India Nippon Electricals Ltd

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INEL/SE/2025-26/20 **August 28, 2025**

National Stock Exchange of India Limited
Exchange Plaza, 5th Floor,
Plot no C 1, G Block,
Bandra Kurla Complex,
Bandra (East), Mumbai 400 051
Scrip: INDNIPPON

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Fort
Mumbai 400 001
Scrip: 532240

Subject: Notice of 40th Annual General Meeting and Annual Report - FY 2024-25

Dear Sir/Madam,

The 40th Annual General Meeting ("AGM") of the Company will be held on Friday, 19th September, 2025 at 10:00 A.M. IST through Video Conferencing/Other Audio-Visual Means.

Pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the Notice convening the 40th AGM and the Annual Report of the Company, including the Business Responsibility and Sustainability Report, for the financial year 2024-25 which is being sent through electronic mode to all those members of the Company whose email addresses are registered with the Company and/or Depository Participant(s).

The Notice of the AGM along with the Annual Report for the financial year 2024-25 is also uploaded on the Company's website at https://indianippon.com/investors and the website of Central Depository Services Limited at www.evotingindia.com.

This is for your information and record.

Yours Sincerely
For India Nippon Electricals Limited

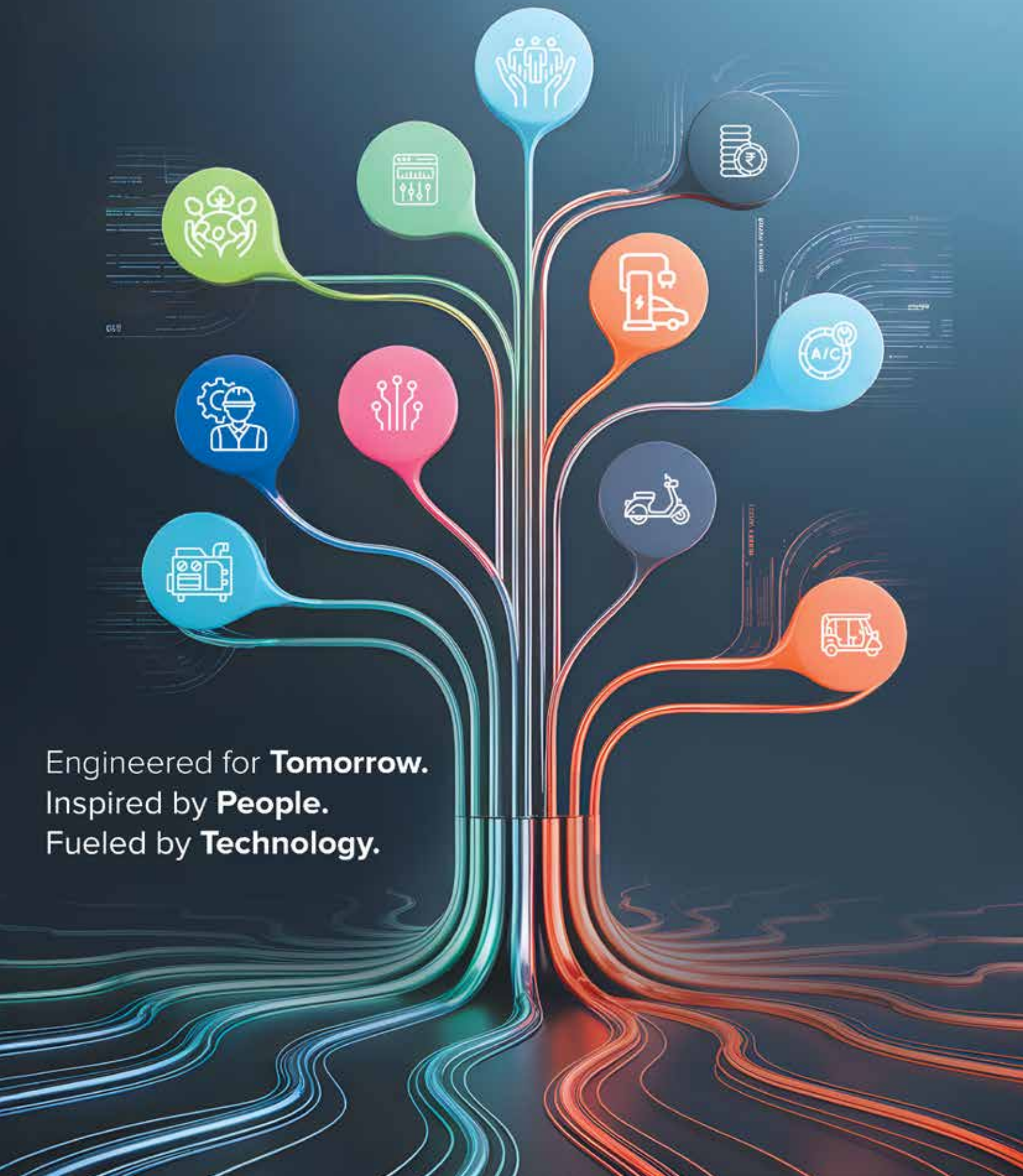
SEKAR LOGITHA
Digitally signed by SEKAR LOGITHA
Date: 2025.08.28 21:49:22 +05'30'

S Logitha
Company Secretary
Membership No. A29260

Encl: As Above

India Nippon Electricals Limited

Annual Report **2024-25**



Engineered for **Tomorrow.**
Inspired by **People.**
Fueled by **Technology.**

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Disclaimer

This document contains statements about expected future events and financials of India Nippon Electricals Limited ('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.

Financials

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https://indianippon.com/investor/

Or simply scan the
QR code below

Engineered for **Tomorrow.** Inspired by **People.** Fueled by **Technology.**

As the country moves toward a cleaner and smarter future, the two-wheeler segment stands at the crossroads of transformation.

Mobility in India is not just about getting from one place to another; it is a reflection of lifestyle, aspiration, and progress. As the country moves toward a cleaner and smarter future, the two-wheeler segment stands at the crossroads of transformation. With millions relying on two-wheelers every day, this category is evolving faster than ever, influenced by rising environmental consciousness, changing consumer behavior, and rapid technological advancement. The growing popularity of premium two-wheelers signals a shift in market expectations, while electric vehicles are steadily carving out space alongside the enduring presence of internal combustion engines.

India Nippon Electricals Limited sees this moment not as a challenge but as a remarkable opportunity to lead with clarity and purpose. By building on our core strengths in ICE technologies and simultaneously investing in electric mobility, we are driving a two-pronged approach that addresses the realities of today and the needs of tomorrow. Our expertise in engineering, design, and validation has enabled us to refine ICE offerings and support them with new-age technologies that enhance performance and efficiency. At the same time, we are actively developing next-generation products for electric two-wheelers, guided by innovation and a deep understanding of evolving mobility trends.

Our commitment to engineering excellence is reflected in the synergy between people and technology. It is our skilled and passionate workforce that powers our innovation engine, supported by cutting-edge tools and world-class

manufacturing systems. From concept to production, we bring precision, speed, and quality to every component we create. This integrated approach has earned us the trust of leading OEMs and positioned us as a reliable partner in a competitive and fast-moving industry.

We are also making strong progress in transition technologies like Integrated Starter Generators, which represent a meaningful step toward more sustainable powertrains. These technologies not only support the gradual shift to electrification but also offer enhanced value to our customers in the interim. Through continued investment in research and product development, we aim to stay ahead of the curve and respond to market needs with agility and confidence.

At INEL, we are not simply keeping pace with change, we are shaping it. Our objective is built on the belief that sustainability, innovation, and performance can go hand in hand. As we continue to scale new frontiers in both ICE and EV domains, we remain focused on delivering intelligent, future-ready solutions that drive the next era of mobility forward.

Key Highlights of 2024-25

₹84,483 Lakhs
→ Revenue

₹8,203 Lakhs
→ PAT

₹12,363 Lakhs
→ EBITDA

9.4%
→ PAT Margin

14.1%
→ EBITDA Margin

Where We Stand

41 Years
→ of Experience

3
→ Manufacturing Plants

1
→ State-of-the-Art Research Center

Tier 1
→ Supplier to Major Auto OEMs

2,315
→ Employees

14.30%
→ 3-Year Revenue CAGR

₹12.5 Per Share
→ Consistent Dividend Track Record

Debt-Free

About the Company

Built on Trust. Driven by Innovation.

At India Nippon Electricals Limited (also referred to as 'INEL,' 'The Company' or 'We'), we have earned our place in the industry by doing one thing consistently, delivering reliable, high-performance electronic ignition systems tailored for two-wheelers. Trusted by leading OEMs, we focus on engineering custom ignition components that are application-specific and performance-driven. Our leadership in this space is built on domain expertise, sustained innovation, and long-standing partnerships. Today, that same commitment is guiding us as we step confidently into the electric vehicle (EV) space, expanding our capabilities to serve a future shaped by cleaner mobility.

Innovation is at the core of everything we do. As markets evolve, so do we - consistently expanding our product portfolio and enhancing our technological capabilities. By integrating cutting-edge components such as sensors, controllers, converters, and engine control units, we are building systems that are smarter, more efficient, and future-ready. Our vision of moving beyond traditional internal combustion engines reflects a clear, forward-looking vision, positioning us as a versatile and dynamic player in the industry.

Our portfolio of high-quality, purpose-built products has earned us a robust customer base within India, while our presence across global markets continues to strengthen. Known for unwavering focus on quality and reliability, INEL maintains a leading position in the small engine markets, where our products consistently deliver superior performance.

Embracing the future of mobility, we are strategically expanding into high-growth segments such as EVs. Leveraging our deep technical expertise, we engineer customized solutions that address the unique and evolving needs of this rapidly advancing market.

Our strategically located manufacturing facilities empower us to efficiently serve customers across India and in international markets. As we expand our production capabilities, we remain firmly committed to service excellence, operational precision, and sustained growth. Our trusted customer base includes some of the most respected names in the automotive and non-automotive sectors, reinforcing INEL's strong footprint across domestic and global markets.

Vision

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

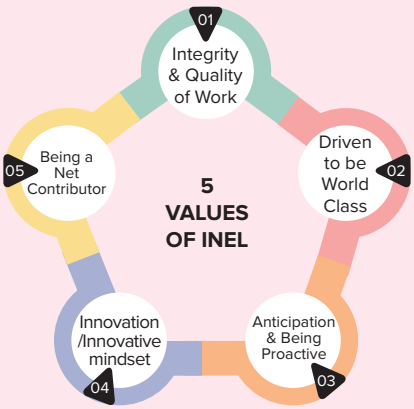
Mission

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

The Living Values

We INEL are a value driven organization. These values are a set of beliefs that bind us across our individual identities and bring about a common belief. The values were discussed across employee groups and the values explained to all employees in different forums including the Founders day, Townhall, Business update communication meetings etc.

The 5 Values we identify with are:



Integrity & Quality of Work

We honor our commitments—to ourselves, our teams, our customers, and our organization—by consistently doing what we say we will do. We trust one another and work together to deliver on our promises, never seeking excuses but finding multiple ways to achieve our goals. Our culture is built on mutual respect, transparency, and accountability. We value every team member, openly acknowledge our mistakes, and use them as opportunities to strengthen trust and drive continuous improvement.

Driven To Be World Class

Passionate in our pursuit of excellence, we strive for global standards across our manufacturing, products, and processes. The true measure of an excellence-driven company lies in customer trust and loyalty—their continued association is our strongest endorsement.

Innovation and Innovative Mindset

It opens doors to new solutions - whether for persistent challenges or emerging bottlenecks. It means rising above incremental thinking to improve products and processes that truly solve customer problems. Our short- and long-term success depends on our ability to fearlessly embrace creativity and weave innovation into our daily work. Innovation keeps us relevant and is a powerful force that attracts customers across domains and geographies.

Being a Net Contributor

We uphold the value of staying relevant and conscious in everything we do. Our aim is to ensure that society, our community, and all stakeholders - investors, customers, and employees - take pride in being associated with us. Guided by this principle, we consistently act in the best interests of our stakeholders, creating a lasting positive impact and building goodwill for the organization.

Anticipation and Being Proactive

Leadership at every level is defined by the ability to anticipate change—whether in patterns, demand, needs, problems, or bottlenecks—and to proactively address them. True leaders keep the organization adaptable and agile, ensuring resilience in the face of challenges. Leadership rooted in technical or subject expertise enables the organization to navigate effectively, preventing crises and reactive firefighting, and fostering smooth, systematic progress.

Shareholding Pattern (%) As of 31st March, 2025

70.32 Lucas Indian Service Limited

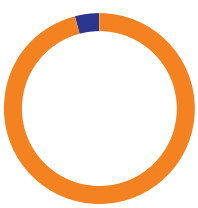
0.05 Promoter Individual

29.63 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 rose from 50.80% to 70.32%.

Global Footprint

Driven by a bold vision for global growth, we are accelerating our international expansion by targeting high-potential markets and exploring new application areas. A central pillar of this strategy is the ramp-up of exports to North America, enabled through strategic partnerships with leading global OEMs. With a strengthened presence across North America, ASEAN, and Europe, INEL is now focused on scaling its export operations and enhancing aftermarket services to deepen our impact in every market we serve. Today, we proudly supply to over 10 countries worldwide.



96% Domestic

4% Export

Our Journey

Driven by Passion. Designing for Tomorrow.

Our journey is powered by a deep-rooted passion for innovation and excellence. At INEL, everything we build is shaped by a clear intent: to solve today's problems while anticipating the challenges of tomorrow. Over the decades, through consistent effort, cross-functional collaboration, and a forward-looking mindset, we have transformed ideas into realities, setting new benchmarks in our industry.

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 Limited (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, Türkiye.
- 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, Türkiye, Novamark, Slovenia.
- Supply of ignition coils to Dell'Orto, Italy.
- Start of CDI business to Hero MotoCorp for Scooter.
- Award to ACG business for scooter model by Suzuki, India and 'Excellence in Technology' by ACMA.

2014-2018

- 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 DCDC.
- Global technical tie-up for ECG and EFU.
- Acquisition of new customers in North America.
- Introduction of ISG machine, opening new R&D center, and expansion of manufacturing plant.
- Certified as a 'Great Place to Work' for the 4th time in a row.

2023 onwards

- Acquisition of MEDJ and MHIPL's stake of 44.15 Lakh shares by LIS amounting to 19.51% and LIS holding became 70.32%.
- Maintained No. 1 position in ignition systems for the past three years, while consistently expanding customer base across ICE and EV segments.
- Introduction of new products, including sensors and ICE+ products (high efficiency, ISG Systems).
- Completed factory expansion with ongoing capacity enhancements.
- Increased strategic focus on exports and the aftermarket segment to drive growth.
- Received Gold Certification for the Hosur facility under the GreenCo rating system from CII.

Product Portfolio

Inspired by People. Engineered by INEL.

Driven by a deep understanding of our customers and their evolving needs, we continue to lead the ignition systems space with a robust and diverse portfolio of custom-engineered components. Our solutions are built to support OEMs across the automotive sector: from internal combustion engines to the fast-growing EV segment. Backed by a strong legacy in electronic ignition products, INEL is now actively shaping the future of mobility, through innovation, engineering precision, and a clear sense of purpose.

Product Development Process

Our product development process is anchored in innovation, market insight, and close collaboration with customers. We invest significantly in R&D to remain ahead of the technology curve and aligned with evolving regulatory requirements. Our process follows a structured, outcome-driven approach:

Innovation and Market Analysis

We continuously track industry trends, customer challenges, and regulatory updates to uncover new product opportunities and improve existing solutions.

Customer Collaboration

We adopt a collaborative development model with our OEM customers. We actively undertake detailed discussions from the initial concept phase, to thoroughly understand their technical requirements, vehicle architecture, and performance goals.

Feasibility and Concept Development

Our R&D team conducts comprehensive feasibility studies, evaluating design alternatives, materials, and manufacturability. Concept models and prototypes are created and reviewed with stakeholders to gather early feedback.

Design and Engineering

Once the concept is finalized, we move into detailed design, covering hardware architecture, software development for electronic and smart components, and mechanical integration to ensure seamless functionality. We utilize advanced tools like CAD, simulation software, and FMEA to ensure robust and reliable designs.

Prototyping and Validation

We employ rapid prototyping methods to develop functional samples, which undergo extensive testing under thermal, electrical, mechanical, and environmental conditions. This rigorous validation process guarantees that our products meet or surpass customer expectations and regulatory standards.

Regulatory Compliance

Throughout the development lifecycle, we ensure strict adherence to safety and emission regulations, including BS-VI and AIS standards, along with all applicable functional safety requirements.

This customer-centric and methodical approach enables us to deliver technologically advanced products that are well-aligned with both current market demands and future trends.

Go-to-Market Strategy for Products

The development and successful launch of a product begins with a comprehensive market analysis. This ensures that our offerings are strategically aligned with market needs and our organizational capabilities.

Key Elements of Our Market Analysis and Product Launch Strategy

Target Market Segmentation

We begin by identifying and segmenting the target market, analyzing key factors such as customer demographics, purchasing behaviors, geographic presence, and industry-specific needs. This allows us to identify high-impact opportunities where our products and technical strengths can deliver the greatest value.

Competitive Landscape Assessment

We undertake thorough evaluation of the competition. We analyze the strengths, weaknesses, positioning, and pricing models of our competitors. This enables us to identify gaps in the market and create meaningful differentiation.

Understanding Customer Needs

A deep understanding of customer pain points, expectations, and emerging challenges is central to our approach. This allows us to proactively adapt our offerings to meet current requirements and anticipate future demands.

Defining the Value Proposition

We clearly articulate the unique benefits, features, and solutions of our product. Our value proposition is designed to clearly articulate how our product stands apart, by directly addressing specific market challenges with targeted, effective solutions.

Customer-Centric Communication

Our communication strategy focuses on demonstrating how each product solves real-world challenges and delivers measurable value to the customer. We tailor our messaging to align with the priorities and operating context of each customer segment, ensuring relevance and impact.

Pricing Strategy

We conduct an in-depth analysis of prevailing market prices and assess the price sensitivity of our target audience. By studying competitor pricing and evaluating customer value perception, we establish a pricing model that balances market competitiveness with sustainable profitability.

Customer Engagement and Promotion

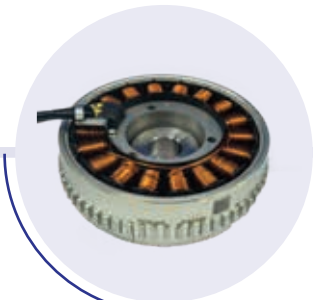
We actively participate in automotive expos and technical shows to generate awareness and build interest. These platforms allow us to showcase our innovations, engage with prospective customers, and gather real-time feedback.

By aligning these strategic elements, we create a comprehensive and execution-ready framework for successful product introduction.

Comprehensive Product Portfolio

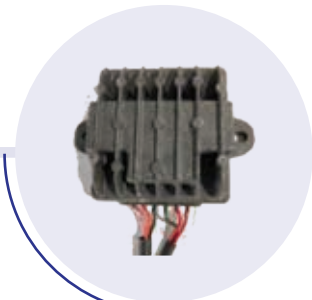
Electronic Ignition System

A modern automotive ignition system is an advanced replacement for traditional mechanical setups found in older vehicles. Its core function is to ignite the air-fuel mixture within the engine cylinders at precisely the right moment, enabling optimal combustion and efficient power generation.



AC Generator/ Flywheel Magneto

This permanent magnet generator is designed to efficiently power vehicle electrical systems and charge the battery.



Regulator and Rectifier

The regulator and rectifier are essential components that manage the AC output from the generator, ensuring it meets the specific requirements for lighting and battery charging.

Integral Unit

This electronic unit delivers precise inputs to the ignition coil at the right moment, facilitating the generation of high voltage.

Ignition Coil

The ignition coil serves as a high-voltage transformer in an automobile's ignition system. It converts the battery's low voltage into the thousands of volts required to generate an electric spark in the spark plug, igniting the air-fuel mixture.

Controllers

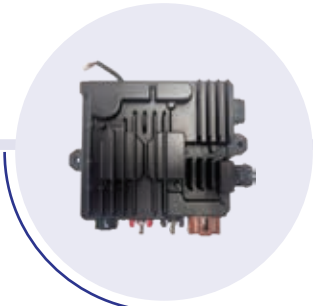
Controllers encompass a range of electronic control units (ECUs) and modules that manage and coordinate key systems within a modern vehicle. As automotive electronics become increasingly sophisticated, these controllers have become essential to monitoring, regulating, and optimizing the performance of multiple interconnected subsystems.

A notable innovation in this space is the Integrated Starter Generator (ISG) System, which combines the functions of a conventional starter motor and an electric generator into a single, efficient unit. This helps in achieving improved fuel efficiency, smoother engine starts, and enhanced hybrid functionality.

ISG System

ISG Machine

This permanent magnet machine is engineered to function both as a motor for engine starting—replacing the conventional starter motor—and a generator, akin to a magneto in traditional systems, to power the vehicle's electrical loads.



ISG Controller

This controller is engineered to work in sync with the machine, initially driving it as a motor to start the engine, and then seamlessly transitioning to support battery charging.

EFI ECU

The ECU manages fuel and ignition in an ICE, ensuring smooth and efficient vehicle operation under varying conditions by processing data from multiple sensors. Additionally, it plays a vital role in regulating vehicle emissions.

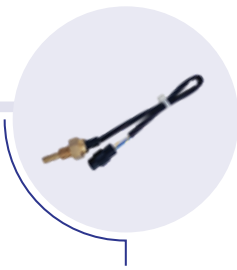
Sensors

Modern vehicles rely on a sophisticated network of sensors strategically embedded across the system to track performance and collect real-time data on operating conditions. These sensors form the backbone of advanced automotive technologies, enabling features such as predictive maintenance, enhanced safety systems, and optimized engine and vehicle performance.

Position Sensor

Angle Sensor

Pressure Sensor



Temperature Sensor

Oil-Level Sensor

Clusters

It refers to the instrument cluster or dashboard panel positioned on the handlebars or front section of a two-wheeled vehicle, displaying vital information such as speed, fuel level, engine status, and other performance metrics to the rider. Additionally, a display system has been developed for stationary engines, providing real-time data and operational insights.

Electric Vehicles

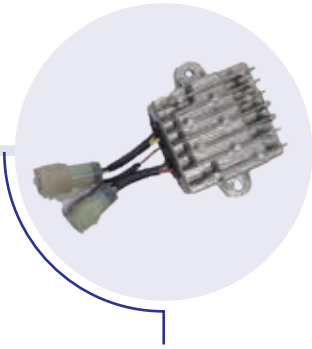
INEL has established a state-of-the-art technology center in Tamil Nadu, dedicated to advancing cutting-edge EV technologies. The center focuses on developing emission control and compliance systems, alongside a wide range of mechatronic products. By integrating innovative hardware with intelligent software solutions, the facility is enabling versatile applications across multiple vehicle segments, firmly positioning us at the leading edge of the EV transition.

Tyre Pressure Monitoring System (TPMS)

This is a vital safety feature in both conventional and electric vehicles. It continuously monitors the air pressure in the tyres and alerts the driver in case of a significant drop. This helps prevent reduced vehicle performance, increased tyre wear, and potential safety hazards.

Side Stand Sensor

It is a safety feature that sends a signal to the ECU to prevent engine operation if the side stand is in the lowered position and not disengaged, helping to avoid accidents during vehicle startup or movement.



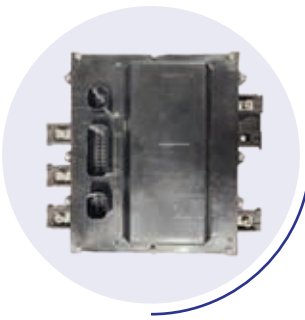
DC-DC Converter

These converters are essential for EVs, as they play a crucial role in managing power flow and ensuring compatibility between various electrical systems in an electric vehicle. Their primary function is to convert high-voltage DC power from the main battery pack, typically operating at several hundred volts, into lower voltage levels required by auxiliary systems and components.

Under Development

Traction Motor

Traction motors are electrically powered devices that generate the torque needed to drive the wheels of a vehicle. They are typically mounted within the bogies or trucks, where the wheels are located, providing direct propulsion.



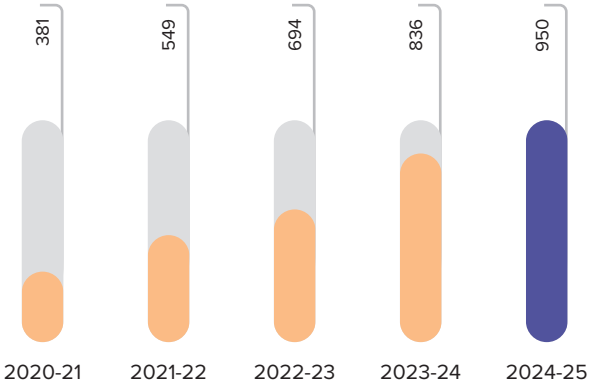
Motor Controller

It is a critical component in an EV that regulates and controls the operation of the electric motor. It manages the flow of power from the vehicle's battery to the motor, enabling precise control over the motor's speed, torque, and direction.

Aftermarket Sector

At INEL, we have a dedicated team focused on the aftermarket sector, driving strategic initiatives to strengthen our brand presence, expand our product range, and improve our distribution networks. Consistent promotional activities allow us to maximize business value while expanding our market reach. Additionally, we conduct skill development programs for two-wheeler mechanics, underscoring our commitment to improving service quality and contributing to community advancement. Our aftermarket sales have shown impressive growth, achieving a robust CAGR of 25% over the last five years. Looking ahead, we are focused on accelerating growth by expanding into international markets, demonstrating our strategic commitment to expanding our aftermarket segment.

After Market Sales (in ₹ Million)



2024-25 Highlights

During the year, we introduced new products for overseas markets, supported by the growing demand for premium vehicles and our strong product development capabilities. On the domestic front, we successfully upgraded all our existing products to comply with BS6 norms and have progressed toward OBD II-B readiness. The quick phase-out and introduction of new vehicle models by our customers demanded increased agility and development efforts, and we remained committed to meeting these expectations through continuous innovation and adaptability. At the same time, we faced high fluctuations in customer demand and frequent supply chain disruptions.

Management Message

Leading with Vision. Building with Purpose.

Among the highlights of the year was the launch of a patented power boost regulator, which has enhanced the efficiency. Our advanced controller development roadmap includes two new launches in 2025 with driveassist functionalities, keeping us aligned with next-generation mobility needs.

Dear Stakeholders,

2024–25 has been a pivotal period for India Nippon Electricals Limited, marked by significant transformation and progress across all facets of our business. Our journey has always been guided by a clear vision: to become a global leader in electrical and electronic solutions for the automotive industry, setting new standards in quality, reliability, and sustainability. Today, as the world moves decisively toward cleaner and smarter mobility, INEL's commitment to excellence and innovation has never been more vital or more resolute.

India's Evolving Landscape

We are at a critical juncture in the global economic landscape; what the United Nations has aptly described as a 'precarious moment.' While uncertainty continues to weigh on several major economies, India has emerged as a rare outlier, demonstrating resilience, consistency, and strong forward momentum. According to projections, the Indian economic growth rate was reported at 6.5% in 2024-25, the highest among major global economies. This positive trajectory is expected to continue into 2026, with growth forecasted to reach 6.5%.

India's resilient growth story is underpinned by strong economic fundamentals, a favorable

demographic profile, and a sustained push for structural reforms, creating a conducive environment for businesses to thrive. At INEL, we recognize both the opportunities and challenges that such a dynamic environment presents. By aligning with market shifts and prioritizing innovation, quality, and customer-centric excellence, we remain a trusted partner in the automotive industry's transformational journey.

Our Commitment to Excellence

The year gone by was shaped by our strong commitment to innovation, customer-centricity, and a sharp focus on operational excellence. This momentum is clearly reflected in our expanding market share, successful product introductions, and our continued ability to outperform broader industry trends. We are proud to have retained the number one position in ignition systems for the third consecutive year, reaffirming our technological leadership and the trust placed in us by our customers.

At the core of our growth story lies our two-wheeler business, which delivered an impressive 16% growth, significantly above the industry's 10% expansion. This was largely fueled by strong rural demand and deeper customer engagement initiatives. Complementing this, our Internal Combustion Engine (ICE) segment exceeded expectations with 10% growth versus 6% projected, demonstrating that while the industry is transitioning, the ICE segment continues to play a vital role in India's mobility landscape - and INEL remains at the forefront of that evolution.

We further strengthened our conventional product portfolio, including AC Generators, Ignition Controllers, Ignition Coils, and Voltage Regulators, catering to two- and three-wheelers as well as general-purpose engines. A key achievement this year was securing export orders for ignition system products and sensors from a leading U.S.-based customer, expanding our global footprint and reinforcing the international relevance of our products.

Parallelly, the electrification journey in India gained steady momentum, with 17% year-on-year growth in the EV segment. Although EVs currently comprise just 7% of the total vehicle market, the potential is unmistakable. We have positioned ourselves strategically in this evolving space by expanding our EV product suite, controllers, sensors, displays, and DC-DC converters. This positions us well to benefit from an increasingly regulated and forward-looking mobility environment.

Our focus on product and market diversification has also yielded record results in the after-market business, which achieved its highest-ever sales. This performance highlights the

"At the core of our growth story lies our two-wheeler business, which delivered an impressive 16% growth, significantly above the industry's 10% expansion."

strength of our distribution network and the sustained demand for reliable, high-quality components. Importantly, our commitment to value engineering and value analysis has helped customers reduce costs without compromising performance.

To support future-ready operations, we are making bold strides in digitalization and automation, investing in robotics, process optimization, and in-house machine building. These initiatives have not only enhanced plant efficiency and capacity scalability, but also helped to reduce lead time and enhance capacity, underpinning our resilience and scalability in a rapidly shifting industry.

Innovation continues to be the cornerstone of our strategy. Among the highlights of the year was the launch of a patented power boost regulator, which has enhanced the efficiency. Our advanced controller development roadmap includes two

new launches in 2025 with drive-assist functionalities, keeping us aligned with next-generation mobility needs.

In tandem, our strategic global partnerships in Electronic Fuel Injection (EFI) technologies are yielding tangible results, combining global expertise with local insights to deliver advanced, compliant, and high-performance solutions. We have also expanded our reach in the Integrated Starter Generator (ISG) category and started supplying to major OEMs, and further received a business nomination from another major OEM for two and three-wheelers.

On the business development front, we recorded key wins with leading players from both the domestic and export markets. These successes not only bolster our domestic position but also reflect our increasing international acceptance. At the same time, we are proactively responding to global geopolitical uncertainties and export headwinds by de-risking our supply chain.

A Foundation for Sustained Growth

2024-25 was marked by solid financial achievements that have positioned us well to enter the next phase of growth, innovation, and strategic expansion. Our Profit Before Tax (PBT) reached ₹10,268 Lakhs, supported by an operational profit of ₹7,328 Lakhs, underlining the resilience and efficiency of our core operations.

Our total revenue grew by 16% year-on-year (YoY) to ₹84,483 Lakhs, reflecting the growing demand for our products and the strength of our customer relationships. Profit After Tax (PAT) stood at ₹8,203 Lakhs, a commendable 38% increase from the previous year. We continued to enhance profitability, with EBITDA increasing from ₹9,126 Lakhs to ₹12,363 Lakhs. This improvement was driven by our focused efforts on optimizing material costs and expanding our footprint in exports and after-market segments, which contributed to a healthy uptick in gross margin from 31.2% in 2023-24 to 32.1% in 2024-25. Importantly, we strengthened our financial discipline by retaining working capital days to less than 45, improving liquidity and operational agility. This has enabled us to support necessary capital investments that fuel future growth, while maintaining a lean cost structure, despite ongoing inflationary pressures.

Our financial stewardship is also reflected in our dividend declaration of ₹12.50 per share for the year, reinforcing our commitment to delivering consistent value to our shareholders.

Driving Sustainable Progress

Sustainability is central to our identity and embedded in how we operate. As a responsible organization, we are fully committed to reducing our environmental footprint, maximizing resource efficiency, and contributing to a cleaner, more resilient future. We are advancing this commitment through focused investments across our manufacturing ecosystem, including energy-efficient infrastructure, circular water systems, and robust waste reduction programs. This commitment has been recognized with the GreenCo Gold certification for ESG excellence by CII, a strong validation of our efforts.

Innovation is a key pillar of our sustainability strategy. By designing products with cleaner technologies and a smaller environmental footprint, we are helping our customers achieve their ESG goals and contributing meaningfully to the global decarbonization of mobility. We recently secured export orders for ignition coils from a customer in the United States, reinforcing our credibility as a trusted partner in sustainable manufacturing.

Our people are at the core of our progress. We are proud of the dedication, adaptability, and excellence our teams continue to demonstrate, especially during times of transformation. We are investing in their development through continuous learning, targeted upskilling, and genuine engagement. We are also deepening our efforts to promote gender diversity, support holistic well-being, and engage meaningfully with the communities we serve. These efforts have been acknowledged externally. We retained our Great Place to Work certification and improved our overall score, reflecting the strength of our workplace culture and our people-centric values.

We are proud of the dedication, adaptability, and excellence our teams continue to demonstrate, especially during times of transformation.

Strong corporate governance continues to steer our strategy. Our Board plays an active role in providing strategic oversight, ensuring that we create long-term value and remain aligned with evolving stakeholder expectations. Integrity, transparency, and ethical conduct remain the foundation of our governance framework. We are also continuously strengthening our risk management systems to stay agile and resilient in an ever-changing environment.

