial instruments by categories as of 31st March, 2024

Particulars	Amortised Cost	FVTPL	FVOCI	Total carrying value	Total fair value
Financial assets					
Investments*	501	23,612	19,073	43,186	43,186
Trade receivables	14,175	-	-	14,175	14,175
Loans	112	-	-	112	112
Cash and cash equivalents	1,235	-	-	1,235	1,235
Other bank balances	656	-	-	656	656
Other Financial Assets	162	-	-	162	162
Total	**16,841**	**23,612**	**19,073**	**59,526**	**59,526**
Financial liabilities					
Trade payables	13,821	-	-	13,821	13,821
Lease liability	294	-	-	294	294
Other financial liabilities	358	-	-	358	358
Total	**14,473**	**-**	**-**	14,473	**14,473**

The carrying value and fair value of financial instruments by categories as of 31st March, 2023

Particulars	Amortized Cost	FVTPL	FVOCI	Total carrying value	Total fair value
Financial assets					
Investments*	1,207	18,817	15,478	35,502	35,502
Trade receivables	11,947	-	-	11,947	11,947
Loans	118	-	-	118	118
Cash and cash equivalents	1,286	-	-	1,286	1,286
Other bank balances	996	-	-	996	996
Other Financial Assets	212	-	-	212	212
Total	**15,766**	**18,817**	**15,478**	**50,061**	**50,061**
Financial liabilities					
Trade payables	9,551	-	-	9,551	9,551
Lease liability	365	-	-	365	365
Other financial liabilities	266	-	-	266	266
Total	**10,182**	**-**	**-**	10,182	**10,182**

* Does not include Investment which are accounted at cost in accordance with Ind AS 27.

Fair value measurements

(i) Fair value hierarchy

Financial assets and financial liabilities measured at fair value in the statement of financial position are classified into three Levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurements:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Notes forming part of Consolidated Financial Statements

for the year ended 31st March, 2024 (Contd.)

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

(ii) Financial assets measured at fair value through profit and loss (FVTPL) on a recurring basis

Particular	Fair value hierarchy	As at 31st March, 2024	As at 31st March, 2023
Investments in Alternate Investment funds	Level I	1,362	1,250
Investments in equity shares	Level I	1,299	983
Investment in mutual funds	Level I	20,952	16,583
Total		**23,613**	**18,816**

(iii) Financial assets measured at fair value through Other Comprehensive Income (FVTOCI) on a recurring basis

Particulars	As at 31st March, 2024	As at 31st March, 2023	Fair value hierarchy	Valuation technique(s) and key input(s)
Un listed equity instruments	19,073	15,478	Level III	The fair value is calculated based on the inputs for the assets that are not based on observable market data

Notes:

a) **Level 1:** level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period

b) **Level 2:** level 2 hierarchy includes mutual funds. The mutual funds are valued using the closing NAV provided by the fund management Company at the end of each reporting year.

c) **Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3

d) The investments in equity instruments are not held for trading. Instead, they are held for medium or long-term strategic purpose. Upon the application of Ind AS 109, the Company has chosen to designate these investments in equity instruments as at FVTOCI as the directors believe that this provides a more meaningful presentation for medium or long-term strategic investments, than reflecting changes in fair value immediately in profit or loss.

e) The Company has invested in the energy generating companies as per the regulation of Electricity Act. Although the investments are classified as "Equity" shares, as per IND AS 32 –"Financial Instruments, Presentation" the definition of "equity" requires an entitlement in the residual interest in net assets whereas the Company as per share holder agreement requires to transfer the shares at cost. However, no changes are given effect to the above as per IND AS 32, since the regulation of Electricity Act does not permit distribution in any other manner. IND AS 109 requires an equity share other than investments in subsidiaries, associates and joint ventures to be valued at "Fair Value Through Other Comprehensive Income" if elected initially or valued at "Fair Value Through Profit and Loss Account". However, on account of what is stated in the previous paragraph, these shares are shown at cost and the fair value is deemed to be the cost. Accordingly, investment in IRIS Ecopower is considered to be a Level 3 fair valuation.

f) The Company has invested in the equity shares of Lucas TVS Limited. This investment is considered to be a level 3 fair valuation. Valuation technique used - Market Approach: Comparable companies Method ("CCM") (EV/EBITDA Multiple i.e. Enterprise Value/Earnings Before Interest Tax Depreciation and Amortization multiple).

g) *Significant unobservable inputs - EV/EBITDA Multiple at 9x*

Relationship of Unobservable Inputs to Fair Value - A slight increase or decrease in the multiple will result in an increase or decrease in the fair value. A decrease in the multiple by 0.5x would result in a decrease in the fair value by ₹ 1058 Lakhs and an increase in the multiple by 0.5x would result in a increase in the fair value by ₹ 1058 Lakhs .

h) The Company has not disclosed the fair values for loans, cash and bank balances, trade receivables, other financial assets, trade payables, and other financial liabilities because their carrying amounts are a reasonable approximation to the fair value.

i) There have been no transfers between levels 1 and 2 during the year.