The Road Ahead

Looking ahead, our 3-year growth plan is built around three strategic pillars: customer intimacy, technological innovation, and operational agility. With the automotive industry entering a new era defined by stricter regulatory compliance, evolving consumer behavior, and the rise of electric mobility, we are confident in our ability to lead from the front.

After successfully deploying legal compliance software to fortify our regulatory framework, we are gearing up to integrate our GST IMS with SAP to enhance our financial efficiency. Additionally, we are set to implement AI-powered API automation in 2025-26, enabling smarter workflows, enhanced integration, and driving operational excellence.

We are scaling up our manufacturing capabilities across facilities to support innovative product launches, and boost production efficiency. Our targeted investments in automation will enable us to streamline manpower deployment and help counterbalance the rising labor costs fueled by new wage policies. In the burgeoning EV arena, we are rapidly expanding our footprint. Our focus remains on extending the versatility of our converters to address the shifting landscape of EV applications, reinforcing our position as an innovation-led player in this high-growth sector.

Our ambitions are truly global. We are establishing overseas business development hubs in the US and Europe by leveraging our parent company's global networks and market relationships. Our strategic moves aim to broaden our global customer base and build long-term partnerships with leading OEMs across key markets. Simultaneously, we are investing in future-facing technologies, including advanced sensors and controllers.

These initiatives highlight our holistic strategy to amplify INEL's presence across key global markets, unlock new application areas, and create lasting value for our stakeholders. With a strong focus on innovation, operational agility, and global expansion, we are well-positioned to chart a trajectory of sustained growth and long-term success.

Concluding Note

As we look to the future, our focus remains firmly on enhancing our business model to create lasting value for our shareholders. By integrating and leveraging our strengths across products and markets, we are strategically positioned to unlock the next phase of growth and capitalize on emerging opportunities.

I take this moment to sincerely thank our Board of Directors, leadership team, dedicated employees, loyal customers, trusted supplier partners, financial institutions, investors, and the Government. Your continued support and commitment have been instrumental in driving our journey forward.

Warm Regards,

Arvind Balaji
Managing Director

Manufacturing

Engineering Progress. Utilizing Technology.

Engineering progress is more than a goal; it is the foundation on which we build everything we do. From revolutionizing the electrical and automotive sectors to redefining manufacturing excellence, we continuously push the boundaries of what is possible. Our commitment to quality, operational precision, and technological innovation drives us to lead not just nationally, but globally, consistently setting new benchmarks and elevating technology at every turn.

Driven by a vision of manufacturing excellence, we have built a strong industrial backbone with three technologically advanced facilities in India. These sites are equipped with globally aligned systems and processes, including Total Quality Management (TQM), the Toyota Production System (TPS), Kanban, and Value Stream Mapping (VSM), enabling the consistent production and delivery of high-quality products.

To stay ahead of the curve, we have also invested in a next-generation cleanroom facility, specifically designed to support our latest platform products. This innovation-centric approach is reflected in our new sensor lines, which come with process interfaces and QR code traceability to ensure superior quality control and end-to-end process visibility. Further strengthening our

in-house capabilities, we have developed a proprietary machine for our core process. This not only minimizes reliance on single domestic suppliers but also shortens lead times, reduces import costs, and bolsters overall production resilience.

Our manufacturing operations also prioritize Environment, Health, and Safety (EHS) standards, establishing a robust foundation for sustainable growth. With the capacity to handle higher product volumes, our facilities are future-ready and aligned with rising market expectations. The strategic integration of IoT across operations has been a game-changer, enabling real-time data capture, smart automation, and streamlined workflows that significantly enhance productivity and efficiency across the board.

Our Manufacturing Plants

Our three plants in Hosur, Puducherry, and Rewari have expanded their shop floors to boost capacity and capabilities, positioning us to meet growing demand more efficiently and accelerate product innovation.

- Customer Delight
- Automation
- Employee Pride

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

Certifications

IATF 16949:2016
Product Responsibility

ISO 45001:2018
Employee Well-Being and Safety

ISO 14001:2015
Environment

ISO 9001:2015
Continuous Process Improvement

ISO 27001
Information Security Management Systems

Optimizing Supply Chain Operations

Our procurement strategy is tightly interwoven with production control and logistics (PC&L), enabling a responsive, demand-driven supply chain. Leveraging advanced ERP systems, we maintain real-time visibility across operations, ensuring timely material availability and minimal disruption. Our strategic alliances with top-tier global electronic component suppliers further strengthen supply chain agility, allowing us to adapt quickly to shifts in customer demand while continuously optimizing lead times and inventory levels.

R&D

Driven by Innovation. Powered by Technology.

Innovation does not happen in isolation; it starts with people and is accelerated by cutting-edge technology. Our R&D approach combines human insight with technical excellence to develop high-performance, cost-effective solutions that meet real-world needs. We have consistently invested in building robust in-house R&D capabilities that empower us to independently design and develop advanced ignition and electronic systems for a wide spectrum of engine applications across the automotive industry.

At the core of our development process is a structured and disciplined approach to product testing and validation, carried out both internally and in collaboration with partner facilities. This ensures that every product meets or exceeds customer specifications. To sustain our technological leadership, our engineers receive continuous training, both at our facilities and those of our collaborators, enabling them to stay aligned with evolving industry standards and innovation benchmarks.

We continuously track global technological developments and evolving regulatory norms, especially increasingly stringent environmental standards, which are reshaping the demands placed on engine systems. Anticipating these changes, we have initiated the development of an Electronic Fuel Injection (EFI) system in partnership with a leading collaborator, focusing initially on motorcycle applications. We have made notable headway in this domain, further strengthening our reputation as an innovation leader, a distinction officially recognized by the Department of Science and Technology, Ministry of Industry, Government of India, since 1994.

Our R&D initiatives are organized into four strategic product categories:

01

Conventional Products for Internal Combustion Engines (ICE)

We continue to innovate within our core domain of ignition systems, including AC generators, ignition controllers, ignition coils, and voltage regulators. In 2024-25, we successfully extended these products to new applications in the two-wheeler, three-wheeler, and general-purpose engine segments. One of our key competitive strengths lies in our ability to swiftly deliver customer-specific solutions by leveraging a versatile portfolio of proven, standard components. Our efforts in Value Analysis/Value Engineering (VA/VE) have also led to significant cost optimizations.

02

Next-Generation Products for ICE (ICE+)

Recognizing the demand for higher performance and energy efficiency in traditional engine systems, we have focused on the following innovations:

- High-Efficiency Power Boost Regulator: We developed and patented a unique power boost regulator that improves system efficiency by approximately 25%. We are currently collaborating with four customers for its adoption, with the first application expected to enter production in 2025. This innovation directly addresses the industry's growing emphasis on fuel economy and thermal management.
- EFI ECU: We have successfully introduced an EFI ECU tailored for motorcycles, leveraging a technology licensing agreement with a global partner. Our R&D team is now working to extend its deployment to scooters and other vehicle segments to support platform-level scalability.
- Integrated Starter Generator (ISG) Controller: We have developed a new ISG controller, addressing market demand for compact, multifunctional solutions. It is set to include enhanced features such as drive assist and will be engineered for compatibility across a wider range of applications.

03

Products for Electric Vehicles (EVs)

INEL is well-positioned in the fast-growing EV segment, with key developments including:

- DC-DC Converters: As a market leader in this space, we are expanding our range to meet the diverse demands of the evolving EV ecosystem. Through proprietary process enhancements, we have significantly improved production efficiency, enabling us to efficiently scale volumes and address market variety.
- Electric Motor and Controller (≤3kW Applications): We have adopted a cost-optimized, productivity-driven design philosophy for low-power EV motors and controllers. Following successful in-house validation, these systems are scheduled for customer trials and remain on track for commercial rollout by the end of 2026.

04

Sensors, Displays, and Controllers

Our diversification into components with wide-ranging applications has yielded promising results. Over the past few years, we have developed and commercialized a wide variety of sensors, including temperature, pressure, TMAP, linear and rotary position, liquid level, TPMS, and RPAS. A notable achievement is our high-temperature liquid level sensor, designed to operate reliably at high temperatures. It has been successfully deployed for an overseas customer and entered volume production earlier this year.

Annual Technology Show

We proudly showcased our Next-Gen Mobility Solutions, presenting a wide portfolio of high-performance technologies. Our display featured a comprehensive range of precision sensor solutions, including Throttle Position Sensors, TMAP Sensors, Speed Sensors, Thermal Sensors, Gear Position Sensors, Angular Sensors, and Pressure Sensors.

In the fast-growing electric vehicle (EV) segment, we demonstrated our engineering capabilities with high-efficiency outer rotor motors, advanced motor controllers for 2-wheelers and 3-wheelers, and DC-DC converters with capacities ranging from 5A to 51A. The highlight of our showcase was our next-generation systems, including high-efficiency drive systems, integrated starter generator (ISG) systems with advanced machines and controllers, and EFI/ECU units, many of which are already in production for leading OEMs.

With these innovations, we continue to strengthen our commitment to driving sustainable mobility and shaping the future of transportation.

Technology Show 2025 at VE Commercial Vehicles, Pithampur

Technology show at Lucas TVS

Quality Assurance

Fueled by Design. Assured by Quality.

We recognize that delivering uncompromising quality is essential in today's competitive landscape. We integrate quality into every phase of our manufacturing process, driven by the belief that genuine quality is reflected in the satisfaction and trust of our customers. By embedding innovation and engineering excellence into our design philosophy, we ensure assurance is not just a promise, but a guarantee.

We consistently raise our quality standards, staying vigilant in meeting the benchmarks set by our customers. Regular evaluations of Parts per Million (PPM) levels and an unyielding commitment to achieving 'zero-defect' status are central to our continuous improvement efforts driven by both our operations and management teams. This dedication to quality further strengthens our commitment to excellence at every stage.

01

High Quality

INEL strives to satisfy customers by providing high-quality products at competitive prices.

02

Needs of the Customers

INEL is dedicated to regularly assessing customer needs and actively working to exceed their expectations.

03

Improvement

INEL will create a culture that promotes continuous improvement by engaging employees actively.

Quality is the foundation of everything we do, reflected in our attainment of numerous esteemed certifications such as ISO 9001 (BVCI, 1998), QS 9000 (2001), ISO 14001 (2002), ISO/TS 16949 (2009), IATF 16949 (2018), and ISO 45001 (2019). This commitment to excellence is deeply embedded in our culture and operational DNA, driven by the conviction that our customers deserve the highest standard of solutions.

Commitment to Excellence and Compliance

Our state-of-the-art Tech Centre, staffed by over 100 highly qualified engineers, is equipped to take products from concept to commercialization, in full compliance with IATF TS16949 quality standards. The facility is also certified under ISO/IEC 27001:2022 (Information Security Management System) and adheres to ISO14001:2015 and ISO45001:2018 standards for Environmental, Occupational Health and Safety (EOHS) compliance. In alignment with our growing global footprint, we are proactively working toward achieving TISAX Level 3 in 2025, a standard highly regarded by European OEMs. With a clear focus on future mobility, energy efficiency, and digital integration, INEL remains committed to delivering cutting-edge solutions that power the next generation of vehicles, whether ICE-based, electric, or hybrid. Our R&D-led strategy enables us to stay ahead of the curve in innovation, ensuring leadership in technology, performance, and customer satisfaction.

Strategies

Harnessing Potential. Powering Excellence.

We strategically harness our resources to unlock maximum value and drive superior outcomes. Our commitment to focused and efficient allocation underpins both operational rigor and financial discipline, ensuring consistent delivery of meaningful benefits to all stakeholders. By championing impactful initiatives, we cultivate sustainable growth and reaffirm our commitment to building a resilient, future-ready ecosystem.

Capitalizing on Our Core Business

Amid the transformative shift toward electric mobility in the automotive sector, we recognize the importance of balancing innovation with the continued relevance of internal combustion engines. Drawing on our extensive expertise and strong alliances in ignition technologies, we remain committed to advancing this segment, ensuring superior performance and efficiency well into the future.

Our customer-centric, value-driven solutions have resonated deeply, enabling us to expand our footprint and reinforce our reputation as a reliable partner in the two-wheeler industry. We take pride in consistently delivering high-quality products that exceed expectations, shaping the future of ignition systems as we move confidently into new frontiers.

Expanding Our Portfolio

Recognizing the rapid shift toward electric mobility, our newly established R&D center, supported by a skilled and dedicated team, will play a pivotal role in developing differentiated products and advanced technologies tailored specifically for the EV segment. This strategic investment positions us to strengthen our EV portfolio and stay ahead in a dynamic and evolving market.

Entering into New Technical Partnerships

We have entered into a technical licensing partnership with a globally renowned automotive supplier for the Electronic Fuel Injection Control Unit (EFI ECU). This strategic collaboration marks our entry into a new product segment within the EFI system, enhancing our ability to serve two- and three-wheeler applications and expanding our offerings in line with evolving market needs.

Venturing into New Geographies

Domestic

Across all channels, our domestic sales have experienced robust growth, demonstrating the success of our sales strategies and expanded market reach. We remain focused on deepening our presence and growing our market share in existing territories.

International

We have begun supplying global ATVs & stationary engines to customers and are actively expanding our customer network across Europe, North America, and select high-potential ASEAN regions.

Exploring New Business Lines

Backed by deep-rooted expertise in mechatronics, the Company is driven by a passion for engineering innovation that propels industry evolution. A major milestone has been the successful rollout of our ECU product line, significantly broadening our technological footprint in intelligent engine management.

A standout accomplishment is the development and market introduction of EFI ECUs for motorcycles, achieved through a strategic technical licensing partnership. Our R&D team is actively advancing this platform to serve scooters and additional vehicle segments, unlocking new growth opportunities.

Looking forward, we remain committed to pushing technological boundaries, venturing into emerging application areas, and delivering future-ready solutions that redefine mobility and automation.

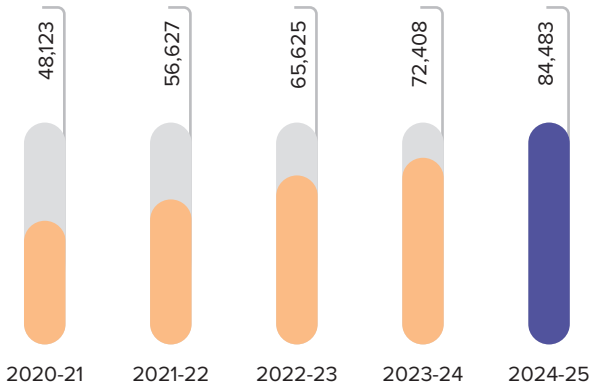
Advancing Our Aftermarket Business

The aftermarket presents vast opportunities for growth, and we are dedicated to tapping into its full potential. To achieve this, we have assembled a focused team that is implementing bold strategies to strengthen our product portfolio and expand our distribution network. By continuously refining our products and actively targeting new international markets, we strive to drive significant value and establish a strong global presence in the aftermarket space.

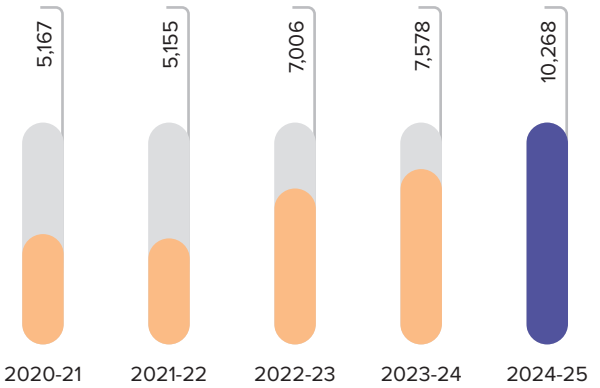
Inspiring Numbers. Propelled by Progress.

Our financials go beyond mere numbers; they represent the energy, innovation, and dedication driving our growth. Each data point reflects our commitment to creating lasting value and expanding our impact in an ever-evolving market. These figures do not just measure our success; they inspire us to continuously raise the bar, turning vision into reality.

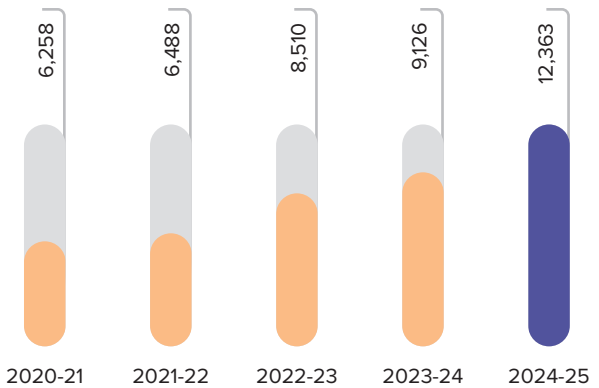
Total Revenue (₹ in Lakhs)



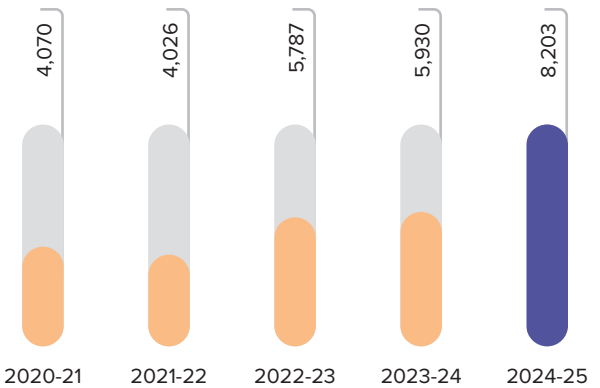
Profit Before Tax (₹ in Lakhs)



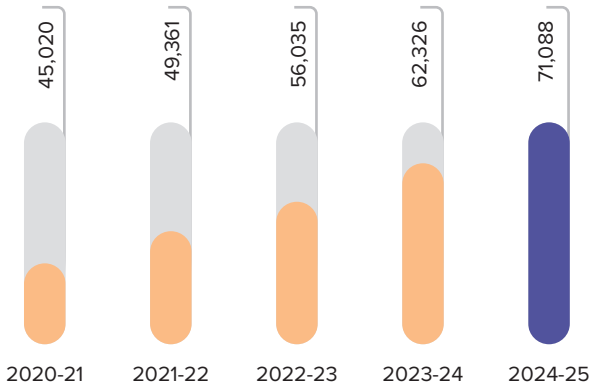
EBITDA (₹ in Lakhs)



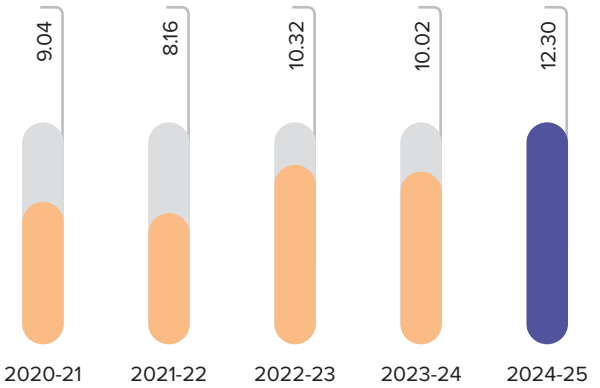
Profit After Tax (₹ in Lakhs)



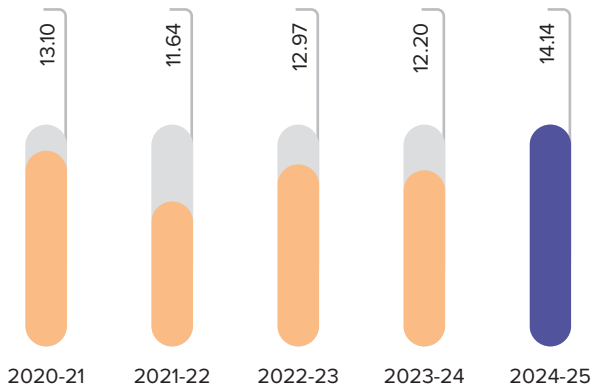
Net Worth (₹ in Lakhs)



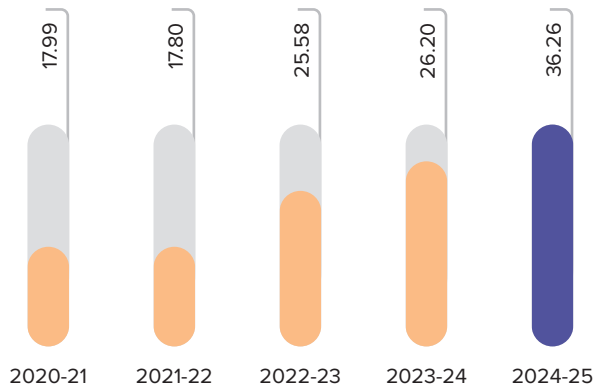
Return on Net Worth (in %)



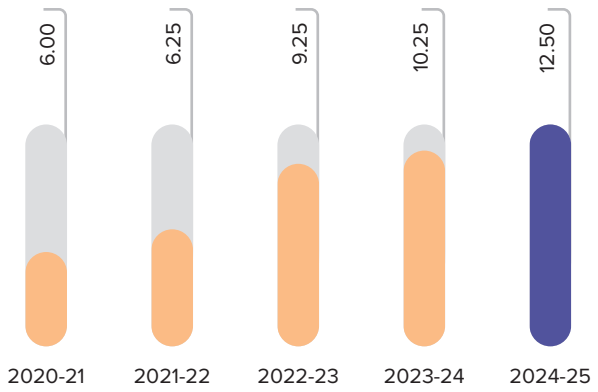
EBITDA Margin (in %)



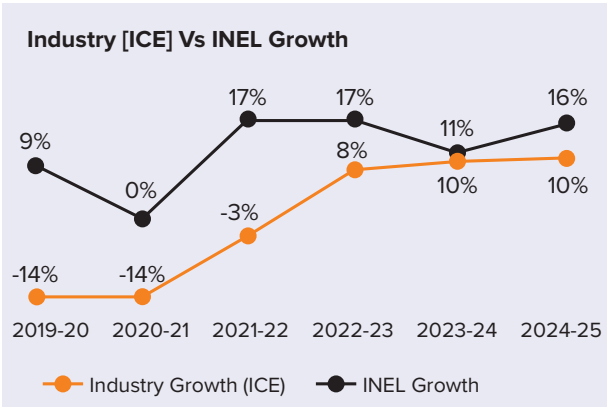
Earnings per Share (EPS) (in ₹)



Dividend per Share (in ₹)



Despite all challenges, we have outgrown the industry in the past 5 years



Economic Value Distributed (EVD)

We are deeply committed to achieving sustainable financial growth by managing our capital responsibly. We actively contribute to India's economic development through disciplined financial management and smart capital optimization strategies. Alongside this, we constantly drive productivity improvements while working hard to protect our margins from the pressures of fluctuating fuel and material costs. We take pride in our achievements and the remarkable growth we have accomplished by sustaining a strong competitive edge in a dynamic market environment.

Economic Performance (in ₹ Crores)

Particulars	2024-25	2023-24
Direct Economic Value Generated (Revenues)	845	724
Economic Value Distributed	**758**	**657**
Operating Costs*	609	529
Employee Wages and Benefits	99	88
Payments to Providers of Capital (Dividends)	28	23
Payments to the Government (Taxes)	21	16
Community Investments (Csr)	1	1
Economic Value Retained	**87**	**67**

*Includes operating expenses, cost of materials consumed, and changes in inventories of finished goods.

Environment

Rooted in Care.
Inspired by Nature.

Environmental stewardship is a fundamental part of who we are. Our commitment to sustainability reflects a harmonious balance between innovation and conservation, ensuring that every step forward respects and protects the ecosystems we depend on. Inspired by nature's resilience and generosity, we strive to create lasting value for today and generations to come.

Energy Consumptions and GHG Emissions

We focus intently on monitoring our energy use and the related greenhouse gas emissions. By investing in sustainable technologies, optimizing our energy consumption, and actively engaging in carbon offsetting initiatives, we are dedicated to minimizing our environmental footprint and advancing our commitment to a greener, low-carbon future.

		Hosur	Pondy	Rewari
Average Electricity Consumption per Energy Service Unit (kWh/ESU)	2023-24	0.66	1.04	0.79
	2024-25	0.58	1.04	0.73
Percentage Utilization of Renewable Energy	2024-25	84%	9.1%	6.13%

Key Highlights

5,340.51 tCO_2eq

→ Total GHG Emissions in 2024-25

9.6 Million kWh

→ Electricity Consumed in 2024-25

Energy Conservation Initiatives

Initiative	Energy Savings (Units/Year)
Achieved a targeted energy consumption rate of 0.58 EU per standard unit of production.	Not Applicable (NA)
Deployed an advanced online energy monitoring system to identify and reduce non-value-adding activities, optimizing energy usage.	NA
Upgraded from outdated IE1 motors to energy-efficient IE4 models and installed variable frequency drives (VFDs) on motors above 30 kW.	NA
Replaced a 90-kW single-tier oven with a more efficient two-tier 90 kW oven.	96,768 units
Substituted a 7.5 HP centrifugal blower with two 180-watt linear fans.	23,000 units
Installed auto-sleep timers on hydraulic presses and broaching machines.	11,070 units
Replaced a 15-year-old washing machine with a high-efficiency model.	9,500 units
Eliminated one chiller through chiller line optimization.	7,000 units
Installed aluminum puff panels with Lexan polycarbonate sheets to utilize natural lighting and reduce daytime use of 150-watt lights.	5,050 units
Replaced a 5 HP bin washing pump with a 3 HP energy-saving model.	2,800 units

Effective Waste Management

We aim to reduce our ecological footprint by implementing a comprehensive waste management strategy that focuses on minimizing waste generation, encouraging recycling, and adopting circular economy principles. These initiatives are designed to meaningfully lower the volume of waste sent to landfills. Beyond waste management, we also prioritize robust tracking systems and strict controls on hazardous chemical consumption to uphold safety and environmental stewardship.

Waste Minimization

		Hosur	Pondy	Rewari
Average Hazardous Waste Generated in Tons	2023-24	27.55	13.5	1.35
	2024-25	39.15	21.90	1.86

Chemical Consumption

		Hosur	Pondy	Rewari
Chemical Consumption in Tons	2023-24	118	140	14.39
	2024-25	128	157.09	18.6

Responsible Handling of Substances through Process Efficiencies

- Switched to biodegradable synthetic-based coolant, replacing mineral oil-based coolant. This transition extends coolant life and lengthens replacement intervals, reducing environmental impact and operational costs.
- Installed an automatic chemical blending machine to eliminate manual mixing, significantly reducing chemical spillage and minimizing wastage.
- Optimized Ana Bond goods receipt packaging quantities to minimize the consumption of packing materials, promoting material efficiency and waste reduction.
- Implemented a peristaltic pump in the varnish plant to avoid spillages during manual pouring. This also led to reduced thinner consumption during equipment cleaning, enhancing both safety and resource efficiency.

Water Conservation

We recognize the critical importance of water in our operations and in the communities we serve. By embracing sustainable water management practices, including conservation, reuse, and responsible discharge, we work to enhance water accessibility and protect its quality.

		Hosur	Pondy	Rewari
Water Utilization Per Month in KL	2023-24	1,820	1,578	297
	2024-25	1,782	1,541	366

123 KL/Day

→ Average Water Consumption

Water Efficiency Improvements

- Installed aerators on all taps to reduce water flow without compromising usability, leading to significant water savings.
- Fitted auto-stop taps to prevent unnecessary water wastage by ensuring taps turn off automatically after use.
- Reduced overall water flow rates across all taps, optimizing consumption and promoting sustainable usage.
- Eliminated the plate prewash process, thereby conserving water previously used in this non-essential step.
- Conducted water conservation awareness training for all employees to instill responsible water usage habits and promote a culture of sustainability.

Recognitions and Outreach in Sustainability

GreenCo Gold Rating – INEL Hosur

INEL Hosur was honored with the prestigious GreenCo 'Gold Rating' (Version 4.0) by the CII Sorabji Godrej Green Business Center, India. This recognition was based on a comprehensive evaluation across nine stringent parameters that reflect a company's commitment to environmental sustainability. These include management systems, energy efficiency, water conservation, material and resource management, green supply chain practices, product lifecycle approach, innovation in sustainability, and the development of a green built environment.

MSI (My Sustainability Index) Audit by TVS Motor Company

TVS Motor Company Limited conducted a My Sustainability Index (MSI) audit of our manufacturing units in Hosur and Pondicherry. The audit assessed various sustainability practices implemented at both sites. As a result, the Hosur Unit was awarded a Silver Rating, while the Pondicherry Unit achieved a Gold Rating, reflecting a higher maturity level in sustainable operations.

Environmental Sustenance Program for Supplier Partners

For the first time, INEL Hosur organized an 'Environmental Sustenance Program' exclusively for our supplier partners. The initiative aimed to extend sustainability awareness and best practices beyond internal operations to the broader supply chain. The program saw enthusiastic participation from over 200 suppliers, who benefited from sessions focused on environmental compliance, resource efficiency, and sustainable manufacturing practices.

Employees

Fueled by Workforce. Strengthened by People.

Our greatest asset is the vibrant and dedicated workforce that drives our success every day. Each member of our team brings unique talents, an unwavering commitment, and a shared passion for excellence, shaping the future of the Company. Together, we build more than just products and services; we build lasting relationships, foster innovation, and enable sustained growth across the enterprise.

HR Policy Framework

We view our policies as guiding principles that apply uniformly to all employees. We believe that the clearer the communication around these policies, the better the understanding, ultimately fostering stronger compliance and contributing to a more positive, transparent work environment.

However, we recognize that employee expectations are evolving, especially among new joiners. To stay responsive, we engage with employees regularly, gathering feedback and making data-informed adjustments to our policies. For example, our Leave Policy was revised based on employee input. Previously, leaves were earned during the year but credited only the following year; any leave taken within the year was treated as Loss of Pay (LOP). To address this gap, we introduced advance leave options to minimize LOP occurrences. Additional supportive measures include:

- Allowing work from home on medical grounds.
- Sharing a portion of medical expenses beyond the standard insurance coverage as a special consideration.
- Extending comprehensive support to new joiners to ensure a smooth and well-supported onboarding experience.

Our Code of Conduct and Business Ethics emphasize the significance of a positive workplace culture:

- We hire talent from across the country, regardless of ethnicity, ensuring equal opportunities for all.
- Diverse teams collaborate cohesively toward shared organizational goals, with recognition based on individual performance and merit.

Inspiring Excellence in Our Team

As a company with a rich legacy, we place great emphasis on the development of our people. By fostering a collaborative work culture, we create an environment where employees are encouraged to share their ideas, insights, and expertise. This not only sparks creativity and innovation but also cultivates a sense of ownership and accountability, empowering individuals to take charge of their work and actively contribute to the Company's success.

Here are some of the key initiatives we implemented for our employees:

01

Tailored Training Programs

We conducted simulation-based training for blue-collar employees to enhance safety awareness and familiarize them with tools, gauges, and measuring devices.

02

Quality of Recruitment

After three months of joining, we seek feedback from employees to ensure they are in a supportive work environment where they can thrive and perform at their best.

03

Health and Wellness Initiatives

We organize quarterly 'Health Awareness Programs' and an annual master health check-up for employees aged 45 and above.

04

Environmental Responsibility

We encourage employees to plant saplings on their birthdays and host regular plantation drives to promote environmental consciousness.

05
Employee Engagement
In 2024-25, our employees actively participated in 32 external competitions, winning 31 of them, including the prestigious Par Excellence Award at the National Level QC Convention. We also participated virtually in an International QC Competition.

06
Corporate Sports and Wellness
We support employee involvement in corporate sports events, including cricket, volleyball, and badminton. Additionally, we offer yoga sessions to help them enhance concentration, focus and cognitive abilities.

07
Giving Back to Society
Each year, we choose a social cause and organize volunteer activities on Sundays. We host biannual blood donation camps and have conducted eye camps for the community near our factory.

Training and Development
As part of our commitment to fostering employee growth, we make significant investments in comprehensive training programs that focus on both technical expertise and personal development. Through workshops, seminars, and hands-on sessions, we equip our employees with the latest industry knowledge and skills, empowering them to stay ahead in a rapidly evolving technological landscape, and ensuring they remain at the forefront of technological advancements.

We offer the following training programs to enhance employee competence:

01
System-Related Training
We provide sessions on various standards and frameworks, including IATF, ISMS, EOHS, GPTW, and VDA 6.3, Auditors Training, to ensure employees are well-versed in essential industry protocols.

02
Need-based Knowledge Enhancement
Our training covers specific areas such as Design Thinking, Calibration, SMED, IPC, Core Tools, AutoCAD, Electrical Safety, Advanced Presentation Skills, Samanvaya Soft Skills, and Six Sigma Yellow Belt, tailored to meet the unique needs of our employees.

03
Awareness Training
Employees undergo training on various sustainability training programs and critical topics like Cybersecurity, ERT, Code of Conduct, and Business Ethics, Annual Conferences, Auto Expo, and Industrial Visits to remain informed, engaged, and aligned with evolving industry trends and best practices.

04
Soft Skill Development
We collaborate with external agencies to offer training on Current Technology Development Programs and Talent Development Programs, aimed at enhancing interpersonal and leadership skills.

05
POSH Awareness Program
We conducted POSH Awareness Programme through Skit Performances for better reach. These sessions promote a safe, respectful work environment and shed light on crucial aspects of workplace behavior in an interactive and impactful way.

30,556
→ Employee Hours Spent in Training

1,682
→ Employees Attended Training

106
→ Training Types Offered

2,315
→ Employees in 2024-25

5th
→ Consecutive Time Recognized as a 'Great Place to Work' with the highest score of 81

Great Place To Work.
Certified
OCT 2024-OCT 2025
INDIA

This is to certify that **Indian Nippon Electrical Ltd** has successfully completed the assessment conducted by Great Place To Work®, India, and is certified as a great workplace.
Category: Mid-size organization

This certificate is valid from **October 2024** to **October 2025.**

Balbir Singh
Chief Executive Officer
Great Place To Work®, India

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

Employee Engagement

At INEL, employee engagement is central to building a dynamic and motivated workforce. We believe that a thriving workplace culture begins with people who feel connected, empowered, and recognized. Throughout the year, we organize various employee engagement activities as part of our engagement calendar, driven by a team of dedicated engagement champions. In recognition of their contributions, we celebrate their achievements with prestigious awards. Currently, we offer 18 distinct recognition categories designed to honor excellence, reinforce positive behaviors, and spotlight the hard work and dedication of our people.

- We prioritize transparent communication and employee engagement through a range of structured initiatives. We hold monthly town hall meetings to provide updates on the Company's performance, address quality concerns, discuss current business and market trends, and set clear expectations for employees.
- During these meetings, we also recognize employees who have actively participated in activities and won prizes, reinforcing a culture of appreciation and visibility.
- Our Annual Report is prominently placed at key locations across facilities to ensure everyone is informed about our achievements and future goals.
- To further promote open communication, we introduced the 'Write to Know' initiative, encouraging employees to submit concerns or issues anonymously. Each month, we address these concerns and share a summary of the resolutions with all employees, demonstrating responsiveness and reinforcing trust.
- We also organize quarterly team outings, with each team receiving a pre-approved budget to promote team bonding.
- Furthermore, our HR team meets with every employee twice a year to address their concerns and offer tailored solutions, underscoring our focus on proactive support and individual attention.
- To keep the work atmosphere lively, we host fun games every Monday for each department, offering employees an opportunity to unwind and foster camaraderie through interactive and team-based activities.
- We actively engage employees in activities that allow them to showcase their talents. For instance, an employee skilled in Financial Prudence may conduct knowledge-sharing sessions, enhancing peer learning and cross-functional development.
- We dedicate at least one man-day to social causes, such as voluntary service at government schools or hospitals, highlighting our commitment to community impact and civic responsibility.
- Participation in both internal and external competitions covering areas like Quality, Kaizen, and Environment as well as sports events, enables employees to benchmark their skills against peers within and outside the Company, while fostering healthy competition and continuous improvement.
- Support was extended to the Rewari Unit by deploying 40 trainees from the Hosur Unit for a period of two months. This initiative was taken to efficiently manage a sudden surge in customer demand at Unit 3 in Rewari, ensuring uninterrupted operations and timely fulfillment.
- We maintained our commitment to a respectful and ethical workplace by continuing to enforce strict policies with zero tolerance for unethical behavior and issues related to sexual harassment. These measures reinforce a safe and inclusive working environment for all employees.

Awareness Initiatives

- Conducted a Road Safety Rally in Thalli during Road Safety Month to promote traffic awareness and community engagement.
- Celebrated World Water Day for the first time through a quiz, awareness sessions, and a signature campaign focused on water conservation.
- Introduced digital certificates for all TEI training programs, enhancing efficiency and promoting paperless practices.
- Replaced printed certificates with a cheque leaf format for distributing cash awards, streamlining recognition efforts.
- Enabled participation of Union Office Bearers for the first time, who presented a Small Group Activity case study.
- Observed 'No Bin Day' in the canteen on International Farmers Day to raise awareness about food waste reduction.

Health and Wellness Initiatives

- Healthy meals introduced based on the recommendations of a dietitian aligned with employees' medical profiles and wellness goals.
- Regular health awareness programs are conducted to educate and empower employees in making informed lifestyle choices.
- An annual Master Health Check-up is organized for employees aged 45 and above.
- Physical fitness programs are held to encourage an active lifestyle and reduce workplace-related stress.
- Blood donation camps are organized periodically as part of our broader commitment to public health and community welfare.

Gender Diversity

Our commitment to gender diversity is embedded in our recruitment practices, where we actively work to ensure balanced gender representation across all levels of the Company. We are dedicated to fostering a workplace where women have equal opportunities for career advancement and are supported through mentorship programs, leadership training, and flexible work arrangements. These initiatives are designed to attract, retain, and empower women across functions and roles.

Talent Acquisition and Retention

Attracting Talent

- **Career Page:** We have launched a dedicated Career Page on the INEL website, where current opportunities for professionals are showcased. Candidates can explore and apply based on their skill sets, and our HR team proactively connects with them to discuss potential career paths within INEL. This platform enhances visibility, streamlines applications, and strengthens our employer brand.
- **Employee Referral Scheme:** Our Employee Referral Program encourages team members to recommend qualified candidates for open positions through internal advertisements. Employees who successfully refer candidates are rewarded with attractive cash incentives. This initiative not only accelerates hiring but also fosters a sense of ownership and engagement among our workforce.
- **Joining Bonus:** To enhance our ability to attract top talent for critical roles, we offer a joining bonus as an incentive. This bonus is disbursed upon successful completion of three months of employment, ensuring both commitment and alignment with organizational goals.
- **Tech Recruiter:** Hired to expedite the induction of technical talents for future products.

Retaining Top Talent

- Each year, based on recommendations from Heads of Departments (HODs), we identify high-potential employees (Hi-Pots) for fast-track career growth opportunities.
- We offer them expanded roles that allow them to showcase their leadership and technical capabilities.
- Additionally, INEL supports continuous learning by providing opportunities for pursuing higher education and skill enhancement.
- Nominated one employee for an M.Tech program in E-Mobility in collaboration with IIT, and three employees for a three-month crash course with IIT focused on Motors and Controllers to strengthen technical capabilities in emerging technologies.
- Conducted a year-long Leadership Development Program for five cross-functional team members, aimed at building key managerial competencies. The curriculum included modules on design thinking for innovation, execution for goal alignment, winning habits for personal effectiveness, strategic planning, and change management, fostering agile and results-oriented leadership.
- Organized a specialized Customer Intimacy Program for Sales and Business Development Managers to deepen customer engagement and enhance value-driven selling.

Employee Health and Safety (EHS)

We are committed to fostering a secure and supportive work environment through stringent safety protocols, comprehensive training programs, and continuous risk assessments.

Our approach is built on strict compliance with safety standards and thorough risk assessments, including Hazard Identification and Risk Assessment (HIRA), Occupational Control Procedures, and Fire Risk Assessments. These assessments are conducted at regular intervals, and insights are translated into actionable improvements, ensuring workplace hazards are proactively minimized on an ongoing basis.

A dedicated Safety Committee periodically reviews safety compliance to ensure ongoing adherence and effectiveness. Our Safety Team actively participates in external competitions to benchmark against industry standards and gather insights into emerging best practices, which are then implemented internally. Regular safety audits are carried out, with observations reviewed weekly in the ECW (Executive Committee Weekly) meeting by the leadership team, reinforcing our commitment to proactive risk management and the timely resolution of safety-related concerns.

We emphasize robust onboarding safety training and conduct regular safety drills, including first aid, firefighting, and emergency response exercises, to prepare employees for any eventuality. Additionally, our well-established Occupational Health Center operates round the clock, supported by a dedicated medical team and fully equipped ambulance facilities on standby. Beyond compliance, we actively promote a culture of safety through targeted awareness programs and health-focused initiatives, embedding safety as a shared responsibility and ensuring that every employee feels protected, informed, and empowered in their workplace.

Founder's Day 2025

We marked Founder's Day 2025 with a vibrant celebration of innovation, recognition, and culture. From recognitions to the Values Book launch, the day was full of meaningful moments. A heartfelt thanks to our distinguished guests for their presence, and to all our employees, organizing teams, and participants whose contributions made the event meaningful and memorable.

Silambam
- The Ancient art of combat

Connected Communities. Smarter Tomorrows.

Communities

We believe that progress is most powerful when it is shared. Our vision of a smarter tomorrow begins with empowering the communities we serve - through innovation, inclusion, and sustainable action. Whether it is uplifting livelihoods, fostering education, or driving green initiatives, we are committed to building deep connections that create long-term impact and reflect our values beyond commerce. Together with our people, partners, and neighbours, we are shaping ecosystems where opportunity thrives and collective futures are transformed.

Education

Education forms the cornerstone of individual empowerment and community progress, equipping individuals with the knowledge, skills, and critical thinking needed to lead independent and meaningful lives.

Health and Sanitation

Health and sanitation remain pressing challenges in India, impacting millions and hindering national development. In response, we have implemented a range of proactive initiatives focused on improving access, awareness, and preventive care to tackle these issues and promote public well-being.

₹115.1 Lakhs

→ Total CSR Contribution for 2024-25

CSR Fund

₹84,73,000	₹12,71,000	₹17,66,000
→ Hosur	→ Pondy	→ Rewari

Governance

Sustainable Governance. Scalable Innovation.

We believe that sustainable progress begins with strong, transparent, and ethical governance. As we drive innovation across the mobility landscape, our commitment to principled leadership remains unwavering. Our governance framework is designed not just to ensure compliance, but to empower resilience, foster accountability, support agile, forward-looking decision-making in a rapidly evolving industry.

Our Board of Directors reflects a thoughtful balance of Executive and Non-Executive members, structured to meet statutory requirements while fostering a leadership team enriched with a wide range of perspectives and expertise. Their role transcends compliance, actively shaping strategic direction and contributing to a dynamic, forward-thinking leadership model.

As stewards of the Company, the Board champions our core values—integrity, sustainability, and innovation. Independent Directors play a pivotal role in upholding the highest standards of governance. Their impartial perspectives and specialized knowledge strengthen oversight in areas such as strategy, risk management, internal controls, and performance evaluation, ensuring that decision-making remains both equitable and future-focused.

Our approach to governance is rooted in a strong tradition of ethics, fairness, and transparency. It is not merely a regulatory framework, but an integral part of who we are and how we operate. The Board is committed to overseeing strategic direction, maintaining financial discipline, and ensuring that ethical standards are consistently upheld across the organization.

We are guided by a commitment to all stakeholders including regulators, employees, customers, partners, investors, and the wider community. In every engagement, we prioritize fairness, responsibility, and long-term value creation. This approach fosters a culture of openness, mutual trust, and accountability, reinforcing our role as a responsible corporate citizen and a trusted industry leader.

Fueled by Purpose. Powered by Vision.

Mr. T. K. Balaji

Chairman

M

Mr. T K Balaji is the Chairman of the ₹7,000 Crores (USD800 Million) Lucas-TVS Group of Companies, engaged in cutting-edge technology products in the field of Mechatronics through Lucas-TVS Limited and 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. Lucas-TVS is now venturing into the manufacturing of Next-Generation Li-Ion Cells and Batteries. Through TVS Indeon, a newly formed subsidiary of Lucas-TVS, a dedicated plant to manufacture battery packs has been set up near Chennai with a capacity of 1 GWh. Currently, the packs from this plant are being supplied to a leading 2W EV manufacturer.

Mr. Balaji was one of the early pioneers and adopters of 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 alumnus of the Indian Institute of Management, Ahmedabad.

Mr. Arvind Balaji

Managing Director

M M M

Mr. Arvind Balaji was born on 8th December, 1974, and did his B.E. in Mechanical Engineering from Birla Institute of Technology and Science and M.S. in Manufacturing System Engineering from Stanford University. He has also done 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 here that he acquired valuable experience in the field of mergers and acquisitions. Between 2002 and 2004, he worked as an Associate in Bank of America Securities LLC, New York in the field of Investment Banking. Mr. Arvind Balaji joined Lucas Indian Service Limited as Whole-time Director in 2004 and his services were placed at the disposal of Lucas-TVS for appointment as Vice President - Business Planning. He became Joint Managing Director of M/s Lucas TVS Limited, Chennai, in April 2008 and Managing Director in August 2022. He was the past President of ACMA. He was appointed as Managing Director of INEL in 2008.

Mr. Anant Jaivant Talaulicar

Independent Director

C M C

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 received a Master's degree in Engineering from the University of Michigan in 1985 and an 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. Mr. Talaulicar 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 through 2014. During this timeframe, he also served as the Managing Director of Tata Cummins Private Limited, a 50:50 joint venture between Cummins Inc. and Tata Motors Limited. He also chaired the Board of four other Cummins legal entities in India. Mr. Talaulicar has undertaken various profiles in his career such as financial analyst, manufacturing engineer, project manager, product manager, and strategy manager. He also served as joint managing director of Cummins India Limited, overseeing the power generation and distribution businesses for a year, before becoming chairman and managing director of the company.

Ms. Priyamvada Balaji

Non-Executive Director

M M

Ms. Priyamvada Balaji, (DIN 00730712), was appointed as a Non-Executive Director on the Board of the Company on 29th January, 2018. She holds a Post Graduate Diploma from the Indian Institute of Management, Ahmedabad, and a Bachelor's 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 Lucas Indian Service Limited, where she has responsibilities for the aftermarket business as well as for new project initiatives. Prior to joining the group, Ms. Balaji was in the Financial Services sector for over 12 years. She is also a member of the Southern Region Council of the Automotive Component Manufacturers Association (ACMA).

Note: She retires by rotation and being eligible, offers herself for re-appointment at the AGM to be held in September 2025.

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

Mr. Heramb Ravindra Hajarnavis

Independent Director

M M C

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 an MBA from Harvard Business School (HBS). He was awarded an Aspen Institute Fellowship in 2008.

Mr. Hajarnavis is the Founder and 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 telecommunications services provider with operations in the United States and the Caribbean that was subsequently acquired by AT&T). He also currently serves as an Independent Director on the Board of Sundram Fasteners Limited and as an Additional Director on the Board of JM Financial Asset Management Limited.

Ms. Gangapriya Chakraverti

Independent Director

M C C

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 the Managing Director for Ford Business Services, she has played a significant role managing all aspects of human resources and change management. She has supported its transformation into a truly global, multi-functional innovation hub, scaling from 4,000 to 9,000+ employees. Under her people-oriented leadership and focus on building a great workplace culture, Ford Business Services has been featured amongst the top companies across the country by the Great Place to Work Institute. It has been 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 and advocates for diversity and inclusion at the workplace, while actively championing greater representation of women in leadership roles across industries. She mentors and coaches several senior and experienced women, encouraging them to achieve their full potential. Ms. Chakraverti 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, Ms. Chakraverti is a regular speaker at international and national conferences and forums.

Ms. Chakraverti 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 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 medalist. She is pursuing her Professional Certified Coach credential from the International Coaching Federation and is a Certified Diversity Professional from the Diversity Training University International, San Francisco. She was recently 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 Member

Tomorrow's Engineers.

Awards

Today's Champions.

CII
Confederation of Indian Industry

INDUSTRIAL INTELLECTUAL PROPERTY AWARDS

CII Industrial Intellectual Property Awards 2024

This is to certify that

Indian Nippon Electrical Ltd.

is adjudged to have the **Special recognition for Ratio of design grant to publish -India** (2019-24)

Large - Manufacturing - Design

12 December 2024

Dr Ashish Mohan
Executive Director
Confederation of Indian Industry

Dr R A Mashelkar
Chairman of Jury for CII Industrial IP Awards – 2024

Dr Naushad Forbes
Chairman
CII National Committee on IP (2024-25)

We received the CII Industrial Intellectual Property Award in the Large Manufacturing – Design category for achieving the highest ratio of design grants to publications in India for the period 2019–2024. This recognition was awarded by the Confederation of Indian Industry (CII).

Award: Innovation Partner GENERAC

My Sustainability Index Survey (First Time) carried out in Pondy.
Award: Gold

Competition: QC Competition
Award : 3rd Prize

Competition: 9th Hosur Chapter
Quality Circle Convention Award: 7-Gold, 3-Silver

Competition: 38th National Convention on Quality Concepts
Award: Excellent Award

Competition : SMED Competition
Award : 1 Rhodium & 1 Platinum

Corporate Information

Board of Directors

T. K. Balaji
Chairman

Arvind Balaji
Managing Director

Anant Jaivant Talaulicar

Heramb Ravindra Hajarnavis

Gangapriya Chakraverti

Priyamvada Balaji

Audit Committee

Anant Jaivant Talaulicar
Chairman

Heramb Ravindra Hajarnavis

Priyamvada Balaji

Stakeholders' Relationship Committee

Heramb Ravindra Hajarnavis
Chairman/Chairperson

Arvind Balaji

Gangapriya Chakraverti

Nomination and 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 Technology Officer

R. Umashankar

Chief Financial Officer

Elango Srinivasan

Company Secretary and 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 Limited, 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, Tamil Nadu
Ph: 0413-2697801/2697827

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

R&D Tech Center

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

Notice to Shareholders

NOTICE is hereby given that the 40th Annual General Meeting of the Shareholders of INDIA NIPPON ELECTRICALS LIMITED ("the Company") will be held on Friday, 19th September, 2025 at 10:00 A.M. (I.S.T.) through Video Conferencing (VC)/ Other Audio-Visual Means (OAVM) 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, 2025**

   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, 2025 together with the reports of the Board of Directors and Auditors, be and are hereby considered and adopted.

   RESOLVED FURTHER THAT the audited consolidated financial statements of the Company for the financial year ended 31st March, 2025 together with the Auditors report, be and are hereby considered and adopted."

2. **To confirm the Interim Dividend for the year 2024-25**

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

   "**RESOLVED THAT** the interim dividend of ₹ 12.50 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, 2025, absorbing a total sum of ₹ 2,827.67 Lakhs, be and is hereby noted and confirmed as the final dividend for the year ended 31st March, 2025."

3. **To appoint a director in place of Mrs. Priyamvada Balaji (DIN: 00730712), who retires by rotation and being eligible offers herself 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 Rules made thereunder (including any statutory modification(s) and/or re-enactment(s) thereof, for the time being in force) read with Article 100 of the Articles of Association of the Company, Mrs. Priyamvada Balaji (DIN: 00730712), 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, 2026.**

   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 read with the Companies (Audit and Auditors) Rules, 2014 and the Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) and/or re-enactment(s) thereof, for the time being in force), the Members of the Company do hereby ratify the remuneration of ₹ 3,80,000/- (Rupees Three Lakhs Eighty 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, 2026."

5. **To consider and approve minimum remuneration and annual remuneration in excess of ₹ 5 Crores payable to Mr. Arvind Balaji, Managing Director for the remaining period of his tenure**

   To consider and if thought fit, to pass the following resolution as a SPECIAL RESOLUTION:

   "**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V thereto (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and in continuation of the resolution passed by the shareholders at the Annual General Meeting held on 21st September, 2022 approving the re-appointment of Mr. Arvind Balaji (DIN: 00557711) as Managing Director of the Company for a term of five years from 10th August, 2022 to 9th August, 2027, the approval of the Members be and is hereby accorded for the payment of minimum remuneration of ₹ 4 Crores per annum to Mr. Arvind Balaji, in the event of absence or inadequacy of profits in any financial year during the remaining

tenure of his appointment, i.e., from 1st April, 2025 to 9th August, 2027, as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors at its meeting held on 30th May, 2025.

RESOLVED FURTHER THAT in terms of Regulation 17(6)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions, if any, the consent of the Members be and is hereby accorded for the payment of annual remuneration exceeding ₹ 5 Crores to Mr. Arvind Balaji during the remaining period of his tenure as Managing Director (from 1st April, 2025 to 9th August, 2027), as may be determined by the Board of Directors from time to time based on the recommendation of the Nomination and Remuneration Committee and subject to applicable laws and shareholder approval.

RESOLVED FURTHER THAT except to the extent modified by this resolution, all other terms and conditions of appointment and remuneration of Mr. Arvind Balaji as approved by the shareholders at the AGM held on 21st September, 2022 shall remain unchanged and continue to remain in full force and effect.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take all such steps, actions and measures and to do all such acts, deeds, and things as may be necessary, desirable or expedient to give effect to this resolution, including making necessary filings with the Registrar of Companies and other applicable regulatory authorities."

6. To approve the appointment of Secretarial Auditor

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

"**RESOLVED THAT** pursuant to the provisions of Section 204 and other applicable provisions of the Companies Act, 2013, if any and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, read with Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and subject to receipt of such other approvals, consents and permissions as may be required, M/s. S.A.E. & Associates LLP, Practicing Company Secretaries, (Firm Reg. No.: L2018TN004700) be and are hereby appointed as the Secretarial Auditors of the Company for a term of up to 5 (Five) consecutive years, to hold office from the conclusion of this Annual General Meeting ('AGM') till the conclusion of 45th (Forty Fifth) AGM of the Company to be held in the Year 2030, (audit period covering the financial years from 2025-26 to 2029-30) at such remuneration, as may be mutually agreed between the Board of Directors of the Company and the Secretarial Auditor from time to time.

RESOLVED FURTHER that the Board be and is hereby authorized to do all such acts, deeds, things and to sign all such documents as may be necessary to give effect to this resolution and for matters connected therewith or incidental thereto."

By Order of the Board

S Logitha
Company Secretary & Compliance Officer
Membership No. A29260

Place: Chennai
Date: 13th August, 2025

Registered Office:
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

Notice to Shareholders (Contd.)

IMPORTANT NOTES TO SHAREHOLDERS:

1) The Ministry of Corporate Affairs **("MCA")** has vide General Circular No. 14/2020 dated 8th April, 2020, General Circular No. 17/2020 dated April 13, 2020, General Circular No. 20/2020 dated 5th May, 2020 read with General Circular no. 9/2024 dated September 19, 2024 and other circulars issued in this regard **("MCA Circulars")** and the Securities and Exchange Board of India **("SEBI")** has vide its Circular No. SEBI/HO/CFD/ CMD1/CIR/P/2020/79 dated 12th May, 2020, read with Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2024/133 dated 3rd October, 2024 and other circulars issued in this regard **("SEBI Circulars")** (collectively referred to as **"Circulars"**), permitted companies to conduct their Annual General Meeting through Video Conferencing (VC) or Other Audio-Visual Means **(OAVM)** without the physical presence of Members at a common venue till 30th September, 2025. In accordance with the Circulars and in compliance with the provisions of the Companies Act, 2013 **("Act")** and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 **("SEBI Listing Regulations")**, the 40th Annual General Meeting **("AGM")** of the Company is being conducted through VC/OAVM.

2) The Company has enabled the Members to participate and vote at the 40th 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) The AGM shall be deemed to be held at the Registered office of the Company at No. 11 & 13, (Old No 6 & 7), Patullos Road, Chennai – 600002 as prescribed under the Circulars.

5) 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 including route map are not annexed to this Notice.

6) In pursuance of Section 112 and Section 113 of the Companies Act 2013, representatives of the Members may be appointed for the purpose of voting through remote e-voting or for the purpose of attending the AGM through VC/ OAVM. 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.

7) 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.

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 transferred to the Fund. The details of due dates for transfer of such unclaimed dividend to said fund are provided in the Corporate Governance Report.

11) In accordance with Section 124(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. The procedure and the form are available at www.iepf.gov.in.

13) In compliance with the aforesaid Circulars of MCA & SEBI, the Notice of the AGM along with the Annual Report 2024-25 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories as on 15th August, 2025. Members may note that the Notice and Annual Report 2024-25 will also be available on the Company's website https://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. The physical copies of the Annual Report of Financial Year 2024-25 along with Notice of AGM will be dispatched to those shareholders who request for the same.

Additionally, a letter providing the web-link to access the Notice of the 40th AGM and Annual Report is being sent to those Members whose e-mail ids are not registered with the Company/RTA or the Depositories

14) In case a person becomes a Member after 15th August, 2025, such person may write to the Company/ Cameo by e-mail at investors@inel.co.in/ investor@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 are given in subsequent paragraphs. Only a member as on 12th September, 2025 will be eligible to participate and vote on the resolutions. A person who is not a member as on the cut-off date i.e., 12th September, 2025, should treat this Notice for information purpose only.

15) The Register of Members and Share Transfer Books of the Company will remain closed from 13th September, 2025 to 19th September, 2025 (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:

- Convening of AGM through VC/OAVM in compliance with the provisions of the Act.
- Date and time of the AGM.
- 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.
- 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 12th September, 2025 for determining the eligibility to vote by remote e-voting 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

Notice to Shareholders (Contd.)

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 13th August, 2025 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 https://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) Subject to the receipt of requisite number of favourable votes, the Resolutions set out in the Notice of AGM shall be deemed to be passed on the date of the Meeting i.e.19th September, 2025.

23) The following documents will be available for inspection by the Members electronically during the 40th 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.

24) Members who have not registered their e-mail address are requested to register the same in the following manner:

For shares held in physical form: Members can submit their requests in electronic mode through the website of RTA using the weblink https://wisdom.cameoindia.com/

For shares held in Dematerialized form: Members can contact the concerned Depository Participant.

Please note that registration of e-mail address and mobile number is mandatory while voting electronically and joining virtual meetings.

25) Pursuant to the provisions of Section 72 of the Act read with the rules made thereunder, Members holding shares in a single name may avail the facility of nomination in respect of the shares held by them. All holders of physical securities are encouraged in their own interest to provide choice of nomination. Members may avail this facility by sending a nomination in the prescribed Form No. SH-13 to the RTA. The said form is available on the Company's website and can be downloaded using https://indianippon.com/investor/#tab-1641371617871-20-1 weblink. Further, if shares are held in dematerialized form, Members can contact their respective Depository Participant(s) to update their nomination details.

26) Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated 25th January, 2022, has mandated the listed companies to issue securities in dematerialized form only while processing service requests viz. Issue of duplicate securities certificate; claim from unclaimed suspense account; renewal / exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates / folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR- 4, the format of which is available on the Company's website at https://indianippon.com/investor/#tab-1641371617871-20-1 and RTA, Cameo Corporate Services Limited ("Cameo") website https://wisdom.cameoindia.com. It may be noted that any service request can be processed only after the folio is KYC Compliant.

27) As per circulars issued by SEBI from time to time, investors have been provided with an option for dispute resolution under the Stock Exchange arbitration mechanism where they can opt for arbitration with Stock Exchanges in case of any grievance with the Company and/or RTA. Further, in case of unresolved issues, the investors can also register their complaint on the Online Dispute Resolution Portal, a mechanism for online resolution of disputes arising in the Indian Securities Market through the ODR Portal at https://smartodr.in/login.

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 Nos. 4, 5 & 6 of the accompanying Notice dated 13th August, 2025.

ITEM NO: 04

At the meeting held on 30th May, 2025, the Board 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 ₹ 3.80 Lakhs and reimbursement of actual travel and out-of-pocket expenses for the financial year ending 31st March, 2026. 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.

ITEM NO: 05

At the AGM held on 21st September, 2022, the shareholders approved the re-appointment of Mr. Arvind Balaji, (DIN: 00557711) as the Managing Director of the company for a period of 5 years commencing from 10th August, 2022. The shareholders also approved revision in terms of remuneration in accordance with Sections 196, 197(1), 198 of the Companies Act, 2013 effective from 1st April, 2022.

Further, the shareholders approved payment of minimum remuneration not exceeding ₹ 3 Crores per annum to Mr. Arvind Balaji, in the event of absence or inadequacy of profits in any financial year, for a period of three years with effect from 1st April, 2022. This was in accordance with the provisions of Section 197 read with Schedule V and other applicable provisions of the Companies Act, 2013.

In view of the expiry of the minimum remuneration limit, the Board based on the recommendations of the Nomination and Remuneration Committee at its meeting dated 30th May, 2025, recommended a revision to the minimum remuneration limit considering the contribution made by Mr. Arvind Balaji, to the overall progress of the Company under his leadership and after taking into consideration the complexities of the responsibilities handled by him. The Board accorded its consent to pay a minimum remuneration of ₹ 4 Crores per annum to Mr. Arvind Balaji, Managing Director in the event of inadequacy or absence of profits, during his remaining tenure as Managing Director, i.e., from 1st April, 2025 to 9th August, 2027, subject to shareholders approval.

Further, pursuant to Regulation 17(6)(e) of SEBI (LODR) Regulations, 2015 approval of the Shareholders by way of a special resolution shall be obtained for payment of annual remuneration to Executive Directors, who are promoters or members of the promoter group, exceeding ₹ 5 Crores or 2.5% of the net profits of the Company, whichever is higher. Based on the business prospects of the Company, the annual remuneration payable to Managing Director may exceed ₹ 5 Crores, during the financial year(s) falling within the remaining tenure of his appointment.

Accordingly consent of the members is sought for passing a Special Resolution as set out at Item No. 5 of the Notice for payment of minimum remuneration to Mr. Arvind Balaji, Managing Director as detailed in the resolution. The Board recommends the Special resolution as set out in Item No. 5 for approval by the shareholders.

Mr. Arvind Balaji is concerned/interested in this resolution. Mr. T K Balaji, Chairman and Mrs. Priyamvada Balaji, Director are also deemed to be interested, being his relatives.

None of the other Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the resolution as set out in Item No.5 of the Notice.

Notice to Shareholders (Contd.)

ITEM NO: 05

STATEMENT PURSUANT TO THE PROVISIONS OF SECTION II OF PART II OF SCHEDULE V OF THE COMPANIES ACT, 2013 [INCLUDING SECRETARIAL STANDARD-2 AS APPLICABLE] IN RESPECT OF ITEM NO. 5 OF THE NOTICE

I. General Information:

1) Nature of industry:

India Nippon Electricals Limited is manufacturing Electronic Ignition Systems for two-wheelers, three wheelers and portable engines. Over the years, the company has enlarged its customer base and now supplies to most of the manufacturers of two-wheelers, three wheelers and gensets.

2) Date or expected date of commencement of commercial production:

The company started its commercial production in the year 1984.

3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:

Not Applicable

4) Financial performance based on given indicators:

(Rs. In lakhs)

Particulars	2024-25	2023-24
Total Revenue	84,483	72,408
Profit before tax	10,268	7,578
Net Profit	8,203	5,930
Dividend Paid	2,827	2,318

5) Foreign investments or collaborations, if any: Nil

II. Information about the appointee:

1) Background details

Mr. Arvind Balaji is the Managing Director of our Company. He is also the Managing Director in Lucas TVS Limited and is responsible for all strategic and key operational decisions of the Companies. Prior to joining the company, Mr. Arvind Balaji worked in the investment banking division of Bank of America in the general industrial group where he focused on helping automotive companies in financing and M&A transactions. He also worked at Oracle Corporation in their consulting division. Mr. Arvind Balaji has a master's in business administration specializing in Finance from the Wharton School, University of Pennsylvania as well as a master's degree in manufacturing systems engineering from Stanford University. During the financial year under review, there were 5 board meetings held all of which were attended by him. As on the date of notice, he is not holding any shares in the Company. He is not related to any other person other than Mr. T K Balaji, Chairman and Managing Director, Ms. Priyamvada Balaji, Director.

2) Past remuneration:

The total remuneration of Mr. Arvind Balaji for the financial year ended 31st March 2025 is Rs. 384 Lakhs comprising of salary, perquisites and others.

3) Job profile and his suitability:

He has been appointed as Managing Director of the Company since 1st April 2013. He has been responsible for restructuring the company and conceiving and implementing turnaround strategy which resulted in the Company emerging as one of the premier auto electrical component manufacturers with consistent profitability. Mr. Arvind Balaji as a Managing Director is responsible for overall management of the Company and day-to-day operations of the Company. Apart from overall management, He plays an active role in business strategy and business development. Considering his qualifications, vast experience and deep knowledge of the business in which Company operates and also contribution made by him towards growth of the Company, the remuneration proposed commensurate with his job profile and is justified.

4) Remuneration proposed:

It is proposed to pay minimum remuneration of Rs. 4 Crores per annum to Mr. Arvind Balaji, Managing Director with effect from 01st April 2025 to 09th August 2027 in the event of loss or inadequacy of profits in any financial year and be reviewed annually which is in accordance with the Companies Act, 2013, and the Rules made there under or any statutory modification or re-enactment thereof. (Details of remuneration as contained in the explanatory statement annexed to the notice of AGM sent to shareholders)

5) **Comparative remuneration profile with respect to industry, size of the company, profile of the position and person:**

The remuneration payable has been considered by the Nomination and Remuneration Committee of the Company at the meeting held on 30th May, 2025. The profile of the Managing Director, his responsibilities, complex business operations, industry benchmark and size of the Company justify the payment of said remuneration. The remuneration fixed has been benchmarked with the remuneration being drawn by peers in similar capacity in Auto electrical component manufacturers of comparable size in the Auto electrical Component Industry.

6) **Pecuniary relationship directly or indirectly with the company, or relationship with the Managerial personnel, if any:**

Mr. Arvind Balaji has no other pecuniary relationship with the company except to the extent of his remuneration in the company. He is the son of Mr. T K Balaji, Chairman and Brother of Ms. Priyamvada Balaji, Director of the Company.

III. Other information:

1) **Reasons of loss or inadequate profits:**

The Company has been consistently registering profits in the past decades. The company had registered a Net Profit of Rs. 82.03 Crores for the financial year 2024-25. Presently there is no inadequacy of profits for payment of remuneration to the Directors, however, to enable the continuity in payment of remuneration, it is proposed to seek the approval of members by special resolution.

2) **Steps taken or proposed to be taken for improvement:**

Not Applicable

3) **Expected increase in productivity and profits in measurable terms:**

Not applicable as the Company has adequate profits.

ITEM NO: 06

Pursuant to Section 204 of the Act, the Company is required to annex to the Board's Report, a Secretarial Audit Report given by a practicing company secretary in the format as prescribed. Rule 9 of the Companies (Appointment and Remuneration) Rules 2014 prescribes Form MR-3 for the said Secretarial Audit Report. Further, Section 179 of the Act read with Rule 8 of the Companies (Meetings of Board and its Powers) Rules, 2014 provide that the appointment of Secretarial Auditor shall be made by the Board at the meeting of the Board.