46 Financial risk management

a Financial Risk Management Framework

Company's principal financial liabilities comprise trade payables and Other financial liabilities. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include Investments, Trade receivables, loans, cash and bank balances and other financial assets that derive directly from its operations

Risk Exposures and Responses

The Company is exposed to market risk, interest rate risk, foreign currency risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management assesses the financial risks and the appropriate financial risk governance framework in accordance with the Company's policies and risk objectives. The Board of Directors review and agree on policies for managing each of these risks, which are summarised below.

i) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company only transacts with entities that are rated the equivalent of investment grade and above. The Company uses other publicly available financial information and its own trading records to rate its major customers. The Company's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

Trade receivables consist of a four to five major OEMs and large number of small customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable. At 31st March, 2024, the Company did not consider there to be any significant concentration of credit risk which had not been adequately provided for. The carrying amount of the financial assets recorded in the financial statements represents the maximum exposure to credit risk.

Other financial assets mainly comprises of rental deposits, security deposits and loans which are given to landlords or other governmental agencies in relation to contracts executed and related parties are assessed by the Company for credit risk on a continuous basis.

ii) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk i.e. interest rate risk, currency risk, and Commodity risk.

Notes forming part of Consolidated Financial Statements

for the year ended 31st March, 2024 (Contd.)

Interest rate risk

The Company has no outstanding borrowings and investment in bonds at fixed rates. Accordingly, no Interest risk is perceived.

Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instruments will fluctuate because of changes in foreign exchange rates. The Company is exposed to foreign exchange risk arising from transactions i.e. imports of materials, recognised assets and liabilities denominated in a currency that is not the Company's functional currency. The Company has not entered into any derivative contracts to hedge its foreign currency exposure during the reporting period.

The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are as under.

Particulars	Currency	31st March, 2024		31st March, 2023	
		Amount in Foreign Currency	Amount in ₹	Amount in Foreign Currency	Amount in ₹
Trade Receivables	EUR	2	189	2	175
	USD	8	692	10	779
Trade Payables	GBP	0	8	-	-
	USD	3	289	6	503
	JPY	47	27	1	0
	CNY	26	308	16	197

Foreign currency sensitivity

Particulars	Currency	31st March, 2024		31st March, 2023	
		Increase	Decrease	Increase	Decrease
Effect on profit before tax	EUR	9.43	(9.43)	8.74	(8.74)
Increase/(Decrease) of 5%	USD	20.29	(20.29)	14.01	(14.01)
	JPY	(1.34)	1.34	(0.02)	0.02
	CNY	(15.40)	15.40	(9.85)	9.85
	GBP	(0.39)	0.39	-	-

Commodity Risk

The Company has commodity price risk, primarily related to the purchases of Steel, Aluminium and Copper. However, the Company do not bear significant exposure to earnings risk, as such changes are included in the rate-recovery mechanisms with the customers.

iii. Liquidity risk

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Company has no outstanding bank borrowings. The Company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

The tables below set out the maturities of the Company's financial liabilities:

Particulars	As at 31st March, 2024				Total
	Up to 1 year	1 to 3 years	3 to 5 years	5 years and above	
Trade payables	13,821	-	-	-	13,821
Lease Liability	82	212	-	-	294
Other financial liabilities	358	-	-	-	358
Total	**14,261**	**212**	**-**	**-**	**14,473**

Particulars	As at 31st March, 2023				Total
	Up to 1 year	1 to 3 years	3 to 5 years	5 years and above	
Trade payables	9,551	-	-	-	9,551
Lease Liability	71	156	138	-	365
Other financial liabilities	266	-	-	-	266
Total	**9,888**	**156**	**138**	**-**	**10,182**

47 Additional regulatory information as required by Schedule III to the Companies Act, 2013

a) The Company does not have any benami property, where any proceeding has been initiated or pending against the Company for holding any benami property.

b) The Company did not have any transactions with companies struck off.

c) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

d) The Company has not traded or invested in crypto currency or virtual currency during the financial year.

e) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding that the intermediary shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (ultimate beneficiaries) or

(ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

f) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or

(ii) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

g) The Company does not have any transaction which is not recorded in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

h) The Company has not been declared willful defaulter by any bank or financial Institution or other lender.

i) The Company does not have any scheme of arrangements which have been approved by the competent authority in terms of sections 230 to 237 of the Act.

j) The Company has complied with the number of layers prescribed under of Section 2(87) of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

Notes forming part of Consolidated Financial Statements

for the year ended 31st March, 2024 (Contd.)

k) The Company has no borrowings, accordingly no returns required to furnished on periodical basis to banks, financial institutions or others.

l) Additional information as required under schedule III to the companies act, 2013, of enterprises consolidated as subsidiary