Moreover, SEBI vide its notification dated 12th December, 2024 amended Regulation 24A of the Listing Regulations. The amended regulation read with the SEBI circular no. SEBI/HO/CFD/CFDPoD-2/CIR/P/2024/185 dated 31st December, 2024 (the Circular) have inter-alia prescribed the term of appointment/re-appointment, eligibility, qualifications and disqualifications of Secretarial Auditor for a Listed Company.

As per the amended Regulation 24A of the Listing Regulations, the Company and its material unlisted subsidiary company incorporated in India is required to undertake Secretarial Audit by a Secretarial Auditor who shall be a Peer Reviewed Company Secretary and annex a Secretarial Audit Report in such form as specified by SEBI, with the annual report of the Company.

Further, w.e.f. 1st April, 2025, every Listed Company on the recommendation of the Board of Directors shall appoint or re-appoint (i) an Individual as Secretarial Auditor for not more than one term of five consecutive years or (ii) a Secretarial Audit firm as Secretarial Auditor for not more than two terms of five consecutive years with the approval of its shareholders in its Annual General Meeting.

In accordance with the above, the Board of Directors at its meeting held on 13th August, 2025 considered, approved and recommended to the Shareholders of the Company for their approval, the appointment of M/s. S.A.E. & Associates LLP, a firm of Company Secretaries in practice, (Firm registration number: L2018TN004700) as Secretarial Auditors of the Company at the ensuing 40th Annual General Meeting for a term of 5 consecutive Years, to conduct Secretarial Audit and issue (i) the Secretarial Audit Report under Section 204 of the Act and (ii) the Secretarial Audit and Compliance Report under Regulation 24A of the Listing Regulations for the appointed term.

The Board of Directors have approved that in addition to issuing the Secretarial Audit Report, the Secretarial Auditors shall also issue to the Company (i) the Secretarial Compliance Report under Regulation 24A(2) of the Listing Regulations for the Term (ii) the Compliance certificate regarding compliance of conditions of corporate governance as may be required under Para E of Schedule V of the Listing Regulations for the Terms and (iii) the certificate on non-

Notice to Shareholders (Contd.)

disqualification of the directors as may be required under sub-clause (i) of clause 10 of Paragraph C of Schedule V of Listing Regulations for the Term and (iv) such other certificates or reports or opinions which can be issued by the Secretarial Auditors under Applicable Laws.

M/s. S.A.E. & Associates LLP have consented to the said appointment and confirmed that their appointment, if made, would be within the limit specified by the Institute of Companies Secretaries of India. They have further confirmed that they are not disqualified to be appointed as Secretarial Auditors in term of provisions of the Companies Act, 2013, the Companies Secretaries Act, 1980 and Rules and Regulations made thereunder and the Listing Regulations and the Circular.

Credentials of Secretarial Auditors:

Terms and Conditions of appointment and remuneration:

a) Term of appointment:

To be appointed for five (5) consecutive years commencing from the conclusion of 40th AGM till the conclusion of 45th AGM (Audit period covering the financial years from 2025-26 to 2029-30)

b) Remuneration:

The proposed fee as determined by the Audit Committee and/or the Board of Directors will be based on knowledge, expertise, industry experience, time and efforts required to be put in by the Secretarial Auditor, which is in line with the industry benchmark. The payment for services in the nature of certifications and other professional work will be in addition to the Secretarial Audit fee and shall be determined by the Audit Committee and/or the Board of Directors.

c) Basis of recommendations:

Based on a comprehensive assessment of the Firm's eligibility, qualifications, experience, and independence, as well as the expertise of its Partners in delivering Secretarial Audit services and the Company's positive past experience with the Firm, particularly the quality and effectiveness of the audit work previously carried out, the Board of Directors have reviewed and approved the aforementioned proposal, and recommended it to the Shareholders for their approval

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No.6 of the Notice for appointment of Secretarial Auditor commencing from the conclusion of 40th AGM till the conclusion of 45th AGM (Audit period covering the financial years from 2025-26 to 2029-30). The Board recommends the Ordinary Resolution at Item No.6 for approval by the Members.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the Notice.

ANNEXURE TO THE NOTICE

Particulars of the Director seeking re-appointment/ continuation at the 40th Annual General Meeting pursuant to regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements), 2015:

ITEM NO. 3

Mrs. Priyamvada Balaji, (DIN: 00730712), Non-executive director of the Company was born on 23rd October, 1978 and she has been a Member of the Board of directors of many companies including Lucas Indian Service Limited, Delphi TVS Technologies Limited and Lucas TVS Limited. Prior to joining the TVS group, she has 14 years of experience in Financial Services in Mumbai and Bangalore working with many international companies. She was a Senior Director, and Regional Head for the Western Region Corporate ratings at India Ratings (earlier Fitch Ratings India) as well as a member of the National Rating Committee. She also has experience with rating large international bond placements.

Within India Ratings, she has had analytical experience in the automotive, metals and mining and industrial sectors. Prior to that, she has experience in leading corporates such as HSBC in the Corporate bank and in Arthur Andersen in corporate finance.

She has a Post Graduate Diploma from the Indian Institute of Management, Ahmedabad (batch of 2000) and a BA in Economics (Silver Medalist) from Stella Maris College, Chennai. She was nominated by Lucas Indian Service Limited (Promoter) to the Board.

She retires by rotation and being eligible, offers herself for re-appointment at the AGM to be held on 19th September 2025. She is interested in the resolution relating to her re-appointment as Director besides Mr. Arvind Balaji, Managing Director and Mr. T K Balaji, Director being her immediate relatives. Other directors or key managerial personnel or their respective relatives are not interested in this resolution.

S No.	Category	Particulars
1.	Name of the Director	Mrs. Priyamvada Balaji (DIN: 00730712)
2.	Designation/category of the Director	Non-Executive (Non-Independent) Director
3.	Date of Birth & Age	23rd October 1978 & Age 46
4.	Nationality	Indian
5.	Profile/ Qualification	Post Graduate Diploma from the Indian Institute of Management, Ahmedabad (batch of 2000) and a BA in Economics (Silver Medalist) from Stella Maris College, Chennai
6.	Expertise in specific functional areas	She has analytical experience in the automotive, metals and mining and industrial sectors and she has experience in leading corporates such as HSBC in the corporate bank and in Arthur Andersen in corporate finance.
7.	Date of first appointment to the Board	29/01/2018
8.	Terms and Conditions of appointment / reappointment	Re-appointment as a Non-Executive, Non-Independent Director under sec 152(6) of Companies Act 2013.
9.	Remuneration last drawn for the FY 2024-25	₹ 4,35,000/- (Sitting Fees)
10.	Revised Remuneration sought to be paid	Sitting fees and commission as may be approved by the Board of Directors/ shareholders in accordance with the applicable provisions of law.
11.	No. of Shares held	Nil
12.	Relationship between director inter-se Relationship with Directors:	Relationship with Directors: Daughter of Mr. T K Balaji, Director and Sister of Mr. Arvind Balaji, Managing Director.
13.	No. of Board Meetings attended / held during the year 2024-25	4/5
14.	Name(s) of other entities in which holding of directorship	1. SB TVS Industrial Ventures Private Limited 2. TVS Indeon Limited 3. Lucas Indian Service Limited 4. Lucas TVS Limited 5. Delphi-TVS Technologies Limited 6. TVS Automotive Systems Limited 7. Cheema TVS Industrial Ventures Private Limited 8. Synergy Shakthi Renewable Energy Private Limited 9. Punarvasu Swasthi Private Limited 10. Hastham Swasthi Private Limited 11. Adyar Property Holding Company Private Limited 12. Tamil Nadu Skill Development Corporation 13. Sai Security Printers Private Limited 14. TVS Training and Services Limited 15. Sai Press (India) Pvt Ltd 16. Twentythree 80 Asset Managers LLP
15.	Listed entities from which the Director has resigned in the past three years	Nil
16.	Chairpersonship/Membership in committees of other Entities	1. Member of Audit Committee at Lucas Indian Service Limited 2. Member of CSR Committee at Delphi TVS Technologies Limited and Lucas TVS Limited

Notice to Shareholders (Contd.)

ITEM NO. 5

S No.	Category	Particulars
1.	Name of the Director	Mr. Arvind Balaji (DIN: 00557711)
2.	Designation/category of the Director	Managing Director
3.	Date of Birth & Age	December 8, 1974 / 50 Years
4.	Nationality	Indian
5.	Qualification	Bachelor's degree in Mechanical Engineering from BITS Pilani Master's degree in Manufacturing Systems Engineering from Stanford University MBA in Finance from Wharton School, University of Pennsylvania.
6.	Brief Profile and nature of expertise in specific functional area and experience	Mr. Arvind Balaji presently holds the position of Managing Director of Lucas-TVS Limited and Managing Director of India Nippon Electricals Limited. Prior to joining Lucas TVS, Mr. Arvind Balaji worked in the investment banking division of Bank of America in the General Industrials group where he focused on helping automotive companies in financing and M&A transactions. Mr. Arvind Balaji also worked at Oracle Corporation in their consulting division. Mr. Arvind Balaji is also a Past President (2015-16) of the Automotive Component Manufacturers Association (ACMA) and led the Technology, Safety and Regulatory (TSR) Committee of ACMA (2017-18).
7.	Date of first appointment to the Board	25-10-2008
8.	Terms and Conditions of appointment / reappointment	Not Applicable. The terms and conditions of his re-appointment is based on the terms approved by shareholders through a special resolution at the Annual General Meeting held on 21st September 2022.
9.	Remuneration last drawn for the FY 2024-25	Rs. 384.46 lakhs
10.	Revised Remuneration sought to be paid	The remuneration payable to Mr. Arvind Balaji consists of salary, allowances, perquisites, retirement benefits etc. as per the rules of the Company and in accordance with the Remuneration Policy adopted by the Company. Approval of the shareholders is requested by way of an enabling resolution in case the revised remuneration exceeds the limits prescribed under the provisions of Regulation 17(6)(e) of the Listing Regulations.
11.	No. of Shares held	Nil
12.	Relationship between director inter-se Relationship with Directors:	Son of Mr. T K Balaji, Chairman and Brother of Ms. Priyamvada Balaji, Non – Executive Director
13.	No of Board Meetings attended / held during the year 2024-25	5/5
14.	Name(s) of other entities in which holding of directorship	1. SB TVS Industrial Ventures Private Limited 2. TVS Indeon Limited 3. Lucas Indian Service Limited 4. Lucas TVS Limited 5. Delphi-TVS Technologies Limited 6. Cheema TVS Industrial Ventures Private Limited 7. Punarvasu Swasthi Private Limited 8. Hastham Swasthi Private Limited 9. TVS Training and Services Limited 10. Blue Star Engineering & Electronics Limited 11. 34PG Private Limited 12. TVS Motor Services Limited 13. Schaeffler India Limited
15.	Listed entities from which the Director has resigned in the past three years	Nil

S No.	Category	Particulars
16.	Chairpersonship/Membership in committees of other Entities	Schaeffler India Limited: Corporate Social Responsibility Committee - Chairperson Audit Committee - Member Nomination and Remuneration Committee - Member Lucas TVS Limited: Audit Committee - Member CSR Committee - Member Delphi - TVS Technologies Limited: Audit Committee - Member

CDSL E-Voting System – For Remote E-Voting and Joining Virtual meetings:

1. The Ministry of Corporate Affairs and the Securities and Exchange Board of India have, vide General Circular no. 9/2024 dated 19th September, 2024 and Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2024/133 dated 3rd October, 2024, respectively, permitted companies to conduct their Annual General Meetings (AGMs) through video conferencing (VC) or Other Audio - Visual Means (OAVM) up to 30th September 2025. 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 authorised 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 https://indianippon.com/investor/. The Notice can also be accessed from the 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. 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.

Notice to Shareholders (Contd.)

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

(i) The voting period **begins on Tuesday, 16th September, 2025 at 9.00 A.M. and ends on Thursday, 18th September, 2025 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., **Friday, 12th September, 2025**, 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.

Step 1: Access through Depositories CDSL/NSDL e-voting system in case of individual shareholders holding shares in demat mode.

(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 e-voting and joining the AGM through VC/ OAVM for individual shareholders holding shares in Demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with **CDSL**	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 the 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 e-voting is in progress as per the information provided by company. On clicking the e-voting 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 are 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 Number & Email Id as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-voting 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**	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. 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. 4) For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID,8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. 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 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.

Notice to Shareholders (Contd.)

Type of shareholders	Login Method
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 above mentioned 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 21 09911
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

Step 2 : Access through CDSL e-voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

(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 uploaded, 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 delinked 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 is 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 40th 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.

Notice to Shareholders (Contd.)

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 email to investors@inel.co.in/ investor@cameoindia.com on or before 12th September 2025 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 12th September, 2025 mentioning their name, demat account number/folio number, email id, mobile number at investors@inel.co.in/ investor@cameoindia.com. 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), AADHAAR (self-attested scanned copy of Aadhaar Card) by email to investors@inel.co.in/ RTA at investor@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 21 09911.

   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. 1800 210 99 11.

Boards' Report

Dear Members,

The Board of Directors are pleased to present the 40th 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, 2025.

1. FINANCIAL HIGHLIGHTS

(₹ In Lakhs)

Particulars	Standalone		Consolidated	
	Year ended 31st March, 2025	Year ended 31st March, 2024	Year ended 31st March, 2025	Year ended 31st March, 2024
Total Income	87,462	74,887	87,494	74,895
Profit before depreciation, exceptional items and taxes	12,324	9,087	12,349	9,087
Less: Depreciation	2,056	1,509	2,056	1,509
Profit before tax and exceptional items	10,268	7,578	10,293	7,578
Exceptional items	-	-	-	-
Profit before tax	10,268	7,578	10,293	7,578
Tax	2,065	1,648	2,065	1,648
Profit after tax	8,203	5,930	8,228	5,930
Add: Balance in statement of profit and loss including general reserve	49,648	46,037	49,648	46,037
Total Comprehensive income available for Appropriation	57,851	51,966	57,876	51,966
Appropriations:				
Dividend and Dividend Distribution tax	2,828	2,318	2,828	2,318
Surplus carried forward	55,023	49,648	55,048	49,648

2. FINANCIAL AND OPERATIONAL PERFORMANCE

Our total revenue grew by 16% year-on-year (YoY) to ₹84,483 Lakhs, reflecting the growing demand for our products and the strength of our customer relationships. Profit After Tax (PAT) stood at ₹8,203 Lakhs, a commendable 38% increase from the previous year. We continued to enhance profitability, with EBITDA increasing from ₹9,126 Lakhs to ₹12,363 Lakhs. This improvement was driven by our focused efforts on optimizing material costs and expanding our footprint in exports and aftermarket segments, which contributed to a healthy uptick in gross margin from 31.2% in 2023-24 to 32.1% in 2024-25.

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.

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

Boards' Report (Contd.)

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 2024-25, a number of CSR projects/ programs were undertaken and based on the recommendation of the CSR Committee, the Board had approved an amount of ₹ 1,06,23,000 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 ₹ 11,563, the balance ₹ 1,06,11,437 was required to be spent towards CSR projects against which the Company had spent ₹ 1,15,09,492 which is ₹ 8,98,055 in excess of the CSR obligation for the year which shall be carried forward to the FY 2025-26.

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 Committee, 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 (PTASI)

PT Automotive Systems Indonesia (PTASI) had applied for liquidation, and the final accountability report of the liquidator, dated 10th January 2025, was duly approved by the shareholders of the company.

Subsequently, the winding-up process of PTASI has been completed, and the liquidation proceeds were received on 24th June 2025. The company is currently awaiting confirmation from the Indonesian authorities regarding the removal of its name from the Register of Companies. 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 https://indianippon.com/investor/ and will be made available to the members on receipt of a request from them.

c) Joint venture or Associates

The Company does not have any Joint venture or Associate Company.

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

For the financial year 2024–25, a remuneration of ₹ 384.46 Lakhs, including commission of ₹ 150 Lakhs, subject to applicable taxes, was approved for Mr. Arvind Balaji, Managing Director, by the Board of Directors at their meeting held on 30th May 2025. This approval was based on the recommendation of the Nomination and Remuneration Committee and is within the limits approved by the shareholders at the Annual General Meeting held on 21st September 2022. During the year, Managing Director received a commission of ₹ 8 Lakhs from the holding company, Lucas Indian Service Limited.

7. DIVIDEND

a. Declaration and Payment of Dividend

The Board of Directors, at their meeting held on 13th February 2025, declared an interim dividend of ₹ 12.50 per equity share of face value ₹ 5 each, representing a dividend rate of 250% on the face value, for the financial year under review. Your Directors recommend consideration of the same as final dividend for the year which absorbs a total sum of ₹ 2827.68 Lakhs for the year ended 31st March, 2025.

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/.

8. 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, 2025.

9. FAMILIARIZATION PROGRAM

The Company has put in place a familiarization program for all its Directors including the Independent Directors. The familiarization program for Independent Directors in terms of provisions of Regulation 46(2)(i) of the Listing Regulations is uploaded on the website of the Company at https://indianippon.com/investor/

10. 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.

11. 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 2024-25 has been prepared on a voluntary basis, based on the framework of the National Guidelines on Responsible Business Conduct and in the format prescribed by SEBI.

12. 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 statement containing names of the top ten employees in terms of remuneration drawn and the particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, forms part of this Report. In terms of Section 136(1) of the Act, the Annual Report is being sent to the Members, excluding the aforesaid statement. The statement is open for inspection upon request by the Members and any Member desirous of obtaining the same may write to the Company Secretary at investors@inel.co.in.

Boards' Report (Contd.)

13. 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.

14. 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. As per Schedule II to SEBI (LODR) Regulations, the Risk Management Policy was amended and approved by the Board in its meeting held on 13th November, 2024. The policy can be accessed at https://indianippon.com/policies/.

Further, 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.

15. 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 also forms an integral part of this Annual Report and covers the consolidated operations reflecting the nature of our business.

16. 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 2024-25.

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, 2025:

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.

17. DIRECTORS & KEY MANAGERIAL PERSONNEL (KMP)

17.1. Independent and Non-Executive Directors: Appointment, Re-appointment, Resignation, Retirement etc.:

There were no appointment or re-appointment of Independent Directors during the year 2024-25. Following table represents the appointment and tenure of Independent Directors of your Company:

Name of the Director	Date of Appointment (first term)	Date of Appointment (second term)	Term
Mr. Anant J Talaulicar	6th April, 2019	6th April, 2023	5 Years
Mr. Heramb R Hajarnavis	10th August, 2022	-	4 Years
Mrs. Gangapriya Chakraverti	10th August, 2022	-	4 Years

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, Mrs. Priyamvada Balaji (DIN: 00730712), Non-Executive Director of the Company, is liable to retire by rotation at the ensuing AGM and being eligible has offered herself for re-appointment.

Based on performance evaluation and recommendation of the Nomination and Remuneration Committee, the Board of Directors recommends her re-appointment as a Non-Executive Director of the Company, liable to retire by rotation. The appropriate resolution for the re-appointment of Mrs. Priyamvada Balaji is being placed for the approval of the shareholders of the Company at the ensuing AGM. Details with respect to her 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.

17.2. 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 or Directors of the Company.

17.3. Declaration by Independent Directors as required u/s 149:

In terms of Section 149 of the Act and SEBI Listing Regulations, Mr. Anant J 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 judgment 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, integrity 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 J Talaulicar, Mr. Heramb R Hajarnavis and Ms. Gangapriya Chakraverti.

Further, a report by Practicing Company Secretary certifying that none of the Directors of the Company are debarred or disqualified is given as an annexure to this Report.

18. MEETINGS OF THE BOARD

During the year under review, 5 meetings of the Board of Directors were held on 30th May, 2024, 6th August, 2024, 13th November, 2024, 13th February, 2025 and 25th March, 2025. The maximum interval between any two meetings did not exceed 120 days, as prescribed by the Act and the Listing Regulations. The details on attendance by the Directors during Financial year 2024-25 are given in the Report of Corporate Governance forming part of this Annual Report.

18.1. 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.

18.2. Separate meeting of Independent Directors & Board evaluation:

The Company conducted a separate meeting of Independent Directors as per the requirements of the Companies Act, 2013 and SEBI Listing Regulations on 13th February, 2025.

The annual evaluation process of the Board of Directors, individual Directors and committees were conducted in accordance with the provisions of the Act and the SEBI Listing Regulations. The 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 carried out by the entire Board, excluding the Independent Directors being evaluated. The separate

meeting of Independent Directors for 2024-25 was held pursuant to Schedule IV to the Companies Act, 2013 & Regulations 17 & 25 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

19. 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.

19.1. 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.

The Company has a Nomination and Remuneration Policy in place and the same can be accessed at https://indianippon.com/policies/.

20. AUDITORS

20.1 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 reimbursement 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 6th August, 2024 had increased the fee from ₹ 26 Lakhs to ₹ 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 FY 2024-25. 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.

20.2. 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 2024-25. The Cost Audit Report for the FY 2024-25 does not contain any qualification, reservation, or adverse remark and the Report has been filed with MCA. The Board at its meeting held on 30th May, 2025, approved re-appointment of Mr. K Suryanarayanan as cost auditor for the FY 2025-26 at a remuneration of ₹ 3.80 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.

20.3. 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 FY 2024-25.

Boards' Report (Contd.)

The Report of the Secretarial Auditor for the FY 2024-25 is attached herewith as Annexure to this Report. There are no qualifications, observations, 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 a term of five years commencing from the conclusion of 40th AGM till the conclusion of 45th AGM (Audit period covering the financial years from 2025-26 to 2029-30) and as per Regulation 24A of the Listing Regulations, the appointment of the Secretarial Auditor is subject to approval of the Shareholders of the Company in the ensuing Annual General Meeting.

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.

20.4. Internal Auditors

M/s. R.G.N. Price & Co., Internal Auditors of the Company have carried out Internal Audit for FY 2024-25. 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 re- appointed M/s. R.G.N. Price & Co. as Internal Auditors of the Company for FY 2025-26.

21. 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.

22. 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 ₹ 8.66 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.

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, 6576 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 Company had 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.

23. 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 financial statements of the Company.

24. RELATED PARTY TRANSACTIONS

All transactions with related parties during the FY 2024-25 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 repetitive nature. The transactions entered into pursuant to the omnibus approval so granted are audited peridically 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 was amended during FY 2024-25 and the updated Policy is available on its website at https://indianippon.com/policies/.

25. 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 FY 2024-25. The same is within the prescribed limits under provisions of Section 186 of the Companies Act 2013.

26. 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 behavior. 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 behavior, 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/.

27. 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, following is the status of complaints received by your Company:

a) Number of complaints of sexual harassment received in the year: 2

b) Number of complaints disposed off during the year: 2

c) Number of cases pending for more than ninety days: 0

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

28. MATERNITY BENEFIT ACT, 1961

The Company has complied with the provisions of Maternity Benefit Act, 1961.

29. 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:

Boards' Report (Contd.)

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.

30. CHANGES IN SHARE CAPITAL:

30.1. Changes in Share Capital:

During the financial year 2024-25, there was no change in the authorized, issued, subscribed, and paid-up share capital of the Company.

30.2. Issue of Equity shares with differential rights

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

30.3. Issue of Sweat Equity Shares

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

30.4. Issue of Employee Stock Options

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

30.5. 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.

30.6. 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.

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

During the year under review, no application was made nor any proceedings are pending against the Company under the Insolvency and Bankruptcy Code, 2016.

32. 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.

33. ACKNOWLEDGMENTS

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 Center 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: 13th August, 2025

CONSERVATION OF ENERGY, TECHNOLOGY AND 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 0.58 EU by implementing various activities as follows:

1. Converted the existing single-tier rotor curing oven with two-tier curing system to reduce the power consumption from 90 kW to 45 KW per tier, resulting in annual energy savings of 96,768 units.
2. 100 Ton capacity hydraulic press circulation water pump capacity optimized by replacing the old 3.00 HP Monoblock pump with 1.00 HP high pressure pump and achieved 11,000 kwh savings per annum.
3. Introduced an auto sleep timer for hydraulic presses and broaching machines to reduce energy consumption by 11,070 units annually.
4. The age old conventional cold storage facility has been replaced with new 50mm thick double insulated wall panels cold room to conserve around 7,550 kwh/year.
5. Replaced the existing galvalume roof sheets with 30mm thick puff insulated roof panels along with poly carbonate sheets to avail natural light in the FWM shop floor to conserve around 5,050 units per annum.
6. Implemented an advanced online energy monitoring system to track and manage non-value-added activities and optimize the overall energy usage.

b) Future plans for energy conservation

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

- Replacing the existing water-based cooling tower with new dry type cooling tower for hydraulic oil cooling purpose in Riveting presses
- Introducing a new heat pump technology for bin washing machines
- Providing Electronically Commutated (EC) fans for the SMT HVAC system to conserve energy
- Introducing 1.30 MW Solar power supply under Group captive system to enhance renewable energy consumption

2. Technology absorption, adaptation and innovation

The year 2024-25 has been a year of significant developments at INEL, both for ICE & EV applications.

ICE Applications

- **New Starter Generator System:** This development for a major OEM, requiring about 50% more output compared to conventional systems in the same category. We were able to meet the challenge by application of INEL's patented technologies. The system is under vehicle validation trials and expected to go for mass production in the coming months.
- **High Efficiency System:** INEL has been actively promoting introduction of its patented system for two / three-wheeler applications. OEMs have now shown keen interest recently as the system eliminates need for rare earth magnet usage in high power applications. The system is under vehicle validation trials in two applications, and it's slated for mass production by Q4 of 2025. We are also pursuing development for low power applications as a VA/VE idea. Two applications are under development.

EV Applications

- We have expanded our DC-DC converter offering by adding new variants with enhanced performance and range

Annexure to Boards' Report (Contd.)

- Motor & Controller: We have completed in-house validation & vehicle trials of a 3KW ferrite-based motor (patent pending) and a matching controller. We are progressing application development with few OEMs and are in the process of establishing facilities for mass production

Sensors:

- Applicable for both ICE & EV applications, we continue to expand our portfolio of sensors for different applications. The range now includes TPMS, RPAS, mid pressure sensors amongst others
- Liquid Level Sensing: The product which was under development for the past few years went into mass production. We are proud to announce that we won the prestigious "**Innovation Award**" from a USA based OEM for the design, development and introduction of the product

Software:

- We have upgraded the software for CAN-based field programing of INEL controllers to support software updates and diagnostics, in line with automotive standards

Expenditure on R&D	₹ In Lakhs
Capital	585
Revenue	2,311
Total	2,896
% on Net turnover	3.45%

3. Foreign exchange outgo and earnings:

Export activities:

Exports during the year ended 31st March, 2025 amounted to ₹ 3,363 Lakhs as against ₹ 3,578 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 ₹ 6,777.46 Lakhs and ₹ 2,749.84 Lakhs respectively.

For and on behalf of the Board of Directors

T K Balaji
DIN: 00002010
Chairman

Place: Chennai
Date: 13th August, 2025

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 2024-25:

S No	Name of the Director/KMP	Designation	% increase or decrease in remuneration	Ratio to median remuneration
1.	Mr. T.K. Balaji	Non-Executive Chairman	19.40	1:1.21
2.	Mr. Arvind Balaji	Managing Director	25.27	1:57.97
3.	Mrs. Priyamvada Balaji	Non-Executive Director	44.74	1:1.66
4.	Mr. Anant Talaulicar	Independent Director	63.93	1:3.02
5.	Mr. Heramb Hajarnavis	Independent Director	29.31	1:2.26
6.	Mrs. Gangapriya Chakraverti	Independent Director	46.79	1:2.41
7.	Mr. Elango Srinivasan	Chief Financial Officer	8.50	1:12.56
8.	Mrs. S Logitha*	Company Secretary	-	-

2. Percentage increase in Median Remuneration of employees: 8.98%

3. a) Average percentile increase in the salaries of employees other than managerial personnel:-6.02%

   b) Percentile increase in managerial remuneration: 15.95%

   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 31st March 2025: 2315. 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 Mrs. S Logitha, Company Secretary is being paid by the Holding Company.

For and on behalf of the Board of Directors

T K Balaji
DIN: 00002010
Chairman

Place: Chennai
Date: 13th August, 2025

Annexure to Boards' Report

CERTIFICATE OF MD / CFO

(Pursuant to Regulation 17(8) read with Part B of Schedule II and Regulation 33 of 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, 2025, 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, 2025

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 2024 to 31st March, 2025	
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 189.94 (Balance Sheet) ₹1 = IDR 189.60 (Profit and Loss)	
		Amount in Indonesian Rupiah	**Equivalent amount in Indian Rupees**
		As on 31st March, 2025	
5.	Share Capital	24,694,328,700	120,838,266
6.	Reserves and Surplus	16,42,21,40,455	7,72,87,211
7.	Total Assets	8,339,570,245	43,905,805
8.	Total Liabilities	8,339,570,245	43,905,805
9.	Investments	-NIL-	-NIL-
10.	Turnover	-NIL-	-NIL-
11.	Profit before taxation	4 77,351,281	2,517,669
12.	Provision for taxation	-NIL-	-NIL-
13.	Profit after taxation	4 77,351,281	2,517,669
14.	Proposed Dividend	-NIL-	-NIL-
15.	Extent of shareholding (in percentage)	99.97%	

The Subsidiary Company has successfully completed the winding-up process, and the liquidation proceeds were received on 24th June, 2025. The Company is currently awaiting confirmation from the relevant Indonesian authorities regarding the removal of the Subsidiary's name from the Register of Companies.

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 2025

Annexure to Boards' Report

FORM AOC - 2

[Pursuant to Section 134(3)(h) of Companies Act, 2013 ("the Act")
read with Rule 8(2) of 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 2024-25, 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
DIN: 00002010
Chairman

Place: Chennai
Date: 13th August 2025

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 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, 2025.

Arvind Balaji
Managing Director
DIN: 00557711

Place: Chennai
Date: 13th August 2025

Annexure to Boards' Report

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES FOR FINANCIAL YEAR 2024-25

[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 Social 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.	Mrs. Gangapriya Chakraverti	Independent Director	4	4
2.	Mr. Arvind Balaji	Managing Director	4	4
3.	Mrs. Priyamvada Balaji	Non-Executive Director	4	4

   Mrs. S. Logitha, Company Secretary acts as 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 the 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):** ₹ 53,11,50,000

   (b) **Two percent of the average net profit of the Company as per section 135(5):** ₹ 1,06,23,000

   (c) **Surplus arising out of the CSR projects or programs or activities of the previous financial years:** Nil

   (d) **Amount required to be set off for the financial year, if any:** ₹ 11,563

   (e) **Total CSR obligation for the financial year [(b)+(c)-(d)]:** ₹ 1,06,11,437

6. (a) **Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project):** ₹ 1,15,09,492

   (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)]:** ₹ 1,15,09,492

(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 sub section (6) of Section 135		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
1,15,09,492	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)	1,06,23,000
(ii)	Total amount spent for the Financial Year (including amount of ₹ 11,563/- spent in the previous financial year)	1,15,21,055
(iii)	Excess amount spent for the financial year [(ii)-(i)]	8,98,055
(iv)	Surplus arising out of the CSR projects or programs or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	8,98,055

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: 13th August 2025

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, 2025 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. Arvind Balaji	00557711	25th October, 2008
3	Ms. Thirumalaikumarabalaji Priyamvada	00730712	29th January, 2018
4	Mr. Anant Jaivant Talaulicar	00031051	6th April, 2019
5	Ms. Gangapriya Chakraverti	00378385	10th August, 2022
6	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: F011114G001005525

Place: Chennai
Date: 13th August 2025

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 dealing 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 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 judgment 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.

Composition of the Board: The Board comprises of 6 Directors, which includes 3 Independent Directors (representing 50% of total Directors), 2 Non-executive and Non-Independent Directors (representing 33.33% of total Directors) and 1 Executive Director (representing 16.67% of total Directors). Out of the 6 Directors stated above, Company has 2 Women Directors which also includes 1 Women Independent Director.

Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the Listing Regulations and Section 149(6) of the Act along with rules framed thereunder. In terms of Regulation 25(8) of Listing Regulations, they 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. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations and that they are independent of the management.

In terms of Section 150 of the Companies Act, 2013 read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, Independent Directors of the Company have confirmed that they have registered themselves with the databank maintained by the Indian Institute of Corporate Affairs.

Changes in the Board: There were no changes in the Board composition during FY 2024-25.

As stipulated under Listing Regulations, a certificate from a company secretary in practice that none of the directors on the Board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority is enclosed as Annexure to this Report.

2.2. Core Skills/Expertise/ Competencies available with the Board

The Board comprises qualified and experienced members who possess required skills, expertise and

competencies that allow them to make effective contributions to the Board and its Committees. The following skills/ expertise/ competencies have been identified for the effective functioning of the Company and are currently available with the Board:

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 J Talaulicar, Priyamvada Balaji, Heramb Ravindra Hajarnavis, Gangapriya Chakraverti
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 J Talaulicar, Priyamvada Balaji, Gangapriya Chakraverti.
Financial knowledge	Practical knowledge and experience in accounting and finance to analyze statements, assess financial viability,	T K Balaji, Arvind Balaji, Priyamvada Balaji, Anant J Talaulicar, Gangapriya Chakraverti, Heramb Ravindra Hajarnavis
Executive management	Experience in evaluating performance of senior management, and overseeing strategic human capital/ succession	T K Balaji, Arvind Balaji, Anant J 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 J Talaulicar, Priyamvada Balaji, Gangapriya Chakraverti, Heramb Ravindra Hajarnavis
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 J Talaulicar, Priyamvada Balaji, 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 fulfill the conditions specified in the SEBI Listing Regulations and are independent of management

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

The Board / Committee meetings are pre-scheduled and an annual calendar of the Board and Committee meetings is circulated to the Directors well in advance to facilitate them to plan their schedule and to ensure meaningful participation in the meetings. In case of a special and urgent business need, the Board's approval is taken by passing resolutions by circulation, as permitted by law, which are noted in the subsequent Board Meeting. However, no Circular resolutions were passed by the Board or Committee during FY 2024-25.

The Board met 5 times during FY 2024-25 through physical or video conferencing/ other audio-visual means by following all the necessary protocols specified in the respective circulars/ notifications of MCA/ SEBI. The below table shows the date of meeting and attendance

Date of Board meeting/ Directors attended	30th May, 2024	6th August, 2024	13th November, 2024	13th February, 2025	25th March, 2025	Percentage of Attendance
Mr. T.K. Balaji DIN: 00002010 Non-executive Chairman	√	√	√	√	√	100%
Mr. Arvind Balaji DIN: 00557711 Managing Director	√	√	√	√	√	100%
Mrs. Priyamvada Balaji DIN: 00730712 Non-Executive Director	√	√	x	√	√	80%
Mr. Anant J Talaulicar DIN: 00031051 Independent Director	√	√	√	√	√	100%
Mr. Heramb R Hajarnavis DIN: 01680435 Independent Director	√	√	√	√	√	100%
Mrs. Gangapriya Chakraverti DIN: 00378385 Independent Director	√	√	√	√	√	100%

Report on Corporate Governance (Contd.)

Name	Attendance Particulars		Number of other directorships and committee memberships/ chairmanships as on 31st March, 2025		
	Board meeting	Last AGM	Other Directorship*	Other Committee Memberships	Other Committee Chairmanships**
Non-Executive Directors					
Mr. T K Balaji DIN: 00002010	5	Yes	9	-	-
Mrs. Priyamvada Balaji DIN: 000730712	4	Yes	15	3	-
Managing Director					
Mr. Arvind Balaji DIN: 00557711	5	Yes	13	3	-
Independent Directors					
Mr. Anant Jaivant Talaulicar DIN: 00031051	5	Yes	10	6	1
Mr. Heramb Ravindra Hajarnavis DIN: 01680435	5	Yes	7	1	-
Mrs. Gangapriya Chakraverti DIN: 00378385	5	Yes	2	-	-

* includes private companies.

** includes committees where the director holds the position of chairman.

Names of listed entities wherein Directors are holding position of Director & the category of Directorship as on 31st March, 2025:

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	Sundram Fasteners Limited	Independent Director
Priyamvada Balaji	-	-

None of the non-executive directors holds directorships in more than seven listed entities and neither serves as an Independent Director in more than seven listed entities.

2.4. Disclosure of relationships between directors inter-se

Mr. T K Balaji, Mr. Arvind Balaji and Mrs. Priyamvada Balaji are related to the Promoters of the Company. There is no inter-se relationships between the other Directors.

2.5. Number of shares and convertible instruments held by non- executive directors;

No non-executive Directors holds any shares in the Company except Mr. T K Balaji who holds 1694 Equity shares in the Company as on 31st March, 2025.

2.6. Familiarization program imparted to Independent Directors:

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 operations. 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. In the FY 2024-25 all the Directors of the Company visited the Manufacturing Plant at Hosur. The details of the Familiarization program are available at https://indianippon.com/policies/

3. BOARD COMMITTEES:

The Company has 5 Committees of the Board, namely, Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee and Risk Management Committee.

4. AUDIT COMMITTEE:

The Audit Committee, presently, comprises of 3 Directors out of which 2 are Independent Directors. The composition of the Audit Committee along with the details of the meetings held during the FY 2024-25 and attendance of the members of the Committee, in person or through video conference, is detailed below:

Name of Members	Nature of membership	Meeting dates					% of attendance
		30th May, 2024	5th August, 2024	12th November, 2024	13th February, 2025	25th March, 2025	
Anant J Talaulicar	Chairman	√	√	√	√	√	100%
Heramb Hajarnavis	Member	√	√	√	√	√	100%
Priyamvada Balaji	Member	√	√	√	v	√	100%

Terms of reference: The Audit Committee is, inter alia, entrusted with the following key responsibilities by the Board of Directors of the Company.

S No	Activities of the Committee during the year	Frequency
1.	Overseeing the Company's financial reporting process and reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval.	Periodic
2.	Reviewing with management, the standalone and consolidated financial results and annual financial statements and, if thought fit, recommend to the Board for approval.	Quarterly/Annual
3.	Reviewing, approving or subsequently modifying transactions of the Company with related parties	Quarterly/Periodic
4.	Evaluating the internal financial controls and risk management policies of the Company	Periodic
5.	Recommending the appointment/ re-appointment, remuneration, terms of appointment and scope of Auditors of the Company and approval of payment for any other service.	Periodic
6.	Reviewing and monitoring the auditor's independence and performance and effectiveness of audit process and audit reports submitted by the auditor	Quarterly/Annual
7.	Reviewing the adequacy of internal audit function and discussing with the internal auditors on the significant findings and further course adopted	Quarterly

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S No	Activities of the Committee during the year	Frequency
8.	Reviewing the grievance redressal mechanism of the Company and overseeing the functioning of the same.	Quarterly
9.	Reviewing compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 and verify adequacy of internal controls.	Quarterly

The members of the Audit Committee are financially literate and have relevant experience in financial management. The Committee meets quarterly for consideration of financial results, review and approval of related party transactions.

The Chairman of the Audit Committee attended the 39th AGM of the Company for the financial year ended 31st March, 2024 held on 18th September, 2024. All the decisions and recommendations made by the Committee during the year were unanimously approved by the members of the Committee.

5. NOMINATION AND REMUNERATION COMMITTEE:

The Nomination and Remuneration Committee, presently, comprises of 3 Directors out of which 2 are Independent Directors. The composition of the Nomination and Remuneration Committee along with the details of the meetings held during the FY 2024-25 and attendance of the members of the Committee, in person or through video conference, is detailed below:

Name of Members	Nature of membership	Date of Meeting 29th May, 2024	% of Attendance
Gangapriya Chakraverti	Chairman	√	100%
T.K. Balaji	Member	√	100%
Anant J Talaulicar	Member	√	100%

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

The composition and terms of reference of NRC are in line with the applicable provisions of the Listing Regulations and the Act. The Chairperson of NRC attended the 39th AGM of the Company for the financial year ended 31st March, 2024 held on 18th September, 2024. All the decisions and recommendations made by the Committee during the year were unanimously approved by the members of the Committee.

Senior Management

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

There were no changes in the Senior Management during 2024-25. However, Mr. K. Kanakaraju was appointed as a Senior Management Personnel and Chief Technology Officer - D with effect from 13th August, 2025.

Performance evaluation of 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/policies/.

Separate meeting of independent directors: A separate meeting of Independent Directors for FY 2024-25 was held on 13th February 2025 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.

6. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

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 (SRC), 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 Mrs. Gangapriya Chakraverti as a Member of the Committee) and the Managing Director Mr. Arvind Balaji as a member.

The composition along with the details of the meetings held during the FY 2024-25 and attendance of the members of the Committee, in person or through video conference, is detailed below:

Name of Members	Nature of membership	Date of Meeting 12th November, 2024	% of Attendance
Heramb R Hajarnavis	Chairman	√	100%
Arvind Balaji	Member	√	100%
Gangapriya Chakraverti	Member	√	100%

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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

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.

The composition and terms of reference of the SRC are in line with the applicable provisions of the Listing Regulations and the Act.

Name and designation of Compliance Officer:

Ms. S Logitha is the Company Secretary and Compliance Officer of the Company.

The Chairperson of SRC attended the 39th AGM of the Company for the year ended 31st March, 2024 held on 18th September, 2024. All the decisions and recommendations made by the Committee during the year were approved by a requisite majority by the members of the Committee.

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, 2025	Nil

7. 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, 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 2025-26.
- The CSR Policy.

The composition along with the details of the meetings held during the financial year 2024-25 and attendance of the members of the Committee, in person or through video conference, is detailed below:

Name of Members	Nature of membership	Meeting dates				% of Attendance
		29th May 2024	5th August 2024	12th November 2024	13th February 2025	
Gangapriya Chakraverti	Chairperson	√	√	√	√	100%
Arvind Balaji	Member	√	√	√	√	100%
Priyamvada Balaji	Member	√	√	√	√	100%

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

8. RISK MANAGEMENT COMMITTEE:

The Risk Management Committee (RMC), presently, comprises of 4 Members out of which 3 are Directors. The composition along with the details of the meetings held during the FY 2024-25 and attendance of the members of the Committee, in person or through video conference, is detailed below:

Name of Members	Nature of membership	Date of Meeting			% of Attendance
		30th May, 2024	5th August, 2024	12th November, 2024	
Anant J Talaulicar	Chairman	√	√	√	100%
Heramb R Hajarnavis	Member	√	√	√	100%
Arvind Balaji	Member	√	√	√	100%
Ravinder Sharma	Member	√	√	√	100%

The Committee has a Charter in place and the Terms of Reference of the Committee are in line with the Listing Regulations. The RMC is responsible for oversight of the overall risk management processes of the Company and ensuring that key strategic and business risks are identified and addressed by the management.

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

Pursuant to Regulation 21, the Risk Management Policy was amended during the Financial Year 2024-25 and the updated Policy can be accessed at https://indianippon.com/policies/#tab-1538384530822-4-0

All the decisions and recommendations made by the Committee during the year were approved by the requisite majority by the members of the Committee.

9. REMUNERATION OF DIRECTORS:

Managing Director:

Remuneration: The Board, on the recommendation of the NRC, 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 FY 2024-25, a remuneration of Rs. 384.46 Lakhs including commission of Rs.150 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, 2025 as recommended

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by the Nomination and Remuneration Committee within the limits as approved by the Shareholders at the annual general meeting held on 21st September, 2022.

₹ in Lakhs

Name of the Director	Designation	Salary	Commission	Perquisite	Total
Mr. Arvind Balaji	Managing Director	144	150	90.46	384.46

The broad terms of agreement of appointment of Mr. Arvind Balaji, Managing Director are as under: Period of Agreement: 5 years with effect from 1st April, 2022.

Salary: In the salary range of ₹ 10 lacs to ₹ 15 lacs per month subject to revision from time to time, as may be determined by the Board of Directors on the recommendation of the Nomination and Remuneration Committee (NRC).

Perquisites: Accommodation, Leave travel concession, car, Telephone including Telecommunication facilities, etc as detailed out in the Explanatory statement to Notice of AGM held for the year 2021-22. The same can be accessed at https://indianippon.com/wp-content/uploads/2022/11/notice_2021_22.pdf.pdf

Commission: Such percentage of net profits of the Company as per Section 197 & 198 of the Companies Act as may be approved by the Board of Directors, at its absolute discretion, based on the recommendation of the NRC for each financial year.

Non-executive Directors

The Board, on the recommendation of the NRC, 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 FY 2024-25, the Board approved the payment of commission to Non-executive Directors at the meeting held on 30th May, 2025 based on the recommendations of the NRC.

The NRC 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. The criteria of making payments to non-executive directors is in line with the Nomination and Remuneration Policy of the Company, available on the website at the link: https://indianippon.com/policies/#tab-1538384687615-11-6x

Commission to Non-Executive Directors is given below:

Name of the Director	Commission ₹ Lakhs
Mr. T. K. Balaji	8.00
Mrs. Priyamvada Balaji	11.00
Mr. Anant J Talaulicar	20.00
Mr. Heramb R Hajarnavis	15.00
Mrs. Gangapriya Chakraverti	16.00
Total	**70.00**

b) Sitting fees:

Remuneration by way of Sitting Fee for attending Board/ Committee Meetings for the year 2024-25 is tabulated hereunder (in actuals).

Name of the Directors	Board	Audit Committee	Nomination Remuneration Committee	Stakeholders Relationship Committee	Corporate Social Responsibility Committee	Risk Management Committee	ID	Total
Mr. T.K. Balaji	1,75,000	-	30,000	-	-	-	-	2,05,000
Mr. Arvind Balaji	-	-	-	-	-	-	-	-
Mrs. Priyamvada Balaji	1,40,000	1,75,000	-	-	1,20,000	-		4,35,000
Mr. Anant J Talaulicar	1,75,000	1,75,000	30,000	-	-	90,000	35,000	5,05,000
Mr. Heramb R Hajarnavis	1,75,000	1,75,000	-	30,000	-	90,000	35,000	5,05,000
Mrs. Gangapriya Chakraverti	1,75,000	-	30,000	30,000	1,20,000	-	35,000	3,90,000

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

10. 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
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
39th AGM	2024	Video Conference/ Other Audio-Visual Means	18th September, 2024	10:00 AM

Special resolution passed in previous AGM/through Postal ballot:

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

AGM 2021-22	• Appointment of Mr. Heramb R Hajarnavis as an Independent Director • Appointment of Ms. Gangapriya Chakraverti as an Independent Director • Re-Appointment of Mr. Arvind Balaji as Managing Director
AGM 2022-23	• Alteration of Articles of Association of the Company
AGM 2023-24	No special resolutions

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

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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 2024-25.

11. MEANS OF COMMUNICATION:

Quarterly financial results and newspaper publications:

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 at https://indianippon.com/investor/

Website

The Company has dedicated "Investors" section on its website viz. https://indianippon.com/investor/ wherein any person can access the corporate policies, Board committee charters, Annual Reports, financial results, investor presentation and shareholding details etc. The Company ensures dissemination of applicable information under Regulation 46(2) of the Listing Regulations on the Company's website.

Further, the Company also ensures that the content on the website of the Company is correct and updated within prescribed timelines.

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.

12. OTHER DISCLOSURES:

Related party transactions:

The Company has adopted a Policy on Materiality of Related Party Transactions and on dealing with Related Party Transactions. During FY 2024-25, 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 FY 2024-25, 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. Pursuant to amendments to the SEBI (LODR) Regulations, the Policy on Materiality of Related Party Transactions and dealing with Related Parties was reviewed by the Audit Committee and based on the recommendation of Audit Committee, the Board approved the amendments to the Policy. The amended Policy is available on its website at https://indianippon.com/policies/#tab-1538384572765-6-10

Prohibition 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 at the Board meeting held on 13th November, 2024.

The Company also has a 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.

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.

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 from the end of each quarter.

Disclosure on Financial Ratios:

The disclosure on financial ratios are provided as part of the Management Discussion & Analysis Report (MDA).

Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years;

No such event was reported during the last three years.

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':

During the year under review, no loans were given to firms/companies in which Directors are interested.

Vigil mechanism and Whistle Blower Policy

The Company is committed to the highest standards of ethical, moral, and legal business conduct. The Company has adopted a Whistle Blower Policy and an effective vigil mechanism system to provide a formal mechanism to its Directors, employees, customers, suppliers, shareholders and business associates to voice concerns in a responsible and effective manner regarding suspected unethical matters involving serious malpractice, abuse or wrongdoing within the organization and also safeguards against victimization of Directors/ employees and business associates who avail of the mechanism.

The vigil mechanism as envisaged in the Act and the Listing Regulations is implemented through the Code of Conduct for Employees and Business Ethics and Whistle Blower Policy. In accordance with the Policy, an Ethics Committee has been constituted comprising of senior members of the Company for receiving and investigating all complaints and protected disclosures under Whistle Blower Policy. Employees of the Company or business partners can make protected disclosures to the Ethics Committee through the Ethics Hotline (toll-free number 1800 100 4635 /web reporting facility at http://www.in.kpmg.com/ethicshelpline/inel) and/or any other written communication by sending it to the Registered Office of the Company or via email to inel@ethicshelpline.in or oral means of communication.

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/. During the year under review, an employee sensitization program was conducted for all employees of the Company.

Details of compliance of mandatory requirements:

The Company complies 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.

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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:** During the year under review, there is no audit qualification on the Company's financial statements. The Company continues to adopt best practices to ensure regime of unmodified audit opinion.
- **Reporting of Internal Auditor:** The Internal Auditor reports functionally to the Audit Committee of the Company and administratively to the Managing Director. He participates in the meetings of the Audit Committee of the Company and presents his internal audit observations to the Audit Committee.
- **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.
- **Policy for Material Subsidiaries:**

  As stipulated under Regulation 16(1)(c) of the Listing Regulations, the Company has a policy for determining Material Subsidiaries. With recent amendments to SEBI (LODR) Regulations, the Policy was reviewed by the Audit Committee and based on its recommendations the amended policy was approved by the Board of Directors. The updated Policy on Material Subsidiaries is available at https://indianippon.com/policies/#tab-1538384628717-9-10.

  However, the Company does not have any material Subsidiary. PT Automotive Systems Indonesia (PTASI) had applied for liquidation, and the final accountability report of the liquidator, dated 10th January 2025, was duly approved by the shareholders of the company.

  Subsequently, the winding-up process of PTASI has been completed, and the liquidation proceeds were received on 24th June 2025. The company is currently awaiting confirmation from the Indonesian authorities regarding the removal of its name from the Register of Companies.

  Hence, the disclosure on details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries is not applicable.

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, 2025:

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	17,379	1,990,759	Nil	Nil	Nil	Nil	Nil

Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A)

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

Disclosure relating to Audit fees

The total fee paid to Statutory Auditors of the Company inclusive of fee paid for all services received by the Company for the year 2024-25 is ₹ 30 Lakhs.

Disclosure on outstanding Global Depository Receipts or American Depository Receipts or warrants or any convertible instruments, conversion date and likely impact on equity;

Not applicable

Disclosure on credit ratings:

No credit ratings were obtained by the Company during the FY 2024-25.

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.

Disclosure relating to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

The Company is committed to ensuring that all employees work in an environment that not only promotes diversity and equality but also mutual trust, equal opportunity and respect for human rights.

As per the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder, the Company has adopted a gender neutral Policy for Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace, for the prevention of sexual harassment which is aimed at providing all employees a safe, secure and dignified work environment and constituted an Internal Complaints Committee to deal with complaints relating to sexual harassment at workplace. Further, the Policy also gives shelter to contract workers, probationers, temporary employees, trainees, apprentices of the Company and any person visiting the Company at its office. The Company has in place an effective mechanism for dealing with complaints relating to sexual harassment at workplace.

The number of complaints received, disposed off and pending as on 31 March 2025 are given below:

Particulars	Number of Complaints
Filed during the financial year	2
Disposed off during the year	2
Pending at the end of the financial year	0

Disclosure related to Code of Conduct

The Company's Code of conduct and Business Ethics have been displayed on the website and is available at https://indianippon.com/policies/#tab-1538384514950-3-5.

All members of the Board and Senior Management Personnel have confirmed compliance with the Code for the year ended 31st March, 2025. The Annual Report contains a declaration to this effect signed by Managing Director.

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 conflict of interest of the Company.

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Website disclosure of Policies

The Board, in line with Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 had formulated following policies and can be accessed on the Company's website at https://indianippon.com/policies/

Name of the Policy	Weblink
Policy for determining 'materiality' for disclosure of events / information to Stock Exchanges	https://indianippon.com/policies/#tab-1538384612071-8-1
Policy for preservation and archival of documents	https://indianippon.com/policies/#tab-1538384669736-10-8
Nomination and Remuneration Policy	https://indianippon.com/policies/#tab-1538384687615-11-6
Code of Conduct and Business Ethics	https://indianippon.com/policies/#tab-1538384514950-3-5
Corporate Social Responsibility Policy	https://indianippon.com/policies/#tab-1538384386-2-40
Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons and their Immediate Relatives	https://indianippon.com/policies/#tab-1538384729246-12-3
Material Subsidiary Policy	https://indianippon.com/policies/#tab-1538384628717-9-10
Related Party Transaction Policy	https://indianippon.com/policies/#tab-1538384572765-6-10
Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information	https://indianippon.com/policies/#tab-1538384497094-2-8
Whistle-Blower Policy & Vigil Mechanism	https://indianippon.com/policies/#tab-1538384386-1-33
Risk Management Policy	https://indianippon.com/policies/#tab-1538384530822-4-0
Dividend Distribution Policy	https://indianippon.com/policies/#tab-1628351664078-13-5

13. GENERAL INFORMATION FOR MEMBERS:

Annual General Meeting	The 40th AGM of the Company is scheduled to be held on 19th September, 2025 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
Interim Dividend for 2024-25 @ ₹ 12.5 per equity share	Declared by Board: 13th February, 2025. Record Date: 21st February, 2025 Payment date: 10th March, 2025
Book closure period for the purpose of AGM	13th September, 2025 to 19th September, 2025 (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. The annual listing fee for the year 2024-25 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 Center, Bandra Kurla Complex, Bandra, Mumbai - 400051.
Registrar and Share Transfer Agent	M/s Cameo Corporate Services Limited
ISIN	INE092B01025
SEBI Complaints Redressal Registration Number (SCORES)	i00062
CIN	L31901TN1984PLC011021

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 dematerialized 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.

Distribution of Equity Shareholding as on 31st March, 2025 (Pan Based)

Category (No. of Shares)	No. of Shareholders	% to Total	Shareholding	% to Total
1-10	7,711	34.2422	34,643	0.1531
11-50	6,366	28.2695	1,88,183	0.8319
51-100	2,671	11.8611	2,25,494	0.9968
101-500	3,467	15.3959	8,79,303	3.8870
501-5,000	2,168	9.6274	31,89,201	14.0981
5,001-10,000	81	0.3597	5,60,916	2.4796
10,001-50,000	47	0.2087	10,15,172	4.4877
50,001-1,00,000	2	0.0089	1,37,500	0.6078
1,00,001 & above	6	0.0266	1,63,91,012	72.4579
Total	**22,519**	**100.0000**	**2,26,21,424**	**100.0000**

Pattern of Equity shareholding as on 31st March, 2025

Members	No. of shares held	% of total shares held
Promoter & Promoter group	1,59,19,122	70.37
Foreign Portfolio Investor	44,055	0.20
HUF	3,29,074	1.45
Body Corporate	3,49,134	1.54
IEPF Authority	1,14,538	0.51
Individuals	56,65,041	25.04
NRIs	1,51,187	0.67
Others (LLP, Clearing members & Unclaimed Suspense Account)	49,273	0.22
Total	**2,26,21,424**	**100.00**

Dematerialization of Shares and Liquidity

As on 31st March, 2025, out of the total 2,26,21,424 shares of the Company, 2,24,64,631 shares were held in dematerialized form and 1,56,793 shares were held in physical mode.

Report on Corporate Governance (Contd.)

The shareholding pattern in physical and demat is given as under:

Particulars		Physical Mode	Dematerialized mode	Total
A)	**Promoter holding**			
	M/s. Lucas Indian Service Limited	-	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 and Promoter group holding		**1,59,19,122**	**1,59,19,122**
C)	**Public holding**	1,56,793	65,45,509	67,02,302
	Total	**1,56,793**	**2,24,64,631**	**2,26,21,424**
	Total (In %)	0.69%	99.31%	100.00%

As on 31st March, 2025, the total number of members holding shares in physical mode has reduced from 171 members holding 1,90,116 shares at the beginning of the year to 136 members holding 1,56,793 shares at the end of the year.

Details of non-compliance, if any:

During the last three years, there were no instances of non-compliance by the Company and no penalty or strictures were imposed on the Company by the Stock Exchanges or SEBI or any statutory authority, on any matter related to the capital markets. There were no instances where trading in securities of the Company was suspended.

The Company has also complied with the requirements of Corporate Governance Report of Paras (2) to (10) mentioned in Part 'C' and Parts 'D' to 'G' of Schedule V of the Listing Regulations and disclosed necessary information as specified in Regulation 17 to 27 and Regulation 46(2) (b) to (i) and (t) of the Listing Regulations in the respective places in this Report.

Transfer of shares to 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

The details of Dividend remitted to IEPF:

Financial year to which the Dividend pertains	Dividend declared on	Amount transferred to IEPF	Date of transfer to IEPF
2016-17 (II Interim)	30th March, 2017	4,57,704	28th May, 2024
2017-18 (I Interim)	29th January, 2018	4,07,952	26th March, 2025
2017-18 (II Interim)	8th May, 2018	4,81,026	23rd June, 2025

In accordance with IEPF Rules, 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. The details of shares transferred during the year:

Financial year	Number of shares transferred to IEPF Authority	Date of transfer to IEPF Authority
2016-17 (I Interim)	6,320	1st May, 2024
2016-17 (II Interim)	256	3rd July, 2024
2017-18(I Interim)	6,530	18th April, 2025
2017-18(II Interim)	666	10th July, 2025

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

Request to Investors

Members who have not encashed their dividend warrants in respect of unpaid dividend declared for the FY 2018-19 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, 2025 (₹)
2018-19 1st Interim	9th February, 2019	60	18th March, 2019	16th April, 2026	3,59,844.00

Report on Corporate Governance (Contd.)

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, 2025 (₹)
2018-19 2nd Interim	6th April, 2019	80	13th May, 2019	11th June, 2026	4,76,676.00
2019-20 1st Interim	10th February, 2020	60	18th March, 2020	16th April, 2027	3,50,112.00
2019-20 2nd Interim	16th March, 2020	75	22nd April, 2020	21st May, 2027	4,85,140.00
2020-21 Interim	26th March, 2021	120	2nd May, 2021	31st May, 2028	5,84,369.00
2021-22 Interim	10th February, 2022	125	19th March, 2022	17th April, 2029	5,82,698.25
2022-23 Interim	14th February, 2023	185	23rd March, 2023	21st April, 2030	6,63,599.25
2023-24 Interim	13th February, 2024	205	21st March, 2024	19th April, 2031	7,86,441.75
2024-25 Interim*	13th February, 2025	250	21st March, 2025	19th April, 2032	19,76,814.5

(*) Interim Dividend for 2024-25 has been paid on 10th March, 2025

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.
- 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 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, 2024	19	21,232
Shareholders who approached the Company for transfer of shares from suspense account during the year	0	0
Shareholders to whom shares were transferred from the suspense account during the year	0	0
Unclaimed shares transferred to IEPF during the year	5	4,174
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on 31st March, 2025	14	17,058

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.

Plant 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

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/investor/

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 31st March, 2025 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 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, 2025
- 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: F011114G001005591

Place: Chennai
Date: 13th August 2025

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2025

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, 2025 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, 2025 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) 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) 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 (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) 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) 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.

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:

- Mr. T K Balaji, Non-Executive and Non-Independent Director retired by rotation at the annual general meeting held on 18th September, 2024 and was re-appointed

The was no change in the composition of the Board of Directors during the period under review.

(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:

PT Automotive Systems Indonesia, subsidiary of the Company has completed voluntary winding up process and has received the liquidation proceeds on 24th June, 2025. The Company is awaiting confirmation of removal of name from Register of companies from Indonesian authorities.

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: F011114G001005580

Place: Chennai
Date: 13th August 2025

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

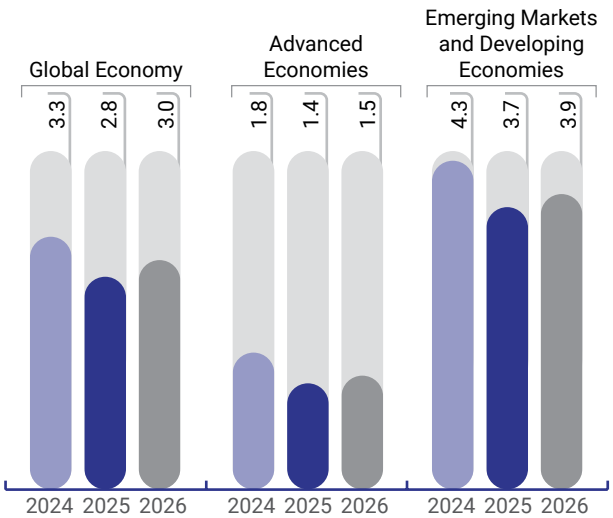
Place: Chennai
Date: 13th August 2025

Management Discussion and Analysis

GLOBAL ECONOMY

The global economy entered 2025 navigating a delicate balance between slowing momentum and the emergence of new risks. Amid rising trade tensions, lingering inflation, and political uncertainty, the International Monetary Fund (IMF) projects global GDP growth to slow to 2.8% in 2025 - a modest but positive pace that underlines the fragility of the current recovery. While the global economy is not in contraction, growth remains well below the pre-pandemic average, particularly in advanced economies where persistent headwinds continue to weigh on output and sentiment.

GDP Growth Projections (in %)



(Source: https://www.imf.org/en/Publications/WEO/Issues/2025/04/22/world-economic-outlook-april-2025)

In a dramatic departure from decades of trade liberalization, the US unveiled sweeping new tariff measures in April 2025, invoking a 'national emergency' over global trade imbalances. A blanket 10% import tariff now applies to all inbound goods, effectively redrawing the map of global commerce. The most severe escalation has emerged in US-China relations, where tariffs on Chinese imports surged to 145%, prompting Beijing to retaliate with 148% duties on American exports. The repercussions were immediate, disrupting supply chains, inflating input costs, and injecting fresh volatility into global markets.

Amid mounting international backlash, the US moved to temper tensions by announcing a 90-day moratorium on additional tariff hikes for 59 countries, including major partners such as the EU, Canada, Mexico, South Korea, and Vietnam. These countries now face only the 10% baseline tariff, escaping more punitive measures for the time being. However, China remains conspicuously excluded from this pause, keeping geopolitical frictions high and trade uncertainties elevated. This sharp pivot toward protectionism marks a structural rupture from previous US trade policy, casting long shadows over global growth, inflation dynamics, and diplomatic relations.

The economic ripple effects are already manifesting. Emerging and developing economies are now projected to grow by just 3.7% in 2025, down from 4.3% in 2024, as they grapple with constrained policy space amid high debt burdens, depreciating currencies, and persistent capital outflows. Nations such as Argentina, South Africa, and Mexico are particularly exposed, confronting tighter financing conditions and entrenched inflationary pressures.

Complicating the picture have been the very trade tensions reshaping the global landscape. The surge in protectionist measures, particularly the latest tariff hikes, could reverse some of the gains from disinflation. Higher import costs risk filtering through to consumer prices, reigniting inflationary pressures just as central banks seek to anchor expectations. In this volatile environment, global policymakers face the dual challenge of stabilizing prices while navigating an increasingly fragmented trade order.

(Source:https://www.imf.org/en/Publications/WEO/Issues/2025/04/22/world-economic-outlook-april-2025)

Outlook

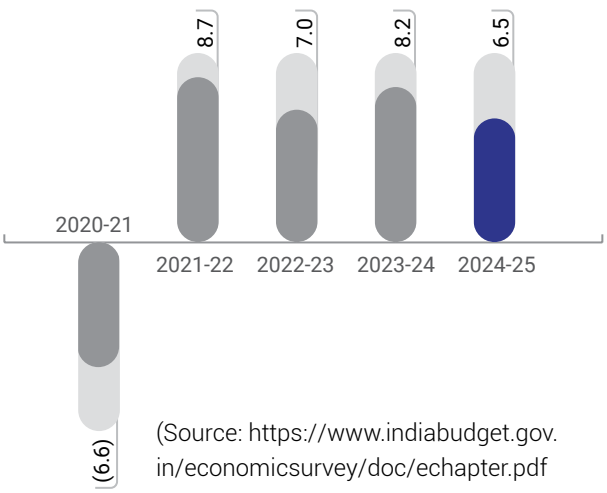
The global economic landscape is increasingly shaped by a blend of enduring structural shifts and immediate geopolitical disruptions. While the rise of protectionism has captured much of the spotlight, deeper, more gradual forces, especially in technology and automation, have been quietly transforming labor markets and manufacturing systems for years. These forces have ushered in both opportunities and upheavals, driving job displacement, stagnant wages, and a growing sense of inequality, particularly within advanced economies. Addressing these challenges requires a more sophisticated policy approach, one that moves beyond the simplistic dichotomy of trade 'winners and losers' and instead focuses on building a robust and inclusive global trade framework that fosters broad-based economic prosperity.

(Source:https://www.imf.org/en/Publications/WEO/Issues/2025/04/22/world-economic-outlook-april-2025)

INDIAN ECONOMY

India's economy is reported at 6.5%, highlighting the strength of India's domestic economic structure and the effectiveness of its policy measures in navigating global challenges, such as trade tensions and tariff disruptions. Central to this stability is robust domestic consumption, particularly from rural areas, driven by solid agricultural performance and government initiatives. However, maintaining this growth momentum will require broader demand recovery across both rural and urban regions, especially with ongoing labor market challenges and persistent inflation pressures.

GDP Growth Projection (in %)



(Source: https://www.indiabudget.gov.in/economicsurvey/doc/echapter.pdf

Key structural reforms, rapid digital adoption, and significant infrastructure investments are reinforcing India's macroeconomic fundamentals. Yet, additional reforms are essential to attract more investment and enhance the competitiveness of the manufacturing sector. Favorable global conditions, including lower oil prices and a manageable current account deficit, contribute to the country's stability. Nevertheless, inflation remains a critical issue, guiding the Reserve Bank of India's cautious approach to monetary policy.

Outlook

India is projected to maintain a real GDP growth rate of 6.5% through 2025-26 to 2027-28, underpinned by improving fundamentals across critical sectors. This sustained expansion is being fuelled by rising manufacturing and export competitiveness, strong momentum in services exports, and accelerated digital transformation. Together, these drivers are set to boost productivity, streamline operations, and strengthen India's long-term growth trajectory.