Name of the Company	As% of consolidated net assets	Net assets	As% of consolidated profit or loss	Share of profit or loss	As% of consolidated OCI	Share of OCI	As% of total comprehensive income	Total comprehensive income
31st March, 2024								
Parent								
India Nippon Electricals Limited	100%	62,326	102%	7,745	100%	2,599	327%	8,507
Foreign subsidiary								
PT Automotive Systems Indonesia	1%	403	1%	22	0%	-	1%	22
Adjustments arising on consolidation	-1%	(404)	-30%	-	0%	-	-33%	-
Total	**100%**	**62,325**	**100%**	**7,578**	**100%**	**2,599**	**100%**	**8,529**
31st March, 2023								
Parent								
India Nippon Electricals Limited	100%	56,034	129%	7,809	100%	2,979	294%	8,766
Foreign subsidiary								
PT Automotive Systems Indonesia	1%	403	1%	32	0%	-	1%	32
Adjustments arising on consolidation	-1%	(404)	-30%	(1,799)	0%	-	-33%	(996)
Total	**100%**	**56,033**	**100%**	**6,042**	**100%**	**2,979**	**100%**	**7,802**

48 Audit Trial:

The Company has deployed various accounting software for maintaining its books of account for the year ended March 31, 2024, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that audit trail feature was not enabled a) for certain master tables in the Company's ERP relating to sales, procurement, production, treasury and financial reporting business processes b) at the database level to log any direct data changes. This has not resulted in any impact on the operating effectiveness of the Company's internal financial controls.Adequate alternate control exists to ensure that the internal financial controls over financial reporting have operated effectively throughout the financial year.

49 Particulars of Loans, Guarantees or Investments covered under Section 186(4) of the Companies Act, 2013 :

(i) Advances in the nature of loans given to Companies as at Mar 31, 2024: ₹ Nil (As at Mar 31, 2023: ₹ Nil)

(ii) Details of investments made under Section 186 of the Companies Act, 2013 are disclosed in Note 8. There are no loans/guarantees issued under Section 186 of the Companies Act, 2013 read with rules issued thereunder.

50 Analytical ratios

Ratio	Current year	Previous year	% Variance	Remarks
Current ratio	2.51	3.01	-16.58%	Not applicable
Return on equity	10%	9%	10.69%	Not applicable
Inventory turnover ratio	7.98	8.60	-7.23%	Not applicable
Trade receivables turnover ratio	5.54	5.53	0.25%	Not applicable
Trade payables turnover ratio	4.39	4.97	-11.73%	Not applicable
Net capital turnover ratio	2.81	2.69	4.63%	Not applicable

Notes forming part of Consolidated Financial Statements

for the year ended 31st March, 2024 (Contd.)

Ratio	Current year	Previous year	% Variance	Remarks
Net profit ratio	8.19%	7.35%	11.44%	Not applicable
Return on capital employed	12%	10%	11.79%	Not applicable
Return on investment*	26%	30%	-11.55%	Not applicable

Ratio	Numerator	Denominator
Current Ratio	Current Assets	Current liabilities
Return On Equity	Profit available for Equity shareholders (PAT-Preference Dividend)	Average Shareholder's Equity
Inventory Turnover Ratio	COGS or Sales	Average inventory
Trade Receivables Turnover Ratio	Net credit sales (net of sales returns)	Average accounts receivable
Trade Payables Turnover Ratio	Net credit purchases (net of purchase returns)	Average trade payables
Net Capital Turnover Ratio	Net sales (net of sales)	Net working capital
Net Profit Ratio	PAT	Net sales (net of sales)
Return On Capital Employed	PBIT	(Tangible net worth = Total assets-Intangible assets-Total liabilities) *(though investments are not tangible, they are generally included while computing tangible net worth)*
Return On Investment	Income generated on Investments	Average Investments*

* Due to practical difficulties in arriving at the time weighted average investments, yearly average of investments is considered.

@ Explanations are provided for any change in the ratio by more than 25% as compared to 31st March, 2023

51 Approval of Financial Statements

In connection with the preparation of the Consolidated financial statements for the year ended 31st March, 2024, the Board of Directors have confirmed the propriety of the contracts / agreements entered into by / on behalf of the Company and the resultant revenue earned / expenses incurred arising out of the same after reviewing the levels of authorisation and the available documentary evidences and the overall control environment. Further, the Board of Directors have also reviewed the realizable value of all the current assets of the Company and have confirmed that the value of such assets in the ordinary course of business will not be less than the value at which these are recognised in the Consolidated financial statements. In addition, the Board has also confirmed the carrying value of the non-current assets in the financial statements. The Board, duly taking into account all the relevant disclosures made, has approved these financial statements at its meeting held on 30th May, 2024. The shareholders of the Company have the rights to amend the Financial Statements in the ensuing Annual general meeting post issuance of the same by the Board of directors.

52 Events after the reporting period

No adjusting or significant non-adjusting events have occurred since the reporting date other than those disclosed.

For and on behalf of the Board of Directors of
India Nippon Electricals Limited
CIN: L31901TN1984PLC011021

T K Balaji
Chairman
DIN:00002010

Arvind Balaji
Managing Director
DIN:00557711

Elango Srinivasan
Chief Financial Officer

S Logitha
Company Secretary

Place: Chennai
Date: 30th May, 2024

INDIA NIPPON ELECTRICALS LIMITED
11 & 13, Patullos Road,
Chennai 600 002
Ph: 044-2846 0063
E-mail: investors@inel.co.in
CIN: L31901TN1984PLC011021
Website: www.indianippon.com