(Source: https://ddnews.gov.in/en/indias-real-gdp-growth-projected-at-6-5-in-fy-2025-26-rbi/)

GLOBAL AUTOMOTIVE INDUSTRY

The global automotive industry in 2025 is navigating a transformative era marked by technological advancements, evolving consumer preferences, and strategic shifts among manufacturers. Electric vehicles, autonomous driving technologies, and digital connectivity are reshaping market dynamics and redefining mobility solutions. Additionally, sustainability initiatives and regulatory pressures are driving innovation in design, production, and supply chains, pushing the industry toward a more eco-conscious and resilient future.

Global light vehicle sales reached 84.0 Million units in 2024 and are poised for a modest uptick to 85.1 Million units in 2025, reflecting a steady year-on-year growth rate of 1.3%. Driving much of this momentum is the Asia-Pacific region, which continues to command nearly half of global sales, underlining its critical role in shaping the industry's trajectory. Central to this regional strength is China, which retains its status as the world's largest automotive market, with passenger vehicle sales expected to exceed 26 Million units in 2024. India is also gaining ground, achieving its highest-ever sales of over 4.1 Million units in 2024, highlighting the country's growing demand and evolving automotive landscape.

(Source: https://www.marketsandmarkets.com/Market-Reports/global-automotive-industry-outlook-77960341.html)

The integration of robotics, artificial intelligence (AI), and the Internet of Things (IoT) is reshaping the landscape of automotive manufacturing, bringing unprecedented levels of precision, speed, and intelligence to production lines. These advanced technologies are streamlining operations by boosting efficiency, enabling real-time monitoring, and supporting predictive maintenance to minimize downtime and optimize workflows. Complementing this digital transformation is the rise of gigacasting technology an innovative process that casts large, single-piece components. By reducing the need for complex assembly, gigacasting not only shortens production time but also enhances structural integrity, paving the way for lighter, more fuel-efficient vehicles with improved overall performance.

Management Discussion & Analysis (Contd.)

Amid this wave of technological advancement, the automotive industry must also contend with external pressures that add layers of complexity to its operations. Geopolitical instabilities, particularly in regions like the Middle East and Eastern Europe, have disrupted energy supplies, leading to fuel price volatility and rising production costs. At the same time, the increasing digitalization of vehicles has heightened cybersecurity concerns. Regulatory mandates such as UNR155 and UNR156 are pushing manufacturers to adopt stringent cybersecurity protocols to safeguard against potential threats, as noted by arXiv.

On the consumer front, the aftermarket sector is evolving rapidly. The growing age of vehicles and rising annual mileage are fueling demand, while trends such as the global expansion of Chinese EV brands and the integration of online-to-offline (O2O) channels are redefining how automotive parts and services are accessed and delivered.

(Source:https://www.marketsandmarkets.com/Market-Reports/global-automotive-industry-outlook-77960341.html)

GLOBAL TWO-WHEELER INDUSTRY

The global two-wheeler market is projected to be valued at USD 706 Billion in 2025, with expectations to reach USD 777.2 Billion by 2029, exhibiting a compound annual growth rate (CAGR) of 2.43% over the forecast period (2025–2029).

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

The industry is undergoing a dynamic shift fueled by rapid technological advancements and evolving consumer demands. Leading manufacturers are ramping up investments in research and development to broaden their portfolios and stay ahead in an increasingly competitive landscape.

Production strategies are transitioning swiftly toward sustainability, with electric two-wheelers at the forefront of this evolution. One of the most notable developments is the sharp decline in lithium-ion battery costs - down nearly 80% over the last decade to around USD 220 per kilowatt-hour. This drop has significantly boosted the affordability and appeal of electric two-wheelers for a broader consumer base.

Looking ahead, the market's trajectory is being shaped by innovation and green initiatives. Industry players are focusing on next-generation electric powertrains, the integration of lightweight and durable materials, and advanced safety technologies. Additionally, there is a strategic shift in supply chain operations, as companies establish regional manufacturing hubs to improve responsiveness, reduce costs, and cater more effectively to local markets.

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

INDIAN AUTOMOTIVE INDUSTRY

The Indian automotive market is one of the fastest-growing in the world, driven by rising middle-class income, urbanization, and government initiatives like 'Make in India.' It encompasses a wide range of segments including passenger vehicles, two-wheelers, commercial vehicles, and electric vehicles (EVs). India is the world's largest two-wheeler market and a key manufacturing hub for global automakers.

The Indian passenger car market is poised for robust growth, with its size projected to rise from USD 42.72 std. in 2025 to USD 53.04 std. by 2029, reflecting a CAGR of 5.56% during the forecast period. This expansion is underpinned by a dynamic shift in consumer preferences, technological innovation, and a more accessible financing environment. Automakers are increasingly integrating advanced technologies such as connected car systems, enhanced safety features, and fuel-efficient solutions across vehicle categories to meet evolving customer expectations. Concurrently, the industry is witnessing a strategic pivot toward localization and indigenous manufacturing, as companies ramp up production capacity and establish new facilities to cater to rising demand while optimizing cost structures. These developments collectively signal a transformative phase for India's passenger car segment, driven by innovation, affordability, and scalability.

(Source:https://www.mordorintelligence.com/industry-reports/india-passenger-car-market-outlook)

DOMESTIC SALES TREND FOR AUTOMOBILES

(No.s)

Category	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Passenger Vehicles Number/Units	27,73,519	27,11,457	30,69,523	38,90,114	42,18,746	43,01,848
Commercial Vehicles	7,17,593	5,68,559	7,16,566	9,62,468	9,67,878	9,56,671
Three-Wheelers	6,37,065	2,19,446	2,61,385	4,88,768	6,91,749	7,41,420
Two-Wheelers	1,74,16,432	1,51,20,783	1,35,70,008	1,58,62,087	1,79,74,365	1,96,07,332

(Source: https://www.siam.in/statistics.aspx?mpgid=8&pgidtrail=9)

The India-UK Free Trade Agreement (FTA) is set to deliver a strong impetus to India's automotive industry by unlocking new opportunities for exports, investments, and technological collaboration. The agreement paves the way for reduced tariff barriers and deeper supply chain integration, enabling Indian automakers to expand their footprint in the UK and broader European markets.

According to a statement by the Indian Government, the FTA will particularly benefit labour-intensive sectors, with key gains projected for engineering goods, auto components, engines, and organic chemicals. The deal promises tariff elimination on approximately 99% of tariff lines, effectively covering nearly the entire trade value between the two countries, an ambitious step toward boosting bilateral commerce.

On the other side, the UK government highlighted a major breakthrough for automotive trade, with Indian import tariffs set to fall dramatically from over 100% to just 10%. Additionally, the agreement includes provisions for import quotas on vehicles from both nations, ensuring a balanced and structured trade growth.

(Source: https://www.autocarpro.in/news/india-uk-free-trade-agreement-to-boost-auto-sector-126295)

Indian Two-Wheeler Market

India's two-wheeler market is on a stable upward trajectory, projected to grow from USD 315.9 Billion in 2025 to USD 347.4 Billion by 2029, reflecting a compound annual growth rate (CAGR) of 2.40%. This steady momentum highlights the sector's resilience and responsiveness to evolving consumer behavior, particularly in the realm of urban mobility. Demand is increasingly shifting toward feature-rich, tech-enabled two-wheelers, prompting manufacturers to roll out models with smart connectivity, enhanced safety technologies, and elevated performance standards.

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

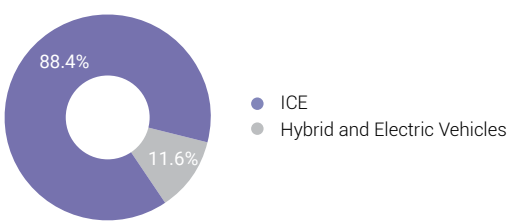
The competitive landscape is becoming more dynamic, as established brands consolidate their market positions while agile newcomers introduce disruptive innovations. On the infrastructure front, the sector has made notable strides most prominently in the electric vehicle (EV) ecosystem.

Concurrently, the industry is embracing digital transformation to reimagine the customer experience. The emergence of smart dealerships and integrated digital platforms is reshaping sales and service channels. To support this evolution, companies are investing in upskilling initiatives and modernizing after-sales networks, ensuring they are equipped to manage increasingly sophisticated and electrified vehicle models.

The Hybrid and Electric Vehicles (HEVs) segment is witnessing rapid momentum in India's two-wheeler market, with an estimated growth rate of around 21% between 2024 and 2029. This surge is fueled by rising environmental awareness, robust government incentives, and ongoing advancements in battery technology. Escalating fuel costs are also nudging consumers toward more sustainable mobility solutions, accelerating the shift to electric alternatives.

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

India's Two Wheeler Market Share by Propulsion Type (2024)



Manufacturers are actively capitalizing on this trend by launching next-generation electric two-wheelers that offer extended range, enhanced performance, and smart features. At the same time, the rollout of charging infrastructure in urban centers and a steady decline in battery prices are

significantly improving accessibility and affordability. The segment is also becoming a hotbed of innovation, as both legacy manufacturers and nimble startups enter the space driving competition, pushing technological boundaries, and enabling more cost-effective offerings.

Internal Combustion Engine Market

The India Internal Combustion Engines (ICE) Market is set to reach USD 8.3 Billion by 2031, expanding at a compound annual growth rate (CAGR) of 7.6% from 2025 to 2031. This growth is primarily driven by the increasing demand for vehicles, particularly passenger cars, as well as the rising adoption of advanced combustion engines and their components within the automotive sector. Additionally, stringent government regulations aimed at improving fuel efficiency are further fueling the market's expansion. Government initiatives, such as the Make in India campaign and the allowance of 100% foreign direct investment (FDI), have also attracted significant global investments into India's automobile industry, creating a favorable environment for continued market growth.

(Source: https://www.6wresearch.com/industry-report/india-internal-combustion-engines-market-2020-2026)

Key Growth Drivers

Surging Vehicle Demand

The rising global population, combined with increasing disposable incomes, particularly within the expanding middle class, has significantly boosted the demand for both two-wheelers and four-wheelers. In developing countries like India, this trend is even more pronounced. Rapid urbanization and the development of new infrastructure have further intensified transportation needs across sectors such as logistics, delivery services, and personal mobility. These factors are contributing to robust growth in the internal combustion engine (ICE) market.

Technological Advancements in Combustion Engines

The internal combustion engine continues to evolve through advancements such as electronic fuel injection systems, turbocharging, and improved combustion efficiency. These innovations are driving product enhancements in terms of performance, fuel economy, and emissions. As automakers ramp up investments in R&D, modern IC engines are becoming more refined, reliable, and cost-effective - factors that are fueling increased adoption and market expansion.

Regulatory Push for Fuel Efficiency and Emission Compliance

Governments worldwide, including India, have introduced stricter regulations to improve vehicle fuel efficiency and reduce emissions. Policies such as Bharat Stage VI (BS-VI) in India and equivalent global emission standards are compelling manufacturers to optimize engine performance. In response, there is a growing shift toward more efficient IC engines that meet or exceed regulatory benchmarks. This compliance-driven innovation is further accelerating demand across automotive segments.

HYBRID VEHICLE ENGINE MARKET

The Indian hybrid vehicle market is undergoing a dynamic transformation, propelled by technological advancements, evolving consumer preferences, and supportive infrastructure development. Valued at USD 0.53 Billion in 2025, the market is projected to reach USD 1.28 Billion by 2029, exhibiting a strong CAGR of 24.81%. This growth reflects the increasing consumer shift toward environmentally conscious mobility options, especially in a country where urbanization and transportation demands are rapidly expanding.

Supporting this ecosystem is the parallel development of infrastructure, which is critical to addressing consumer concerns around practicality and accessibility. The expanding EV infrastructure, combined with ongoing improvements in hybrid powertrain technology, is helping alleviate range anxiety and enhancing the viability of hybrid vehicles for daily use. Manufacturers are also investing in the localization of hybrid production, tailoring offerings to suit domestic market conditions more effectively.

Another key enabler of market growth is the declining cost of battery technology. In CY 2023, battery pack prices dropped to 171 USD/kWh, making hybrid vehicles more affordable and cost-competitive in the Indian market. Alongside price drops, advancements in battery efficiency and power management are allowing manufacturers to deliver high-performance vehicles without compromising affordability. The integration of smart and connected technologies is further enhancing the appeal of hybrid cars to tech-savvy consumers.

The robust expansion of India's used car market, which reached USD 37.57 Billion in 2023, also points to growing acceptance of hybrid vehicles and increased confidence in their resale value. This shift is prompting manufacturers to broaden their hybrid portfolios and offer innovative financing

solutions to reach a wider customer base. The industry is also seeing greater collaboration between automotive firms and tech providers, aiming to develop efficient, localized, and economically viable hybrid solutions.

(Source:https://www.mordorintelligence.com/industry-reports/india-hybrid-vehicles-market)

ELECTRIC VEHICLES MARKET

India's Electric Vehicle (EV) market is poised for exponential growth, with its value projected to rise from USD 54.41 Billion in 2025 to USD 110.7 Billion by 2029, reflecting a robust CAGR of 19.44% during the forecast period. This rapid expansion signals a major shift in the country's mobility landscape, underpinned by strengthening domestic manufacturing capabilities and continuous technological innovation. *(Source:https://www.mordorintelligence.com/industry-reports/india-electric-vehicle-market)*

The industry has seen a significant ramp-up in local production, with manufacturers increasingly localizing key components, particularly in the battery and powertrain segments, to reduce reliance on imports and tailor solutions to Indian conditions. Indigenous technology development is gaining momentum, setting the stage for a more self-reliant and sustainable EV ecosystem.

Government policies have played a catalytic role in this transition. The Faster Adoption and Manufacturing of Hybrid and Electric Vehicles (FAME) scheme, first launched in 2015, laid the foundation for widespread EV adoption. Its second phase, FAME II, which extended until April 2022, significantly boosted electric vehicle sales, especially in 2021, through targeted incentives, including subsidies of ₹ 10,000 for EVs with battery capacities up to 15 kWh.

The Union Budget 2025–26 marks a pivotal moment for India's electric vehicle (EV) and battery manufacturing ecosystem, with several strategic measures introduced to accelerate domestic production, ensure critical mineral access, and enhance sustainability through recycling. These initiatives are expected to provide significant momentum to the EV industry across various segments, from large-scale manufacturers to MSMEs. One of the major announcements is the launch of a National Manufacturing Mission focused on fostering the production of EV batteries, motors, and controllers. The mission aims to support enterprises of all sizes - particularly micro, small, and medium enterprises (MSMEs) - and strengthen India's position in the global EV supply chain.

In line with this vision, the budgetary allocation for key EV-linked schemes has seen a substantial increase. The PME-DRIVE (Prime Minister Electric Drive Revolution in Innovative Vehicle Enhancement) scheme received a funding boost from ₹ 1,870.76 Crore in 2024–25 to ₹ 4,000 Crore in 2025–26 signaling the government's strong commitment to next-generation mobility solutions. Similarly, the outlay for the Production Linked Incentive (PLI) scheme for Automobiles and Auto Components has surged from ₹ 346.87 Crore in 2024-25 to ₹ 2,818.85 Crore for 2025-26, aiming to attract higher investments and drive innovation across the sector.

In a move to foster sustainability and cost efficiency, the government has removed Basic Customs Duty (BCD) on lithium-ion battery scrap, encouraging the recycling of EV batteries. This policy shift could lower battery production costs and support the creation of a circular economy, although the industry must navigate regulatory and operational challenges to fully realize its benefits.

(Source:https://www.downtoearth.org.in/energy/budget-2025-26-evs-to-become-affordable-government-announces-support-for-manufacturing-tax-relief-for-critical-minerals#:~:text=In%20the%20Union%20Budget%202025,EV%20and%20battery%20manufacturing%20industry.)

Challenges Faced by the Electric Vehicles Industry

High Initial Costs

One of the foremost challenges hindering the widespread adoption of electric vehicles (EVs) in India is their high upfront cost. EVs are typically 20–30% more expensive than their internal combustion engine (ICE) counterparts, primarily due to the costly lithium-ion batteries that account for nearly half the vehicle's total cost. Although EVs offer lower operating and maintenance expenses over time, the steep initial investment deters many buyers in a price-sensitive market like India. This affordability barrier remains a key constraint, particularly in the passenger vehicle segment.

Inadequate Charging Infrastructure

India's EV charging infrastructure is still at a nascent stage, with the number of public charging stations falling well short of demand. Most EV users currently depend on home charging, which is not viable for a large section of the population, especially those living in urban apartments without dedicated parking. The limited availability of fast,

reliable charging stations intensifies range anxiety and discourages consumers from embracing electric vehicles, especially for long-distance journeys.

Supply Chain and Battery Dependency

The Indian EV ecosystem is heavily reliant on imported batteries and critical components, as domestic manufacturing capabilities are still emerging. This dependence exposes the industry to global supply chain disruptions and price volatility. Moreover, India lacks domestic reserves of essential raw materials like lithium, cobalt, and nickel, deepening its external reliance. Compounding the issue is the absence of a well-developed battery recycling and disposal system, which raises concerns about long-term environmental sustainability.

Policy and Regulatory Uncertainty

While the Indian government has introduced various policies and incentives to promote EV adoption, inconsistency and short-term planning continue to undermine progress. Many state-level EV policies are nearing expiration, and central incentives vary across segments, creating ambiguity for stakeholders. The absence of a coherent, long-term national roadmap affects investor confidence and slows infrastructure development. A stable and forward-looking regulatory framework is essential for sustained growth in the EV sector.

Consumer Awareness and Perception

Limited public awareness about electric vehicles and their advantages remains a significant barrier. Many potential buyers are unaware of the long-term cost savings, environmental benefits, and government subsidies associated with EVs. Misconceptions about battery safety, limited driving range, charging time, and inadequate infrastructure further dissuade consumers. Enhancing public education and transparent communication about EV technologies and incentives is vital to accelerate adoption.

Power Grid and Energy Infrastructure Constraints

The growing adoption of EVs will place increasing demands on India's power grid, necessitating substantial investments in grid infrastructure and energy management. The integration of renewable energy sources with EV charging systems is crucial for achieving sustainability goals, but progress in this area is slow. Without proactive planning, the surge in electricity demand could lead to grid instability and operational inefficiencies, diminishing the environmental benefits of electric mobility.

Investment and Localization Challenges

India's EV industry continues to grapple with inadequate investment in research, development, and domestic manufacturing. High production costs and limited localization of critical components hinder the industry's ability to scale and drive down prices. Collaboration between government entities and private sector stakeholders is often fragmented, slowing innovation and the establishment of a robust domestic supply chain.

INDIAN AUTO COMPONENT INDUSTRY

The Indian automotive industry stands at a pivotal juncture, poised for significant growth and transformation driven by emerging trends and technological advancements. In 2024, the sector reached a valuation of USD 74 Billion, surpassing its previous peak of USD 69 Billion in 2023. While challenges persist in specific segments, such as domestic two-wheeler (2W) sales, the component industry continues to recover steadily, supported by a rise in exports and an expanding vehicle parc, which has also fueled growth in the aftermarket segment.

Although ICE powertrains still dominate, the industry is witnessing the emergence of nine alternative powertrain technologies. This shift is expected to reshape the auto component landscape by driving demand for specialized parts, particularly as electric vehicles and other next-generation powertrains move toward standardization.

Simultaneously, the growing trend of premiumization, especially in 2Ws and passenger vehicles (PVs), is influencing component design and manufacturing, as consumers increasingly seek software-defined features and as regulatory mandates push for advanced safety systems.

Software integration is set to play an even greater role with the anticipated shift toward zonal electrical/electronic (E/E) architectures, enabling enhanced vehicle functionality and efficiency. This technological transformation underscores the need for the auto components industry to stay agile and innovation-driven.

Furthermore, India has a strategic opportunity to position itself as a global automotive powerhouse. Disruptions in global supply chains have opened avenues for Indian manufacturers to access high-demand international markets. By strengthening domestic supply chains and aligning with emerging technological trends, the Indian auto components industry can enhance its competitiveness,

increase exports, and contribute to the country's broader goal of self-reliance. These developments not only hold the potential to solidify India's status as a leader in next-generation mobility solutions but also to redefine its role in the global automotive value chain.

(Source: https://www.acma.in/uploads/publication/64-annual-session/ACMA_Fostering_self_reliance_Report_v3_Print.pdf)

SWOT ANALYSIS OF THE AUTOMOTIVE INDUSTRY

Strengths

- **Robust Market Demand:** The industry benefits from increasing disposable incomes, an expanding middle class, and accelerating urbanization, particularly in emerging economies such as India, which drive sustained vehicle demand.
- **Established Industry Players:** A mature ecosystem comprising both domestic and international manufacturers fosters healthy competition, continuous innovation, and consumer trust.
- **Technological Advancement:** Rapid integration of cutting-edge technologies such as electric vehicles (EVs), connected mobility, and autonomous systems positions the sector as a leader in the future of transportation.
- **Supportive Policy Frameworks:** Government initiatives promoting electrification, infrastructure expansion, and local manufacturing create a favorable environment for growth and investment.
- **Market Versatility:** The industry's capacity to serve a wide spectrum of consumer needs, from two-wheelers and passenger cars to commercial and specialized vehicles, ensures resilience and reach.

Weaknesses

- **Cost and Operational Pressures:** Rising input costs, fuel price volatility, and persistent supply chain disruptions pose ongoing risks to profitability and operational efficiency.
- **Lagging Technological Adoption:** Some legacy players are slow to embrace advanced technologies and electrification, reducing their competitive edge as consumer preferences evolve.
- **Limited Premium Appeal:** Certain segments continue to lack modern features and aspirational design, constraining their appeal in urban and affluent markets.
- **Infrastructure Gaps:** Inadequate EV infrastructure, particularly in charging and battery-swapping facilities, slows down the transition to sustainable mobility.
- **Regulatory Complexity:** Stricter emissions and safety standards increase compliance costs and engineering challenges for manufacturers.

Opportunities

- **EV Market Expansion:** Growing environmental consciousness and supportive government policies are fueling the rapid expansion of the EV sector, offering vast potential for innovation and investment.
- **Export Growth:** As global markets seek cost-effective suppliers, India's auto component and value-added vehicle exports can gain significant traction.
- **Technology-Driven Innovation:** Emerging technologies such as Advanced Driver Assistance Systems (ADAS), autonomous mobility, and connected vehicle platforms offer opportunities for differentiation and new revenue streams.
- **Rural Market Penetration:** Underserved rural areas offer growth prospects for affordable two-wheelers and compact passenger vehicles, supported by rising rural incomes and infrastructure development.
- **New Mobility Models:** Trends such as shared mobility, subscription-based ownership, and fleet partnerships open up fresh business models and customer engagement strategies.

Threats

- **Disruptive Competition:** Tech-driven entrants, both domestic startups and global players, are challenging traditional automakers, especially those slow to adapt to digital transformation.
- **Policy Uncertainty:** Shifts in emission norms, regulatory frameworks, and subsidy schemes can hinder long-term planning and investment confidence.
- **Macroeconomic Instability:** Global economic downturns, geopolitical tensions, and currency fluctuations can adversely impact production, costs, and consumer sentiment.
- **Evolving Consumer Expectations:** Shifts toward sustainability, safety, and digital integration demand rapid innovation; companies lagging in response risk becoming obsolete.

- **Capital-Intensive Transition:** The shift toward electrification and smart mobility requires substantial investment. Firms that cannot achieve scale or localization may struggle to remain competitive.

INDUSTRY OUTLOOK

The Indian automotive industry is poised to emerge as a significant force in the global arena. With the country's economy showing resilience and urban centers expanding rapidly, the sector is well-positioned for sustained growth in 2025. Key drivers include innovation in vehicle technology and supportive government initiatives, especially within the commercial vehicle segment. As infrastructure for electric and hybrid vehicles continues to evolve, the industry's adaptability to consumer trends and environmental priorities will be critical in maintaining momentum and expanding its international footprint.

Meanwhile, the Internal Combustion Engine (ICE) segment is witnessing dynamic expansion, spurred by advancements in engineering, growing consumer demand, and strategic policy support. Technological innovations are not only improving the performance and reliability of ICE systems but also enabling them to align with evolving environmental standards. The surge in urban population and changing transportation needs are further fueling demand.

In parallel, government incentives, ranging from subsidies to emission control mandates, are promoting the development of cleaner, more efficient ICE solutions. Additionally, reductions in manufacturing costs, aided by technological progress and competitive scaling, are making these solutions increasingly viable and appealing across diverse markets.

COMPANY OVERVIEW

Since its foundation in 1984, India Nippon Electricals Limited ('INEL' or 'the Company') has grown into a key player in the automotive mechatronics landscape, recognized for its precision engineering and reliable solutions. The Company caters to a diverse range of segments including two-wheelers, three-wheelers, portable generators, and small gasoline engines. Over the years, INEL has emerged as a preferred supplier for leading Indian automobile manufacturers, particularly noted for its contributions to the electronic ignition systems segment.

Today, INEL continues to diversify its offerings by integrating cutting-edge components such as sensors, control units, converters, and advanced engine management systems. As part of its progressive growth journey, the Company is also expanding its footprint in the electric vehicle space, embracing the future of sustainable mobility.

Building on its reputation for excellence, INEL has developed a comprehensive suite of high-performance, differentiated products that meet the evolving needs of domestic and global clients. The Company's dedication to enhancing its aftermarket services and strengthening its export base has enabled a successful foray into international markets, notably across North America, Europe, and ASEAN. Strategic collaborations with major OEMs have further boosted INEL's global standing, paving the way for continued growth and increased market penetration.

INEL's strong track record of adapting to shifting industry dynamics is evident in its financial and operational milestones. The Company achieved a record turnover of ₹ 845 Crores in 2024-25, reflecting a robust year-on-year growth of 16%. INEL has maintained its leadership position in the competitive two-wheeler segment. Additionally, aftermarket sales experienced significant growth of 12% during the year, underlining the Company's responsiveness to customer expectations and its commitment to quality and service.

The Company's manufacturing capabilities are supported by three strategically positioned facilities in Hosur (Tamil Nadu), Puducherry, and Rewari (Haryana). These plants are certified under ISO 14001:2015 and ISO 45001:2018 standards, highlighting INEL's dedication to sustainable practices and workplace safety. Beyond manufacturing, the Company is heavily invested in research and innovation. INEL's state-of-the-art R&D center, recognized by the Department of Scientific and Industrial Research (DSIR), is a hub for next-generation product development and technological advancement.

At the core of INEL's innovation ecosystem lies the INEL Tech Center, which focuses on emerging technologies and value-driven solutions for the mobility sector. Alongside proven offerings like flywheel magnetos, ignition coils, regulator rectifiers, and CDI/TCI units, the Company is pioneering developments in EFI systems, ISG controllers, motor control units for EVs, DC-DC converters, smart displays, and advanced sensor technologies. INEL Tech Center employs over 100 engineers engaged in comprehensive product development, from concept to commercialization, in accordance with IATF TS16949 standards and guidelines.

The Center holds ISO/IEC 27001:2022 certification for its Information Security Management System, reflecting its commitment to data security and risk management. INEL is also proactively working toward achieving TISAX Level 3 certification, a key requirement for many European customers. In addition, INEL Tech Center maintains compliance with ISO 14001:2015 for Environmental Management and ISO 45001:2018 for Occupational Health and Safety, underscoring its dedication to sustainable and safe operational practices.

OPERATIONAL OVERVIEW

During 2024-25, INEL made significant strides in product development and innovation across four strategic categories: conventional ICE products, next-generation ICE+ systems, EV components, and products with broader cross-sector applications such as sensors, displays, and controllers.

Advancements in Conventional ICE Products

INEL focused on extending its existing portfolio of ignition system products, including AC generators, ignition controllers, ignition coils, and voltage regulators, into new applications. The Company successfully developed tailored solutions for two-wheeler, three-wheeler, and general-purpose engine markets. By leveraging its broad array of standard offerings, INEL was able to respond swiftly to customer needs, offering custom solutions with minimal lead times. Through targeted value engineering efforts, INEL also achieved substantial cost savings for customers.

Progress in ICE+ Technologies

Under the ICE+ category, INEL introduced several advanced and efficient systems. A highlight of the year was the development and patenting of a power boost regulator, which improved generating system efficiency by approximately 25%. This innovation was successfully introduced for multiple customers, with at least one application entering production in 2025.

The Company also launched an Electronic Fuel Injection (EFI) ECU for motorcycles, developed through a technical licensing partnership with global collaborators. During the year, the R&D team took efforts to extend this solution to scooter applications. Another notable development was the creation of an Integrated Starter Generator (ISG) controller.

Leadership in Electric Vehicle Components

INEL further consolidated its leadership in the EV segment by expanding its range of DC-DC converters to serve the rapidly evolving electric mobility market. Proprietary process technologies implemented during 2024–25 significantly improved productivity, allowing the Company to scale production volumes while managing a diverse product mix.

Additionally, INEL adopted an innovative design approach for electric motors and controllers targeting sub-3 kW applications. The resulting product successfully passed in-house validation and underwent customer trials, with full-scale market introduction scheduled for the end of 2026.

Strategic Customer Engagement and Global Expansion

To strengthen aftermarket engagement and loyalty, INEL introduced a dedicated loyalty points program for mechanics. At the same time, the Company expanded its global footprint by targeting growth in Latin America and Africa and leveraging its parent company's presence to establish business development offices in the US and Europe. Commission agents were also appointed in various regions to further broaden international reach.

Risk Mitigation and Operational Efficiency

With the scaling of aftermarket sales, INEL remained vigilant about associated financial and operational risks. Looking ahead, the Company's plans to reduce distribution complexity while expanding its supplier base. Strategic sourcing, particularly for electronic components, will be key to achieving economies of scale and sustaining volume growth.

Strengthening Compliance and Governance

INEL made meaningful progress in improving financial transparency and regulatory compliance. It implemented legal compliance software during 2024–25 and will further integrate its GST IMS with SAP in 2025–26.

Management Discussion & Analysis (Contd.)

FINANCIAL OVERVIEW

Standalone Financial Snapshot

(in ₹ Lakhs)

Particulars	2024-25	2023-24	Y-o-Y Change (in %)
Gross Sales	84,055	72,603	16%
Net Sales	83,194	71,670	16%
Operating Profit	7,328	5,138	42%
Depreciation	2,056	1,509	36%
Profit after Tax (PAT)	8,203	5,930	38%

Details of Key Standalone Financial Ratios

Ratios	2024-25	2023-24	Y-o-Y Change (in %)
Debtors' Turnover Ratio	5.43	5.54	(0.11)
Inventory Turnover Ratio	8.12	8.0	0.12
Current Ratio (x)	2.38	2.49	(0.11)
Operating Profit Margin	9%	7%	2%
Net Profit Margin	12%	10%	2%
Return on Net Worth	12%	10%	2%

RISKS AND MITIGATION

Risk	Impact	Mitigation
Economic Risk	Economic fluctuations present a risk of impacting the Company's daily operations and may also hinder its efforts to expand and grow the business.	The Company takes a proactive approach by regularly evaluating the business environment and implementing strategies to mitigate any potential disruptions to its operations or growth initiatives.
Geopolitical Risk	Disruptions in supply chain and cost escalation due to US-China trade tensions impacting rare earth magnet availability.	The Company is exploring alternative sources and methodologies across the globe to mitigate this risk.
Customer Risk	The Company faces several challenges, including a heavy reliance on a small group of key customers, which could lead to vulnerabilities if any of these relationships were to shift. Additionally, there is insufficient awareness and proactive engagement with emerging business opportunities, potentially limiting growth. Furthermore, the Company has a limited presence in international export markets, which increases its exposure to geopolitical risks that could impact operations and profitability.	To optimize strategic focus, it is crucial to create a clear distinction between current operations and future growth initiatives. This approach will ensure that both areas receive the attention they require. Additionally, expanding market reach should be prioritized by combining direct sales efforts with strategic partnerships. At the same time, exploring export opportunities will help broaden the Company's presence in international markets.
People Risk	The Company faces challenges in retaining and attracting top talent, which could hinder its long-term success. Additionally, there is a misalignment between the organizational structure and the strategic goals, potentially affecting overall efficiency and the achievement of business objectives.	The Company is placing a strong emphasis on branding initiatives, including ramping up social media engagement to attract top talent. In addition, enhanced training programs are being implemented to develop effective managers, with a particular focus on establishing key result areas (KRAs) to drive performance and improve employee retention.

Risk	Impact	Mitigation
IT and Cyber Risk	There are inadequate measures in place to safeguard confidential and sensitive information from potential threats, both internal and external.	The Company has taken several steps to enhance information security, including conducting a SIEM (Security Incident Event Management) audit and implementing countermeasures based on the findings. Additionally, the ISMS (Information Security Management Systems) surveillance audit has been successfully completed. Periodic cybersecurity awareness programs have been conducted throughout the year to ensure staff are well-informed. An audit trail has been enabled across all critical business applications, and importantly, no outages or attacks have been reported.
Competition Risk	The intense competition within the automotive industry poses a risk to the Company's market share, margin profile, and return on capital employed, potentially impacting overall profitability and long-term growth.	The Company leverages its technological expertise, strategic partnerships, strong customer relationships, and innovative solutions to mitigate the risks posed by intense competition and maintain its market position.
Technology Risk	The Company's growth and long-term success are challenged by the rapid pace of technological advancements, which require ongoing innovation and adaptability. In the electric vehicle (EV) segment, the Company faces intense competition from both established industry giants and agile startups, underlining the need for differentiation and strong strategic positioning. Additionally, product obsolescence poses a significant risk, as the fast-evolving technological landscape demands continuous updates and improvements to maintain consumer interest and relevance.	The Company aims to explore strategic technology partnerships in niche areas to drive innovation. Additionally, it seeks to leverage existing relationships with OEMs to unlock new opportunities. By closely tracking market trends and emerging technologies, the Company plans to launch innovative products that meet evolving customer needs. Furthermore, significant investment in R&D will ensure that new products are technologically advanced, sustainable, and adaptable to future market demands.
Supplier Risk	The procurement process has been optimized, though it relies heavily on single-source vendors and has limited geographic diversity among import suppliers. While lead times for electronic components are slightly reduced, automotive parts still have higher lead times. Additionally, the supply chain remains vulnerable to fluctuations in commodity prices and other cost increases, which can impact overall costs and operations.	The Company has developed strategic sourcing strategies aimed at mitigating risks associated with high-risk vendors. Additionally, there is a strong focus on expanding the indexation coverage for commodities that are currently excluded from customer settlements, ensuring more comprehensive cost management.
Regulatory Risk	The automotive industry is under constant pressure to adhere to strict safety and environmental regulations. Non-compliance with these standards can lead to hefty fines, tarnished brand reputation, and significant legal repercussions.	INEL has implemented a strong compliance framework, supported by a software-driven tool designed to track and assess regulatory requirements on an ongoing basis. Additionally, the Company ensures continuous communication with regulators to stay updated on any changes to regulatory policies.

Management Discussion & Analysis (Contd.)

HUMAN RESOURCES

INEL recognizes that its people are its greatest strength and the driving force behind the Company's continued growth and success. The Company is committed to creating a supportive, inclusive, and empowering work environment that promotes both personal and professional development. Through comprehensive HR initiatives, INEL strives to attract and retain highly capable individuals while fostering a culture of continuous learning and collaboration. The Company's focus remains on building a motivated and future-ready workforce by investing in training, development programs, and career advancement opportunities.

As of 31st March, 2025, INEL proudly employed 2,315 individuals across various functions.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

INEL is deeply committed to building a sustainable future while delivering meaningful economic impact. With a proactive CSR Committee in place, the company has crafted a well-defined CSR Policy that guides its efforts and aligns with the vision of the Board of Directors. In the reporting year, INEL contributed 115.10 Lakhs towards transformative CSR initiatives, targeting critical areas such as education, rural upliftment, healthcare, and sanitation. The Company's goal is to create lasting, positive change in the communities it engages with, thereby strengthening its role as a dependable, purpose-driven partner in social progress.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has established a robust internal control system covering business processes, operations, financial reporting, fraud prevention, and compliance with applicable laws and regulations. INEL's audit function provides reasonable assurance regarding the effectiveness and efficiency of operations, safeguarding of assets, accuracy of financial records and reporting, and adherence to regulatory requirements. To enhance oversight and real-time monitoring, the Company utilizes an ERP system that strengthens analysis, control, and compliance through integrated tools. Regular internal audits and inspections ensure that responsibilities are effectively discharged. The Audit Committee conducts periodic evaluations of the performance of both statutory and internal auditors. It also reviews the adequacy and effectiveness of the internal control framework and recommends enhancements in response to evolving business needs.

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

No. 11 & 13, (Old No. 6 & 7) Patullos Road, Chennai - 600 002

Question 5

Corporate address

No 11 & 13, (Old No. 6 & 7) Patullos Road, Chennai - 600 002

Question 6

E-mail

investors@inel.co.in

Question 7

Telephone

044-2846 0073

Question 8

Website

https://indianippon.com/

Question 9

Financial year for which reporting is being done

April 1, 2024 – March 31, 2025

Question 10

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

1. BSE Limited
2. National Stock Exchange of India Limited (NSE)

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

Business Responsibility and Sustainability Report (Contd.)

Products/services

Question 16

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

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	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	7.9
2	Rotor	29304	5.3
3	Flywheel Magneto	29304	64.2
4	CDI	29304	2
5	Regulator & Rectifiers	29304	7.6
6	Ignition Coil	29304	3.0
7	Integral Unit	29304	3.4

Operations

Question 18

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

Location	Number of Plants	Number of Offices	Total
National	4	1	5
International	-	-	-

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?

4%

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)	369	336	91.057	33	8.943	0	0
2.	Other than Permanent (E)	0	0	0	0	0	0	0
3.	Total employees(D + E)	369	336	91.057	33	8.943	0	0
	Workers							
4.	Permanent (D)	208	168	80.769	40	19.231	0	0
5.	Other than Permanent (G)	1738	1412	81.243	326	18.757	0	0
6.	Total workers (F + G)	1946	1580	81.192	366	18.808	0	0

b. Differently abled Employees and workers:

S. No.	Particulars	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	1	100	0	0
2.	Other than Permanent (E)	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 (D)	0	0	0	0	0	0	0
5.	Other than Permanent (G)	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

Position	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

Type	2024-25 (Turnover rate in current FY)				2023-24 (Turnover rate in previous FY)				2022-23 (Turnover rate in the year prior to the previous FY)			
	Male	Female	Other	Total	Male	Female	Other	Total	Male	Female	Other	Total
Permanent Employee (%)	18.26	12.12	0	15.19	13.29	15.69	0	13.47	20.71	33.33	0	21.62

Business Responsibility and Sustainability Report (Contd.)

Type	2024-25 (Turnover rate in current FY)				2023-24 (Turnover rate in previous FY)				2022-23 (Turnover rate in the year prior to the previous FY)			
	Male	Female	Other	Total	Male	Female	Other	Total	Male	Female	Other	Total
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 whether holding/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

(i) Whether CSR is applicable as per section 135 of Companies Act 2013: (Yes/No)

Yes

(ii) Turnover (in ₹)

8,448,244,921

(iii) Net worth (in ₹)

7,108,772,222

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	2024-25 (Current Financial Year)			2023-24 (Previous Financial Year)			(If NA, then provide the reason)
			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/#tab-1538384386-1-33	0	0		0	0		
Investors (Other than shareholder)	Yes	https://indianippon.com/policies/#tab-1538384386-1-33	0	0		0	0		

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No)	If yes, then provide web- link for grievance redress policy	2024-25 (Current Financial Year)			2023-24 (Previous Financial Year)			(If NA, then provide the reason)
			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	
Shareholders	Yes	https://indianippon.com/wp-content/uploads/2024/02/invcomp.pdf	0	0		0	0		
Employees and Workers	Yes	https://indianippon.com/policies/#tab-1538384386-1-33	0	0		7	0		
Customers	Yes	https://indianippon.com/policies/#tab-1538384386-1-33	0	0		0	0		
Value Chain Partners	Yes	https://indianippon.com/policies/#tab-1538384386-1-33	0	0		0	0		
Others (please specify here)	Yes	POSH policy is available and accessible to all employees on the HR portal maintained internally.	2	0		2	0		

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.

Business Responsibility and Sustainability Report (Contd.)

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)
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
5	Governance	Risk & Opportunity	Demonstrating a strong governance framework can attract investments and improve the Company's repute. Moreover, the dynamic compliance landscape continues to be a risk for the organization, if the compliance is not monitored and adhered on time.	We have a Compliance tool to monitor the regulatory and compliance landscape	Positive implications
6	Climate change impact on products	Risk	Climate change impact on availability of raw materials ,power and natural resources like water acts as risk.	The Company has an internal risk framework to mitigate risks pertaining to raw materials and the Company continues to invest in renewable energy The Company has an internal environment framework and monitors the Scope 1 and Scope 2 emissions.	Negative and positive implications

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)
7	Global geo-politics	Risk & Opportunity	Disruptions to supply chain, trade restrictions are few geopolitical risks faced by the Company. The geopolitical risks also lead to Innovation, technology adoption and new opportunities for the Company to explore emerging markets.	The Company is continuously monitoring the risks associated and has a plan in place to de-risk supply chain and other associated risks.	NA

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/NA)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
1. b. Has the policy been approved by the Board? (Yes/No/NA)	Yes	No	Yes	Yes	Yes	No	No	Yes	No
1. c. Web Link of the Policies, if available									

Code of Conduct and Business Ethics - https://indianippon.com/policies/#tab-1538384514950-3-5

Whistle Blower Policy and Vigil mechanism - https://indianippon.com/policies/#tab-1538384386-1-33

CSR Policy - https://indianippon.com/policies/#tab-1538384386-2-40

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/NA)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	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/NA)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Business Responsibility and Sustainability Report (Contd.)

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 Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	IATF 16949: 2021	IATF 16949: 2021	ISO45001: 2018	IATF 16949: 2021		ISO14001: 2015			ISO9001: 2015 ISO27001. 2022

Question 5

Policy and management processes related questions

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
5. Specific commitment goals and targets set by the entity with defined timelines, if any.	The Company has defined goals under each of the NGRBC principles and the same was submitted to CII - Green Co Certification.								

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 commitment 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 is deeply committed to environmental stewardship and actively champions sustainable practices. Our dedication to minimizing carbon emissions is demonstrated through the adoption of eco-friendly technologies within our manufacturing operations—resulting in notable reductions in both energy use and greenhouse gas outputs. We've also implemented comprehensive waste recycling programs, advanced water-conservation initiatives across our facilities, and support reforestation efforts.

We're pleased to share that our Hosur plant has earned the prestigious "Green Co" rating from the CII's Green Company Rating System. By achieving a Green Co rating, our Hosur plant joins the ranks of industry leaders who are not only meeting today's green benchmarks but also demonstrating measurable resource savings and lasting environmental impact.

Looking forward, our ESG objectives remain firmly in place. We view sustainable growth as the cornerstone of our strategy, and ESG principles guide every facet of our business decisions. We thank our stakeholders for their ongoing support and invite continued collaboration as we work toward a greener, more sustainable future—together.

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/NA). If yes, provide details.

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.								
Compliance with statutory requirements of relevance to the principles, and, rectification of any noncompliances	The Company complies with all the applicable statutory requirements and rectifies noncompliance, 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 noncompliances	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 carried out independent assessment/ evaluation of the working of its policies by an external agency?	Yes					Yes			Yes
If yes, provide name of the agency.	CII - Godrej GBC	NA	NA	NA	NA	CII - Godrej GBC	NA	NA	ISMS policies and procedures were audited by independent agency by TUV Nord.

Business Responsibility and Sustainability Report (Contd.)

During the FY 2024-25 an Independent Assessment of INEL Hosur Plant was carried out by CII Green Co Assessment Panel. As the Company had met all the requirements in accordance with Green Company Rating System (Version-4.0 guidelines), it was awarded "GreenCo Gold" certification. This certification marks a significant milestone in the Company's sustainability journey.

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

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)	NA								
The entity is not at a stagewhere it is in a position to formulate and implement the policies on specified 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

P1: 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.

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, Business Ethics	100
Employees other than BoD and KMPs	284	Green Certified Professional,Tryout Approval, Business Responsibility & Sustainability Reporting, Seminar on Quality 4.0, APQP, PPAP, VDA FMEA, SPC & MSA, GD&T, Samanvaya SOft SKill Training, Cardiac Awareness, Obstetrics & Gynaecology, ERT, Fire Fighting, TQM, Indian Production System/IPC Standards, POSH, Safety, Environment, Mental Health aawreness, Business Ethics & Code of Conduct Policies, Leadership and Design of Thinking	100

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
Workers	568	Onboarding Training, PDI Operators, Gemba Starter Preparation, Measuring Gauges & Instruments, CNC, ERT, Fire Fighting, Obstetrics & Gynaecology, Skill Level Upgradation, POSH, Safety, Environment, Health, Road Safety, Water Management, Testing, Tool Box talks,ILR and CLR Handling, 5S Methodology, Problem Solving Tools, Production Do's and Dont's	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 (Noten: 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 ₹)**	**Brief of the Case**	**Has an appeal been preferred? (Yes/No)**
Penalty/ Fine	Principle 1	1. State Tax Officer – GST, Vellore Jurisdiction	9,01,158	The said penalty amount of ₹ 9,01,158/- pertains to the alleged contravention of Section 129 of the CGST Act, 2017 and the Rules appended therewith.	Yes
		2. Haryana State Pollution Control Board	60,000	Violation of CAQM direction No. 76 regarding regulation for use of DG set in NCR.	No
		3. State Tax Officer (GST), Haridwar Jurisdiction	11,89,648	The said penalty amount of ₹ 11,89,648/- pertains to the alleged contravention of Section 129 of the CGST Act, 2017 and the Rules appended therewith.	Yes
Settlement	Nil				
Compounding fee	Nil				

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	Nil			
Punishment	Nil			

Business Responsibility and Sustainability Report (Contd.)

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
1. A penalty amount of Rs. 9,01,158/- was levied by State Tax Officer - GST, Vellore jurisdiction pertaining to the alleged contravention of Section 129 of the CGST Act, 2017 and the Rules appended therewith. A penalty amount of Rs 11,89,648/- was levied by State Tax Officer, Haridwar, pertaining to the alleged contravention of Section 129 of the CGST Act, 2017 and the Rules appended therewith.	1. State tax Officer - GST, Vellore Jurisdiction. 2. State tax Officer - GST Haridwar Jurisdiction

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

	2024-25 (Current Financial Year)	2023-24 (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	2024-25 (Current Financial Year)		2023-24 (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:

	2024-25 (Current Financial Year)	2023-24 (Previous Financial Year)
Number of days of accounts payables	89	101

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	2024-25 (Current Financial Year)	2023-24 (Previous Financial Year)
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	7.48	7.11
	b. Number of trading houses where purchases are made from	41	43
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	85.27	85.64
Concentration of Sales	a. Sales to dealer / distributors as % of total sales	11	12
	b. Number of dealers/distributors to whom sales are made	95	118
	c. Sales to top 10 dealers / distributors as % of total sales to dealer / distributors	74	43.8
Share of RPTs i	a. Purchases (Purchases with related parties as % of Total Purchases)	-	-
	b. Sales (Sales to related parties as % of Total Sales)	5.92	6.97
	c. Loans & advances given to related parties as % of Total loans & advances	-	-
	d. Investments in related parties as % of 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
13	8D Problem solving methodology, '5S' Lean Tool System, Communication & People Motivation, Core Tool – MSA, OEE, Environmental Awareness (ESG),IATF 16949:2016 Awareness, Advance Soldering Solution for Sustainability, Basic Awareness of Statutory & Regulatory Requirements, Basic Awareness of NPD Process, Soft Skill Training & Comprehensive Safety Knowledge & Awareness Session.	60

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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.

Further, the Company has formulated a Code of Conduct which ensures that the Board members, Directors, Senior Management, and employees shall avoid situations in which their personal interests could conflict with the interests of the Company. As per the Company's Code of Conduct, the Directors are required to disclose to the Board of Directors, any personal interest that they may have in material, financial and commercial transactions resulting in a potential conflict with the interest of the Company at large.

P2: 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.

	2024-25 (Current Financial year)	2023-24 (Previous Financial Year)	Details of improvements in environmental and social impacts
R&D		0	NIL
Capex		1.2	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)

   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.

b. E-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.

c. Hazardous 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.

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 not, provide steps taken to address the same.

Yes

E4.1 If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards?

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	NIL	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	
	2024-25 (Current Financial Year)	2023-24 (Previous Financial Year)
NIL		

No recycled or reused material used in manufacturing of our parts procured from our suppliers.

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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	2024-25 (Current Financial Year)			2023-24 (Previous Financial Year)		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	NA					
E-Waste						
Hazardous Waste						
Other Waste (Edit here)						

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	0.34
Copper	0.07
Aluminium	0.004
Steel	0.33
Plastic	0.05

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.

P3: 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										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		Number (B)	% (B / A)	Number (C)	% (C/ A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent employees											
Male	336	336	100	336	100	-	-	0	0	0	0
Female	33	33	100	33	100	33	100	-	-	33	100
Other	0	0	0	0	0	0	0	0	0	0	0
Total	369	369	100	369	100	33	8.943	0	0	33	8.943
Other than Permanent employees											
Male	0	0	0	0	0	-	-	0	0	0	0
Female	0	0	0	0	0	0	0	-	-	0	0
Other	0	0	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0	0	0	0

b. Details of measures for the well-being of workers:

Category	% of workers covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent workers											
Male	168	168	100	168	100	-	-	0	0	0	0
Female	40	40	100	40	100	40	100	-	-	40	100
Other	0	0	0	0	0	0	0	0	0	0	0
Total	208	208	100	208	100	40	19.231	0	0	40	19.231
Other than Permanent workers											
Male	1,412	1,412	100	1,412	100	-	-	0	0	0	0
Female	326	326	100	326	100	326	100	-	-	326	100
Other	0	0	0	0	0	0	0	0	0	0	0
Total	1738	1738	100	1738	100	326	18.757	0	0	326	18.757

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format –

	2024-25 (Current Financial Year)	2023-24 Previous Financial Year
Cost incurred on wellbeing measures as a % of total revenue of the Company	1.44	1.48

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	2024-25 (Current Financial Year)			2023-24 (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	Yes	100	100	Yes
Gratuity	100	100	Yes	100	100	Yes
ESI	100	100	Yes	100	100	Yes
Others - Superannuation*	8	0	Yes	9	0	Yes

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 / No / NA

Yes, we have implemented requirements of the rights of persons with disabilities in one of our facilities.

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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. Yes / No / NA

No. However in practice we are ensuring the equal opportunity as per the Rights of 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	0	0	0	0
Female	100	100	100	100
Other	0	0	0	0
Total	0	0	0	0

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.

	Yes/No	If Yes, then give details of the mechanism in brief
Permanent Workers	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
Other than Permanent Workers	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

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
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	2024-25 (Current Financial Year)			2023-24 (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	369	0	0	370	0	0
Male	336	0	0	338	0	0
Female	33	0	0	32	0	0
Other	0	0	0	0	0	0
Total Permanent Workers	208	208	100	220	220	100
Male	168	168	100	176	176	100
Female	40	40	100	44	44	100
Other	0	0	0	0	0	0

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Question E8

Details of training given to employees and workers:

Category	2024-25 (Current Financial Year)					2023-24 (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	336	190	56.548	304	90.476	338	25	7.396	310	91.716
Female	33	32	96.97	30	90.909	32	6	18.75	28	87.5
Other	0	0	0	0	0	0	0	0	0	0
Total	369	222	60.163	334	90.515	370	31	8.378	338	91.351
Workers										
Male	1580	1450	91.772	1425	90.19	1379	1106	80.203	1124	81.508
Female	366	325	88.798	185	50.546	319	224	70.219	118	36.991
Other	0	0	0	0	0	0	0	0	0	0
Total	1946	1775	91.213	1610	82.734	1698	1330	78.327	1242	73.145

Question E9

Details of performance and career development reviews of employees and worker:

Category	2024-25 (Current Financial Year)			2023-24 (Previous Financial Year)		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	336	336	100	338	338	100
Female	33	33	100	32	32	100
Other	0	0	0	0	0	0
Total	369	369	100	370	370	100
Workers						
Male	1580	168	10.633	1379	176	12.763
Female	366	40	10.929	319	44	13.793
Other	0	0	0	0	0	0
Total	1946	208	10.689	1698	220	12.956

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 / No / NA

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 are reviewed in the weekly/monthly 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 three 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*	2024-25 (Current Financial Year)	2023-24 (Previous Financial Year)
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	0	9.68
Total recordable workrelated injuries	Employees	0	0
	Workers	0	1
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence workrelated injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	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

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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

All the facilities are covered with centralized Fire Hydrant system, digital fire alarm system & etc.,

Question E13

Number of Complaints on the following made by employees and workers:

	2024-25 (Current Financial Year)			2023-24 (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		0	0	
Health & Safety	0	0		0	0	

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' , 'HIRA' and 'EAIA' 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/No
(A) Employees (Y/N)	Yes
(B) Workers (Y/N)	Yes

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 GST compliance through GST portal. We ensure to deduct TDS @ applicable rates by checking in Income Tax portal whether the vendors are filled the return or not.

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	
	2024-25 (Current Financial Year)	2023-24 (Previous Financial Year)	2024-25 (Current Financial Year)	2023-24 (Previous Financial Year)
Employees	0	0	0	1
Workers	0	1	0	2

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/NA)

No

Question L5

Details on assessment of value chain partners:

Issue	% 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

P4: 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:

Internal Stakeholders: Shareholders, Investors and Employees

External Stakeholders: Customers, Suppliers, Local Communities, Governmental and Regulatory Bodies

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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	Details of Other Channels of communication	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Details of Other Frequency of engagement	Purpose and scope of engagement including key topics and concerns raised during such engagement
Customers	No	Other	Conferences, customer meets, plant visits and surveys	Others - please specify	Regularly	Product information, sales service and grievance redressal
Employees	No	Other	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	Others - please specify	Periodically	1. Updating employees on Business performance in the form of Business communication meeting 2. Employee well being engagement like - yoga sessions, mental well being and stress awareness programs 3. Inform important advancements in the Company. 4. Help the employees expand their knowledge in the industry. 5. Get employee feedback and resolving their issues.
Workers	No	Other	Notice board, townhall meeting	Others - please specify	Periodically	Getting feedback and resolving their issues.
Community	Yes	Other	Community engagement through CSR activities, meeting local people in and around the operating sites	Others - please specify	Periodically	CSR community engagement
Shareholders/ Investors	No	Other	1. Annual report 2. Investor presentations 3. Corporate website 4. Quarterly & annual results 5. Social media/ newspaper publication 6. Intimation to stock exchange	Others - please specify	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	Other	Email, One on One interactions, Virtual Meetings.	Others - please specify	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.

INEL believes that ongoing, proactive involvement with its stakeholders helps to better align expectations and increase stakeholder trust and confidence, both of which contribute to preserving and enhancing the value created along the chain. 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

One of the most important factors in choosing our material topics is the input from stakeholder engagements. Based on the feedback we get from stakeholders through ongoing engagement material topics are identified. For example, the community-centric projects that are identified as part of INEL's Annual CSR Action plan are based on the stakeholder engagement and firmed up by the Board.

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. The CSR projects undertaken during 2024-25 were intended to make an impact on key areas like Promoting education, health care, sanitation, rural development activities.

P5: 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	2024-25 (Current Financial Year)			2023-24 (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	369	252	68.293	370	81	21.892
Non- Permanent	0	0	0	0	0	0
Total Employees	369	252	68.293	370	81	21.892

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Category	2024-25 (Current Financial Year)			2023-24 (Previous Financial Year)		
	Total (A)	No. of employees / workers covered (B)	% (B/A)	Total (C)	No. of employees / workers covered (D)	% (D/C)
Workers						
Permanent	208	208	100	220	0	0
Non-Permanent	1738	1738	100	1478	1478	100
Total Workers	1946	1946	100	1698	1478	87.044

Question E2

Details of minimum wages paid to employees and workers, in the following format:

Category	2024-25 (Current Financial Year)					2023-24 (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	369	0	0	369	100	370	0	0	370	100
Male	336	0	0	336	100	338	0	0	338	100
Female	33	0	0	33	100	32	0	0	32	100
Other	0	0	0	0	0	0	0	0	0	0
Other than Permanent	0	0	0	0	0	0	0	0	0	0
Male	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0
Workers										
Permanent	208	0	0	208	100	220	0	0	220	100
Male	168	0	0	168	100	176	0	0	176	100
Female	40	0	0	40	100	44	0	0	44	100
Other	0	0	0	0	0	0	0	0	0	0
Other than Permanent	1738	234	13.464	1504	86.536	1478	600	40.595	878	59.405
Male	1412	194	13.739	1218	86.261	1203	442	36.741	761	63.259
Female	326	40	12.27	286	87.73	275	158	57.455	117	42.545
Other	0	0	0	0	0	0	0	0	0	0

Question E3

Details of remuneration/salary/wages

a. Median remuneration / wages:

Gender	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	4	22,55,000	2	17,62,500
Key Managerial Personnel	2	2,32,38,343	1	Nil
Employees other than BoD and KMP	381	6,30,849	21	4,33,486
Workers	175	9,32,864	43	4,96,164

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	2024-25 (Current Financial Year)	2023-24 (Previous Financial Year)
Gross wages paid to females as % of total wages	6.8	6

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 Company is dedicated to upholding the utmost standards of ethical, moral, and legal conduct in all its business operations. Our goal is to cultivate a workplace environment that encourages the reporting of suspected misconduct and any violations of Company policies and relevant laws. The Whistleblower Policy ensures a fair and

impartial process, free from discrimination or harassment, for addressing grievances. Furthermore, the Company has implemented various policies including:

- POSH Policy
- Code of Conduct for Employees
- Code of Conduct for Suppliers
- Nomination and Remuneration Policy

Business Responsibility and Sustainability Report (Contd.)

Additionally as part of the Whistle-blower and grievance redressal policy, we have a "Write to Know" (without identity) in practice where employees drop their grievances and the same is addressed within a stipulated target time. Post which all the employees receive email communication on the details of the redressal that the management has come up with without revealing the identity of the whistleblower.

Employees can also reach out to any of the Safety Council members (In manufacturing facilities), Internal Committee or to the Code of Conduct (CoC) Committee. We also have an online portal where all the cases get registered, addressed, and reported to the CoC committee.

Question E6

Number of Complaints on the following made by employees and workers:

	2024-25 (Current Financial Year)			2023-24 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Sexual Harassment	2	0	Both the complaints were enquired and disposed	2	0	Both the complaints were enquired and disposed
Discrimination at workplace	0	0		0	0	
Child Labour	0	0		0	0	
Forced Labour/Involuntary Labour	0	0		0	0	
Wages	0	0		0	0	
Other human rights related issues	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:

	2024-25 (Current Financial Year)	2023-24 (Previous Financial Year)
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	2	2
Complaints on POSH as a % of female employees / workers	0.50	0.63
Complaints on POSH upheld	2	2

Question E8

Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

INEL has defined internal processes to protect persons viz.,

a) Reports may be submitted anonymously through KPMG web portal www.in.kpmg.com/ethicshelpline/inel

b) The identity of the reporting person, if provided, is known only to the people in charge of the investigation. The identity of the reporting person is treated confidentially.

Our POSH policy also provides protection to the complainant to come out with proper facts and prohibits retaliation. During the enquiry process, we also 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:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100
Forced/involuntary labour	100
Sexual harassment	100
Discrimination at workplace	100
Wages	100
Others – please specify	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.

Business Responsibility and Sustainability Report (Contd.)

Question L4

Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	100
Discrimination at workplace	100
Child Labour	100
Forced Labour/Involuntary labour	100
Wages	100
Others- please specify	0

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.

P6: 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	2024-25 (Current Financial Year)	2023-24 (Previous Financial Year)	Unit of reporting
For renewable sources			
Total electricity consumption (A)	14818	14183	Gigajoule
Total fuel consumption (B)	0	0	
Energy consumption through other sources (C)	0	0	
Total energy consumed from renewable sources (A+B+C)	14818	14183	Gigajoule
From non-renewable sources			
Total electricity consumption (D)	21166	18925	Gigajoule
Total fuel consumption (E)	5871	4040	Gigajoule
Energy consumption through other sources (F)	0	0	
Total energy consumed from nonrenewable sources (D+E+F)	27,037	22,965	Gigajoule
Total energy consumed (A+B+C+D+E+F)	41,855	37,148	Gigajoule

Parameter	2024-25 (Current Financial Year)	2023-24 (Previous Financial Year)	Unit of reporting
Energy intensity per rupee of turnover (Total energy consumed / Revenue from operations)	5	5.13	KilojoulePer ₹
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP)	-	-	
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

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.

No

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	2024-25 (Current Financial Year)	2023-24 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
i) Surface water	0	0
ii) Ground water	31,012	44,353
iii) Third party water	17,628	4,577
iv) Seawater / desalinated water	0	0
v) Others	0	0
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	48,640	48,930
Total volume of water consumption (in kilolitres)	48,640	48,930
Water intensity per rupee of turnover (Total water consumption / Revenue from operations)	-	-

Business Responsibility and Sustainability Report (Contd.)

Parameter	2024-25 (Current Financial Year)	2023-24 (Previous Financial Year)
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	-	-
Water 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

No

Question E4

Provide the following details related to water discharged:

Parameter	2024-25 (Current Financial Year)	2023-24 (Previous Financial Year)	Specify the level of treatment for "With treatment" discharge
Water discharge by destination and level of treatment (in kilolitres)			
(i) To Surface water	0		-
- No treatment	0		-
- With treatment	0		
(ii) To Groundwater	0		-
- No treatment	0		-
- With treatment	0		
(iii) To Seawater	0		-
- No treatment	0		-
- With treatment	0		
(iv) Sent to third-parties	0		-
- No treatment	0		-
- With treatment	0		
(v) Others	0	28627.27	-
- No treatment	0		-
- With treatment	0	28627.27	
Total water discharged (in kilolitres)	0	28,627.27	-

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.

No

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. The total treated water is being consumed for gardening, landscape development, Eco Forest development and etc.

Question E6

Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Whether air emissions (other than GHG emissions) by the entity is applicable to the Company?

Yes / No

Parameter	Please specify the unit	2024-25 (Current Financial Year)	2023-24 (Previous Financial Year)
Nox	Tonnes/Year	0.748	-
SOx			
Particulate Matter	Tonnes/Year	0.157	-
Persistent organic pollutants (POPs)			
Volatile organic compounds (VOC)			
Hazardous air pollutants (HAP)			
Others – please specify			

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

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	2024-25 (Current Financial Year)	2023-24 (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)	tCO_2e	912.52	560.72
Total Scope 2 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	tCO_2e	3,893.01	3,764
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	$tCO_2ePerINR$	0.0000006	0.00077

Business Responsibility and Sustainability Report (Contd.)

Parameter	Please specify the unit	2024-25 (Current Financial Year)	2023-24 (Previous Financial Year)
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)	$tCO_2ePerINR$	-	-
Total Scope 1 and Scope 2 emission intensity in terms of physical output	$tCO_2ePerUnit$	-	-
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	$tCO_2ePerUnit$	-	-

Note: The data for FY 2023-24 has been revised due to change in calculations.

No

Question E8

Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

The following initiatives taken to reduce GHG Emission.

1. Replacing OLD Air conditioners / Water Chillers with ECO friendly Gas system to reduce GHG Emission in Phase-by-Phase mode.
2. We have introduced LED lighting systems for the entire factory and have Solar PV power plants at all our facilities.
3. We are also procuring renewable wind power through a Power Purchase Agreement leveraging the discom's open access facility
4. 1- No Diesel Vehicle replaced with CNG Hybrid version to reduce GHG Emission in Mobile combustion.
5. Optimising chiller lines to reduce chiller usage.
6. Energy efficiency improving actions are taken to reduce the Energy consumption. It also reduces the GHG Emission indirectly.

Question E9

Provide details related to waste management by the entity, in the following format:

Parameter	2024-25 (Current Financial Year)	2023-24 (Previous Financial Year)
Total Waste generated (in metric tonnes)		
Plastic waste (A)	41.90	32.37
E-waste (B)	2.40	2.41
Bio-medical waste (C)	0.10	0.11
Construction and demolition waste (D)	0	0
Battery waste (E)	0	0.15
Radioactive waste (F)	0	0

Parameter	2024-25 (Current Financial Year)	2023-24 (Previous Financial Year)
Other Hazardous waste. Please specify, if any. (G)	48.5	24.6
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	708.0	482.5
Total (A + B + C + D + E + F + G + H)	800.9	542.14
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations)	0.95	0.748
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	749.9	515.05
(ii) Re-used	0	0
(iii) Other recovery operations	4.5	27.09
Total	754.4	542.14
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	46.5	0
(ii) Landfilling	0	0
(iii) Other disposal operations	754.4	542.14
Total	800.9	542.14

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. ISO 14001 & ISO 45001 Audit

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. Authorized 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.

Business Responsibility and Sustainability Report (Contd.)

Strategy adopted to reduce use of hazardous & 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 as the Company does not operate in ecologically sensitive areas				

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
NA					

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:

Yes

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				

All the Manufacturing facilities are having valid consent to operate approval from the concerned authorities.

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:

a. Name of the area

b. Nature of operations

c. Water withdrawal, consumption and discharge in the following format:

Parameter	FY 2024 (Current Financial Year)	FY 2023 (Previous Financial Year)	FY 2024 (Current Financial Year)	FY 2023 (Previous Financial Year)	FY 2024 (Current Financial Year)	FY 2023 (Previous Financial Year)	FY 2024 (Current Financial Year)	FY 2023 (Previous Financial Year)	FY 2024 (Current Financial Year)	FY 2023 (Previous Financial Year)
Name of the area		NA		NA		NA		NA		NA
Nature of operations		NA		NA		NA		NA		NA
Water withdrawal by source (in kilolitres)										
i. Surface Water										
ii. Ground water										
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										
i. Into Groundwater										
- No Treatment										
- With treatment – please specify level of treatment										
iii. Into Seawater										

Business Responsibility and Sustainability Report (Contd.)

Parameter	FY 2024 (Current Financial Year)	FY 2023 (Previous Financial Year)	FY 2024 (Current Financial Year)	FY 2023 (Previous Financial Year)	FY 2024 (Current Financial Year)	FY 2023 (Previous Financial Year)	FY 2024 (Current Financial Year)	FY 2023 (Previous Financial Year)	FY 2024 (Current Financial Year)	FY 2023 (Previous Financial Year)
- No Treatment										
- With treatment – please specify level of treatment										
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.

Question L2

Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	2024-25 (Current Financial Year)	2023-24 (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)	tCO_2e	-	-
Total Scope 3 emissions per rupee of turnover	$tCO_2ePerINR$		
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity	$tCO_2ePerUnit$		

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.

No

We are in the process of collecting data on Scope -3 Emission. We will account for more resources in the upcoming years that contribute to Scope 3 emissions.

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:

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
1	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	
7	Biogas Plant Installation	We have started implementing Biogas plant for our inhouse kitchen	Achieved a reduction of 3.5 kg of LPG consumption per day through process optimization and energy-efficient practices.	
8	Employee commute - Vehicle system	Energy (Transportation): Shifted to BS6-compliant buses and vans for employee commutes and implemented hybrid company cabs (Petrol + CNG)	Reduce fuel consumption and emissions.	

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.

Business Responsibility and Sustainability Report (Contd.)

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.

There is no impact on environment for the parts procured from our supply chain.

Question L7

Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

36 suppliers contribute to 80% of our purchase Value. We have assessed 36 suppliers, and 21 suppliers have obtained certificate.

Balance 15 suppliers have submitted plan for certification.

The Tentative plan is given below. We are pushing suppliers for early certification.

1. 2025 -2026 - 3 suppliers
2. 2026 -2027 - 7 Suppliers.
3. 2027 - 2028 - 5 suppliers

Question L8

How many Green Credits have been generated or procured:

Sl. No	Categories	2024-25 (Current Financial Year)	2023-24 (Previous Financial Year)
a.	By the listed entity	0	0
b.	By the top ten value chain partners		
	1. Value chain partners by Purchases	0	0
	2. Value chain partners by Sales	0	0

P7: 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

a. 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.

S. No	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National/ International)
1	Confederation of Indian Industry (CII)	National
2	Society of Indian Automobile Manufacturers (SIAM)	National
3	Automotive Research Association of India (ARAI)	National
4	Automobile Components Manufacturers Association (ACMA)	National
5	Industrial Waste Management Association	National
6	National Safety Council (NSC)	National

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	Nil	Nil

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					

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.

P8: 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
NIL					

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 ₹)
NA						

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.

Business Responsibility and Sustainability Report (Contd.)

Question E4

Percentage of input material (inputs to total inputs by value) sourced from suppliers:

Parameter	2024-25 (Current Financial Year)	2023-24 (Previous Financial Year)
Directly sourced from MSMEs/ small producers	53	50
Directly from within India (Sourced directly from within the district and neighbouring districts)	85	84

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.

Location	2024-25 (Current Financial Year)	2023-24 (Previous Financial Year)
1. Rural	32	35
2. Semi-urban	0	0
3. Urban	65	62
4. Metropolitan	3	3

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	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 ₹)
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/NA)**

No

b. **From which marginalized /vulnerable groups do you procure?**

Not Applicable.

c. **What percentage of total procurement (by value) does it constitute?**

Not Applicable

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
		NA		

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
	NA	

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	Ambulance to Government Hospital, Thally, Hosur	420 Villages –189000 people	100%
2	Construction of a House for three Families of Irulas Community, Saranadapalli, Hosur.	3 family out of 22 families	14%
3	Construction of Community Hall for ST Community in Sarandapalli Village.	22 families	100%
4	Construction of Dining Room for Govt Primary School, Madukarai.	700 students	100%
5	Smart Classroom at Government Hr. Sec School, Nettapakkam	120 students	100%
6	Renovation of Toilets in Govt Primary School, Sooramangalam	150 students	100%
7	Construction of Classrooms at Sr.Secondary School, Masani	50 students	20%
8	Construction of Mid-Day meal Dining Room at Govt Middle School, Masani.	200 students	100%

P9: 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

Business Responsibility and Sustainability Report (Contd.)

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:

	2024-25 (Current Financial Year)		Remarks	2023-24 (Previous Financial Year)		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	0	0		0	0	
Advertising	0	0		0	0	
Cyber-security	0	0		0	0	
Delivery of essential services	0	0		0	0	
Restrictive Trade Practices	0	0		0	0	
Unfair Trade Practices	0	0		0	0	
Other	0	0		0	0	

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

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: 2022 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.

Not Applicable

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)

Yes

As part of our ongoing efforts to enhance customer experience, we regularly conduct customer satisfaction surveys across key locations and product categories. These surveys capture critical feedback on areas such as product quality, timely delivery, commercial dealings, product handling, people responsiveness, and communication effectiveness. The feedback received has consistently indicated a high level of customer satisfaction, validating our dedication to continuous improvement and stakeholder engagement.

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 2025, 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 2025, 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 ("SA"s) 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 2025 amounting to Rs. 22,468 lakhs. The Company has valued this investment 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.

Sr. No.	Key Audit Matter	Auditor's Response
		• 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 information included in 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 BOARD OF DIRECTORS 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 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 financial statements, management and Board of Directors are 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 is 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

INDEPENDENT AUDITOR'S REPORT (Contd.)

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 we report 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 audit trail as stated in (i)(vi) below.

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 2025 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2025 from being appointed as a director in terms of Section 164(2) of the Act.

f) The modifications relating to the maintenance of accounts and other matters connected therewith, are as stated in paragraph (b) above.

g) 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.

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 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 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

INDEPENDENT AUDITOR'S REPORT (Contd.)

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 2025, 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

In respect of one accounting software used for maintaining payroll records, the audit trail feature was not enabled at the database level to log any direct data changes and accordingly we are unable to comment whether there were any instances of the audit trail feature being tampered with.

Further, during the course of our audit, we did not come across any instance of the audit trail feature being tampered with, in respect of accounting software for the period for which the audit trail feature was enabled and operating.

Additionally, the audit trail that was enabled and operated for the year ended 31st March 2024, has been preserved by the Company as per the statutory requirements for record retention, as stated in Note 48 to the standalone financial statements.

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: 25214045BMNWHZ9306

Place: Chennai
Date: 30th May 2025

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 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 2025 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

MANAGEMENT'S AND BOARD OF DIRECTORS' RESPONSIBILITIES FOR INTERNAL FINANCIAL CONTROLS

The Company's management and Board of Directors are 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 financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone 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.

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT (Contd.)

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 with reference to financial statements, 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 2025, 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: 25214045BMNWHZ9306

Place: Chennai
Date: 30th May 2025

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)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(i) (a) i) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment, capital work-in-progress and relevant details of right-of-use assets.

ii) The Company has maintained proper records showing full particulars of intangible assets.

(b) The Property, Plant and Equipment, capital work-in-progress and right-of-use assets were physically verified during the year by the Management which, in our opinion, provides for physical verification at reasonable intervals. 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 standalone 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 2025 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 for 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 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 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 3(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 Rs. lakh
Aggregate amount granted during the year	
- Others (Employees)	199
Balance outstanding as at balance sheet date in respect of above cases:	
- Others (Employees)	117

The Company has disclosed the above loan amounts in note 9 of the Standalone Financial Statements.

The Company has not made any investments or provided any guarantee or security to Companies any other parties during the year.

(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 has been stipulated and the repayments of principal amounts are regular as per stipulation.

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT (Contd.)

(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 3(iii)(f) is not applicable.

(iv) According to information and explanation given to us, the Company has not granted any loans, made investments or provided guarantees or securities that are covered under the provisions of sections 185 or 186 of the Companies Act, 2013, and hence, reporting under clause 3(iv) of the Order is not applicable.

(v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.

(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.

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 2025 for a period of more than six months from the date they became payable.

(b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on 31st March 2025 on account of disputes are given below:

Name of Statute	Forum where Dispute	Period to which the Amount Relates	Amount Unpaid (Rs.) in lakhs
Service tax under Finance Act,1994	Customs, Excise and Service Tax Appellate Tribunal (CESTAT)	2012-2015 and 2015-2016	3
Central Goods and Services Tax Act,2017	Commissioner of Goods & Services Tax & Central Excise (Appeals)	2018-19	130
Income Tax Act 1961	Commissioner of Income Tax (Appeals)	2009-10 & 2010-11	601
Income Tax Act 1961	Commissioner of Income Tax (Appeals)	2022-23	433

(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 3(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 3(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 its subsidiary 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 3(ix)(f) of the Order is not applicable.

(x) (a) The Company has not issued any of its securities (including debt instruments) during the year, and hence, reporting under clause 3(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 3(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) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company, and hence, reporting under clause 3(xii) (a), (b) and (c) 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 2024 and the draft of the internal audit reports where issued after the balance sheet date covering the period 1st January 2025 to 31st March 2025 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 3(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 3(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, other information accompanying

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT (Contd.)

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 3(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: 25214045BMNWHZ9306

Place: Chennai
Date: 30th May 2025

Standalone Balance Sheet

as at 31st March, 2025

(All amounts are in Lakhs of Indian Rupees , unless otherwise stated)

Particulars	Note No.	As at 31st March, 2025	As at 31st March, 2024
Assets			
Non-current assets			
Property, plant and equipment	4	14,372	13,117
Right-of-use assets	7	997	1,088
Capital work-in-progress	5	366	1,274
Intangible assets	6A	78	113
Intangible assets under development	6B	19	32
Financial Assets			
(i) Investments	8	32,814	25,489
(ii) Loans	9	117	112
(iii) Others financial assets	10	1,416	96
Other non-current assets	11	52	-
Total non-current assets		**50,231**	**41,321**
Current assets			
Inventories	12	7,221	6,917
Financial Assets			
(i) Investments	8	14,838	18,108
(ii) Trade receivables	13	16,965	14,175
(iii) Cash and cash equivalents	14	1,562	825
(iv) Bank balances other than (iii) above	14	364	656
(v) Others financial assets	15	842	66
Current tax assets, net	16	781	527
Other current assets	17	1,050	1,109
Total current asset		**43,623**	**42,383**
Total assets		**93,854**	**83,704**
Equity and liabilities			
Equity			
Equity share capital	18	1,131	1,131
Other equity	19	69,957	61,195
Equity - Total		**71,088**	**62,326**
Liabilities			
Non-current liabilities			
Financial Liabilities			
(i) Lease Liabilities	20	128	212
Provisions	21	386	363
Deferred tax liabilities, net	22	3,912	3,769
Total non-current liabilities		**4,426**	**4,344**
Current Liabilities			
Financial Liabilities			
(i) Lease Liabilities	20	84	82
(ii) Trade payables	23		
Total outstanding dues of micro enterprises and small enterprises		5,211	4,333
Total outstanding dues of creditors other than micro enterprises and small enterprises		8,806	8,700
(iii) Others financial liabilities	24	2,842	2,549
Other current liabilities	26	1,221	1,172
Provisions	25	176	198
Total current liabilities		**18,340**	**17,034**
Total equity and liabilities		**93,854**	**83,704**

Notes 1 to 53 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, 2025

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, 2025

Standalone Statement of Profit and Loss

for the year ended 31st March, 2025

(All amounts are in Lakhs of Indian Rupees , unless otherwise stated)

Particulars	Note No.	Year ended 31st March, 2025	Year ended 31st March, 2024
Revenue from operations	27	84,483	72,408
Other income	28	2,979	2,479
Total income		**87,462**	**74,887**
Expenses:			
Cost of material consumed	29	54,869	47,550
Purchase of stock in trade	30	2,928	2,438
Changes in inventories of finished goods, work-in-progress and stock in trade	31	(428)	(35)
Other operating expenses	32	3,546	2,900
Employee benefits expenses	33	9,853	8,797
Finance costs	34	39	39
Depreciation and amortisation expenses	35	2,056	1,509
Other expenses	36	4,331	4,111
Total expenses		**77,194**	**67,309**
Profit Before Tax (I - IV)		10,268	7,578
Profit before tax		**10,268**	**7,578**
Tax expenses			
Current tax			
(1) Current year	38	1,989	1,642
(2) Deferred tax	22	76	6
Total tax expenses		**2,065**	**1,648**
Profit for the year		**8,203**	**5,930**
Other comprehensive income			
Items that will not be reclassified to profit or loss	37	3,454	3,458
- Income tax relating to items that will not be reclassified to profit or loss		(67)	(778)
Total other comprehensive income for the year, net of tax		**3,387**	**2,680**
Total comprehensive income for the year		**11,590**	**8,610**
Earnings per equity share	42		
Basic		36.26	26.20
Diluted		36.26	26.20
Nominal value of equity shares (in rupees)		5.00	5.00

Notes 1 to 53 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, 2025

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, 2025

Standalone Statement of Cash Flows

for the year ended 31st March, 2025

(All amounts are in Lakhs of Indian Rupees , unless otherwise stated)

Particulars	Year ended 31st March, 2025	Year ended 31st March, 2024
Cash flows from Operating Activities:		
Net Profit after tax	8,203	5,930
Adjustments for		
- Income tax expenses	2,065	1,648
- Depreciation and amortization expenses	2,056	1,509
- Dividend income from investments	(435)	(194)
- Interest Income	(286)	(171)
- (Gain)/Loss on fair valuation of investments	(860)	(1,334)
- Gain on sale of investments(net)	(1,276)	(551)
- Provision no longer required written back	(7)	-
- Property, plant and equipment written off	7	-
- Interest expenses	39	39
- Unrealised forex gain, net	(44)	(145)
Operating Profit before Working Capital changes	**9,462**	**6,731**
- Decrease / (increase) in loans	(5)	6
- Decrease / (increase) in other non-current financial assets	(20)	(17)
- Decrease / (increase) in trade receivables	(2,936)	(2,083)
- Decrease / (increase) in Inventories	(304)	(1,311)
- Decrease / (Increase) in other financial assets	(576)	67
- Decrease / (Increase) in other current assets	59	(341)
- Increase / (Decrease) in trade payables	1,160	3,349
- Increase / (Decrease) in other financial liabilities	293	2,283
- Increase / (Decrease) in other current liabilities	49	(996)
- Increase / (Decrease) in non-current provisions	23	42
- Increase / (Decrease) in current provisions	(22)	113
Cash generated from operations	**7,183**	**7,843**
Income taxes paid, net	(2,243)	(1,565)
Net cash generated from operating activities: (A)	**4,940**	**6,278**
Cash flows from investing activities:		
Purchase of property, plant and equipment (including CWIP and adjustment of capital advance)	(2,325)	(2,399)
Acquisition of investments	(72,466)	(70,763)
Proceeds from sale of investments	73,817	68,517
Proceeds from venture capital fund	243	-
Interest received	276	236
Dividend received	435	194
(Increase)/decrease in deposits with NBFC	(1,300)	-
(Increase)/decrease in deposits with bank with maturity more than 12 months	(200)	-

Standalone Statement of Cash Flows

for the year ended 31st March, 2025 (Contd.)

(All amounts are in Lakhs of Indian Rupees , unless otherwise stated)

Particulars	Year ended 31st March, 2025	Year ended 31st March, 2024
(Increase)/decrease in other bank balances	292	340
Net cash used in investing activities (B)	**(1,228)**	**(3,875)**
Cash flows from Financing Activities:		
Payment of lease liabilities	(108)	(103)
Interest expenses	(39)	(39)
Dividend paid	(2,828)	(2,318)
Net Cash used in Financing Activities (C)	**(2,975)**	**(2,460)**
Net increase / (decrease) in cash and cash equivalents (A+B+C)	737	(57)
Add : Cash and cash equivalents at the beginning of the year	825	882
Cash and cash equivalents at the end of the year	**1,562**	**825**
Cash and cash equivalents comprise of:		
Balance with banks in current accounts	1,562	825
Cash and cash equivalents as per note 14	**1,562**	**825**

Notes 1 to 53 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, 2025

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, 2025

Standalone Statement of Changes in Equity

for the year ended 31st March, 2025

(All amounts are in Lakhs of Indian Rupees , unless otherwise stated)

Equity Share Capital

Particulars	No.of.Shares	Amount
Balances as at 31st March, 2024	2,26,21,424	1,131
Balances as at 31st March, 2025	**2,26,21,424**	**1,131**

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, 2024	1,131	-	1,131
As at 31st March, 2025	**1,131**	**-**	**1,131**

Other Equity

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, 2023	**40**	**22,127**	**23,909**	**8,827**	**54,903**
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**
Dividend paid	-	(2,318)	-	-	(2,318)
Balance as of 1st April, 2024	**40**	**25,739**	**23,909**	**11,507**	**61,195**
Profits for the year (a)	-	8,203	-	-	8,203
Other comprehensive income (b)	-	-	-	3,387	3,387
Total comprehensive income for the year (a +b)	**-**	**8,203**	**-**	**3,387**	**11,590**
Dividend paid	-	(2,828)	-	-	(2,828)
Balance as of 31st March, 2025	**40**	**31,114**	**23,909**	**14,894**	**69,957**

Notes 1 to 53 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, 2025

For and on behalf of the Board of Directors of
India Nippon Electricals Limited
CIN: L31901TN1984PLC011021

T K Balaji
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Arvind Balaji
Managing Director
DIN:00557711

Elango Srinivasan
Chief Financial Officer

S Logitha
Company Secretary

Place: Chennai
Date: 30th May, 2025

Notes forming part of Standalone Financial Statements

for the year ended 31st March, 2025

(All amounts are in Lakhs of Indian Rupees , unless otherwise stated)

1 General information

India Nippon Electricals Ltd. ("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 Indian Service Limited with effect from 30 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 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 Company reviews the useful life of property, plant and equipment & intangible assets at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

vii) Deferred income tax assets and liabilities: As Ind 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

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

Notes forming part of Standalone Financial Statements

for the year ended 31st March, 2025 (Contd.)

(All amounts are in Lakhs of Indian Rupees , unless otherwise stated)

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 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 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.

Category	Range of useful life (in years)
Building	3-60
Furniture and Fixtures	5-10
Office Equipment	3-10
Plant and Equipment	5-15
Vehicles	5-8

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 five years

b) SAP - Over a period of ten years

c) Licenses - Over a period of two to five 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

Notes forming part of Standalone Financial Statements

for the year ended 31st March, 2025 (Contd.)

(All amounts are in Lakhs of Indian Rupees , unless otherwise stated)

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 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 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 eligible employees of the Company are entitled to receive benefits under

provident fund schemes defined contribution plans, in which both employees and the Company make monthly contributions at a specified percentage of the employees' salary. The contributions are paid to the Government administered provident fund scheme.

ii) 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) Defined Benefit plan

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.

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

Notes forming part of Standalone Financial Statements

for the year ended 31st March, 2025 (Contd.)

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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.

Amendment to Ind AS 116 – Leases:

On 9th September, 2024, the Ministry of Corporate Affairs notified the Companies (Indian Accounting Standards) Second Amendment Rules, 2024. The amendments to Ind AS 116 clarifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. The amendment is intended to improve the requirements for sale and leaseback transactions in Ind AS 116 and will not change the accounting for leases unrelated to sale and leaseback transactions. These amendments are effective for annual reporting periods beginning on or after 1st April, 2024, and are to be applied retrospectively, with earlier application permitted. The adoption of these amendments to Ind AS 116 did not have any impact on the Standalone Financial Statements of the Company.

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

Notes forming part of Standalone Financial Statements

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(All amounts are in Lakhs of Indian Rupees , unless otherwise stated)

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 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 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 recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

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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 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

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(All amounts are in Lakhs of Indian Rupees , unless otherwise stated)

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 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.

e) 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 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 recognised 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 Government grants

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received.

3 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.

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, 2025 and 31st March, 2024.

(All amounts are in Lakhs of Indian Rupees , unless otherwise stated)

4 Property, plant and equipment

Particulars	Land	Building	Plant and equipments	Furniture & Fixtures	Office Equipments	Vehicles	Total
Gross block							
Balance as at 1st April, 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**
Additions	-	351	2,025	47	253	22	2,698
Deletions	**-**	-	(19)	(4)	(41)	(12)	(76)
Balance as at 31st March, 2025	**713**	**7,168**	**13,578**	**534**	**907**	**138**	**23,038**
Accumulated depreciation							
Balance as at 1st April, 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**
Charge for the year	-	293	973	40	115	13	1,434
Reversals on deletions	-	-	(17)	(3)	(37)	(10)	(67)
Balance as at 31st March, 2025	**-**	**1,331**	**6,476**	**280**	**533**	**46**	**8,666**
Net block							
Balance as at 31st March, 2024	**713**	**5,779**	**6,052**	**248**	**240**	**85**	**13,117**
Balance as at 31st March, 2025	**713**	**5,837**	**7,102**	**254**	**374**	**92**	**14,372**

Notes:

1. The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), are held in the name of the Company.

5 Capital work in progress

i) Ageing schedule of capital work-in-progress

a) Projects in progress:

Particulars	As at 31st March, 2025	As at 31st March, 2024
Less than 1 year	234	1,013
Project 1	-	460
Project 2	-	385
Other Projects	234	168
1-2 years	132	261
Project 1	-	8
Project 2	-	253
Other Projects	132	-
2-3 years	-	-
More than 3 years	-	-
Total	**366**	**1,274**

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for the year ended 31st March, 2025 (Contd.)

(All amounts are in Lakhs of Indian Rupees , unless otherwise stated)

b) There were no projects temporarily suspended as at 31st March, 2025 and 31st March, 2024

c) Completion schedule for the Projects which are over due :

Particular	As at 31st March, 2025	As at 31st March, 2024
To be completed in		
Less than 1 year		
Project 1	-	259
1-2 years		
Project 2	85	-
2-3 years	-	-
More than 3 years	-	-
Total	**85**	**259**

d) There are no projects for the year ended 31st March, 2025 and 31st March, 2024 which have exceeded its initial planned cost.

6A Intangible asset

Particulars	Softwares	SAP	Licenses	Technical knowhow	Total
Gross block					
Balance as at 1st April, 2023	**169**	**178**	**125**	**34**	**506**
Additions	-	-	12	-	12
Balance as at 31st March, 2024	**169**	**178**	**137**	**34**	**518**
Additions	19	-	-	477	496
Deletions	**(8)**	-	(26)	(33)	(67)
Balance as at 31st March, 2025	**180**	**178**	**111**	**478**	**947**
Accumulated amortisation					
Balance as at 1st April, 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**
Charge for the year	22	18	14	477	531
Deletions	(8)	-	(26)	(33)	(67)
Balance as at 31st March, 2025	**125**	**166**	**100**	**478**	**869**
	-	**-**	**-**	**-**	**-**
Net block					
Balance as at 31st March, 2024	**58**	**30**	**25**	**-**	**113**
Balance as at 31st March, 2025	**55**	**12**	**11**	**-**	**78**

6B Intangible assets under development ageing schedule

As at 31st March, 2025

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	-	19	-	-	19
Project temporarily suspended	-	-	-	-	-

(All amounts are in Lakhs of Indian Rupees , unless otherwise stated)

As at 31st March, 2024

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	-	-	-	-	-

7 Right to use assets

Particulars	Leasehold land	Leasehold buildings	Total
Gross block			
Balance as at 1st April, 2023	**1,487**	**67**	**1,554**
Additions	-	-	-
Deletions	-	-	-
Balance as at 31st March, 2024	**1,487**	**67**	**1,554**
Additions	-	-	-
Deletions	-	-	-
Balance as at 31st March, 2025	**1,487**	**67**	**1,554**
Accumulated amortisation			
Balance as at 1st April, 2023	**309**	**66**	**375**
Charge for the year	91	-	91
Disposals	-	-	-
Balance as at 31st March, 2024	**400**	**66**	**466**
Charge for the year	91	-	91
Balance as at 31st March, 2025	**491**	**66**	**557**
Net block			
Balance as at 31st March, 2024	1,087	1	1,088
Balance as at 31st March, 2025	**996**	**1**	**997**

8 Investments

A) Non-current investments

	Face value per unit	No. of Shares/Units		Amount	
		As at 31st March, 2025	As at 31st March, 2024	As at 31st March, 2025	As at 31st March, 2024
a) Investment carried at cost					
i) Equity instruments in subsidiaries (fully paid-up) (Unquoted)					
PT Automotive Systems Indonesia Limited	4,474	-	27,000	-	1,208
Less: Impairment loss (Also refer note 8.1 below)				-	(803)
Net Carrying Value				**-**	**405**

Notes forming part of Standalone Financial Statements

for the year ended 31st March, 2025 (Contd.)

(All amounts are in Lakhs of Indian Rupees , unless otherwise stated)

		Face value per unit	No. of Shares/Units		Amount	
			As at 31st March, 2025	As at 31st March, 2024	As at 31st March, 2025	As at 31st March, 2024
a)	**Investment carried at amortised cost**					
i)	**Debentures / bonds**					
	360 One Prime- 9.03% Non Convertible Debenture	1,00,000	-	500	-	501
	Aditya Birla Fin- 8.30% Non Convertible Debenture	1,00,000	500	-	503	-
	Mahindra Rural Housing Finance- 8.35% Non Convertible Debenture	1,00,000	250	-	267	-
	Axis Finance Limited- 8.08% Non Convertible Debenture	10,00,000	35	-	364	-
b)	**Investment carried at fair value through other comprehensive income (FVTOCI)**					
i)	**Equity instruments (fully paid-up) (Unquoted)**					
	Lucas TVS Limited	100	97,351	97,351	22,468	19,037
	IRIS Ecopower Venture Private Limited (Refer note no: 8.2)	10	4,29,400	3,56,400	43	36
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	-	262
	State Bank Of India Series - 7.74% Perpetual Bond	10,00,000	25	25	249	259
	L&T Bond Market Linked Debentures	10,00,000	50	50	595	546
	State Bank Of India Sr. 1- 7.72% Perpetual Bond	1,00,00,000	2	-	199	-
	Bank Of Baroda- 8.50% Perpetual Bond	10,00,000	18	-	180	-
	Bank Of Baroda- 8.15% Perpetual Bond	10,00,000	10	-	100	-
ii)	**Non listed equity shares**					
	NSE Equity	1	65,000	13,000	1,095	533
iii)	**Listed equity shares**					
	HDFC Bank Limited	1	14,098	14,098	258	203
	ICICI Bank Limited	2	13,150	13,150	177	144
	Infosys Limited	5	-	5,745	-	86
	Reliance Industries Limited	10	7,730	3,865	99	115
	JIO Financial Service Limited	10	3,865	3,865	9	14
	Tata Consultancy Service Limited	1	2,760	2,760	100	107
	Blue Dart Express Limited	10	787	787	48	49
	Ultratech Cement Limited	10	1,023	495	118	48
	Bharti Airtel Limited	5	7,726	-	100	-
	Nestle India Limited	1	1,596	-	36	-
	Larsen & Toubro Limited	2	2,880	-	101	-
	ITC Limited	1	9,200	-	38	-
	ITC Hotels Limited	1	920	-	2	-

(All amounts are in Lakhs of Indian Rupees , unless otherwise stated)

	Face value per unit	No. of Shares/Units		Amount	
		As at 31st March, 2025	As at 31st March, 2024	As at 31st March, 2025	As at 31st March, 2024
iv) Alternative investment funds					
TVS Shriram Growth Fund Scheme 3	1,000	87,068	90,800	1,154	1,367
TVS Shriram Growth Fund Scheme 4	1,000	6,250	-	63	-
v) Mutual funds					
HDFC Index Fund-Nifty 50 Plan -Direct Growth	10	4,37,131	2,27,411	990	484
HDFC HOF Series 1 1140D November 2017 - 1- Reg-G	10	10,00,000	10,00,000	207	204
Nippon India Nifty Midcap 150 Index Fund - Direct Plan Growth	10	13,81,912	7,78,809	305	159
ICICI Prudential Nifty Next 50 Index Fund - Direct Plan Growth	10	5,90,577	3,72,314	344	208
ICICI Prudential India opportunities Fund - Direct Plan Growth	10	3,24,846	2,47,282	116	79
360 One Focused equity fund Direct plan Growth	10	2,14,943	61,356	106	28
Tata Large & Mid Cap Fund Direct plan Growth	10	29,601	20,277	165	106
Tata Balanced Advantage Fund - Direct Plan Growth	10	21,14,861	9,79,844	457	200
ICICI Prudential Balanced Advantage Fund - Direct Plan Growth	10	6,05,377	2,82,312	467	201
HDFC Focused 30 fund Direct plan Growth	10	75,309	51,886	182	108
Nippon Multi Asset Allocation fund - Growth fund	10	24,66,905	-	493	-
HDFC GOLD FUND- Exhange Traded Fund	1	22,89,977	-	616	-
				32,814	**25,489**

B) Current investments

	Face value per unit	No. of Shares/Units		Amount	
		As at 31st March, 2025	As at 31st March, 2024	As at 31st March, 2025	As at 31st March, 2024
a) Investment carried at cost					
i) Equity instruments in subsidiaries (fully paid-up) (Unquoted)					
PT Automotive Systems Indonesia Limited	4,474	27,000	-	1,208	-
Less: Impairment loss (Also refer note 8.1 below)				(803)	-
Net Carrying Value				**405**	**-**

Notes forming part of Standalone Financial Statements

for the year ended 31st March, 2025 (Contd.)

(All amounts are in Lakhs of Indian Rupees , unless otherwise stated)

	Face value per unit	No. of Shares/Units		Amount	
		As at 31st March, 2025	As at 31st March, 2024	As at 31st March, 2025	As at 31st March, 2024
b) Investment carried at amortised cost					
i) Debentures / bonds					
360 One Prime- 9.03% Non Convertible Debenture	1,00,000	500	-	501	-
HDB- 8.34% Non Convertable Debenture	1,00,000	500	-	533	-
Tata Fin- 8.30% Capital Non Convertable Debenture	1,00,000	500	-	504	-
c) Investment carried at fair value through profit and loss:					
Current Investments - Quoted					
Investment In Mutual Funds					
Axis Short Term-G	10	77,81,178	94,56,821	2,350	2,638
Aditya Birla SL Corporate Bond-G	10	14,00,088	14,00,088	1,549	1,425
ICICI pru liquid fund Direct plan - Growth	100	-	2,30,250	-	823
Aditya Birla Sun life Money manager fund Direct Growth	100	82,343	2,35,530	303	803
Kotak Bond Short-term Reg-G	10	46,24,333	46,24,333	2,359	2,185
Nippon India Money Market Fund Direct plan - Growth	1,000	7,299	24,154	301	923
Bhandhan CRISIL Glit 2027 Index Fund Regular Plan- Growth	10	1,28,22,384	1,68,34,871	1,612	1,961
Bhandhan SSI ST Reg-G (formerly Known as IDFC SSI ST Reg-G)	10	21,08,517	39,37,462	1,178	2,032
Nippon India Short-term-Growth	10	18,35,238	18,35,238	947	874
Nippon India liquid fund Direct plan - Growth	1,000	2,684	12,744	170	753
Aditya Birla SL Overnight fund - Growth - Direct	1,000	18,121	15,480	250	200
Nippon India Overnight Fund - Direct Plan	1,000	1,82,686	2,17,986	251	280
DSP Overnight Fund - Direct Plan	1,000	18,298	31,254	250	401
Axis Liquid Fund Direct-G	1,000	-	11,211	-	301
HSBC Overnight Fund - Direct	1,000	-	43,958	-	551
Sundaram Liquid Fund - Direct Plan	10	31,547	37,672	723	803
Axis Money Market Fund Direct-G	1,000	-	32,142	-	422
Aditya Birla SL Liquid fund Direct Plan - Growth	100	1,55,812	1,88,247	652	733
				14,838	**18,108**

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 financial year 2022-23.

8.2 Investment made in IRIS Ecopower Venture Private Limited is Group captive investment with 429,400 units carried at Value of ₹ 43 Lakhs as at 31st March, 2025. Refer note 8(A)(b)(i).

(All amounts are in Lakhs of Indian Rupees , unless otherwise stated)

8.3 Particular	As at 31st March, 2025	As at 31st March, 2024
Aggregate amount of unquoted investments carried at cost	-	1,208
Aggregate amount of impairment in value of investments	-	(803)
Aggregate amount of unquoted investments carried at amortised cost	1,134	501
Aggregate amount of unquoted investments carried at FVTOCI	22,511	19,073
Aggregate value of quoted/Un-Quoted investments - Carried at FVTPL	9,169	5,510
Total non-current investment	**32,814**	**25,489**
Aggregate amount of unquoted investments carried at cost	1,208	-
Aggregate amount of impairment in value of investments	(803)	-
Aggregate amount of unquoted investments carried at amortised cost	1,538	-
Aggregate value of quoted investments - Carried at FVTPL	12,895	18,108
Total current investment	**14,433**	**18,108**

9 Non - current loans

	As at 31st March, 2025	As at 31st March, 2024
(Unsecured and considered good)		
Loans to employees	117	112
	117	**112**

10 Other non-current financial assets

	As at 31st March, 2025	As at 31st March, 2024
(Unsecured and considered good)		
Bank deposits with more than 12 months maturity	1	1
Security deposits	115	95
Deposits with Non Banking Financial Company (NBFC)	1,300	-
	1,416	**96**

11 Other non-current assets

	As at 31st March, 2025	As at 31st March, 2024
(Unsecured and considered good)		
Capital Advance	52	-
	52	**-**

12 Inventories

	As at 31st March, 2025	As at 31st March, 2024
(Lower of cost and net realisable value)		
Raw material*	4,396	4,114
Raw material - goods in transit	485	911

Notes forming part of Standalone Financial Statements

for the year ended 31st March, 2025 (Contd.)

(All amounts are in Lakhs of Indian Rupees , unless otherwise stated)

	As at 31st March, 2025	As at 31st March, 2024
Work in progress	316	200
Finished goods	950	789
Finished goods in transit	557	372
Stores and spares	28	8
Stock in trade	489	523
	7,221	6,917

*It includes stock with third parties of ₹ 136.21 Lakhs as at 31st March, 2025 (as at 31st March, 2024: ₹ 261.28 Lakhs)

a) Cost of Inventories recognised as expense in statement of profit and loss 58,367 50,905

b) The mode of valuation of inventories has been stated in Note 2.8

c) Net of inventory provision of ₹ 805 Lakhs as at 31st March, 2025 (as at 31st March, 2024: ₹ 433 Lakhs)

13 Trade receivables

	As at 31st March, 2025	As at 31st March, 2024
Considered good	16,965	14,175
	16,965	**14,175**

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, 2025

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	15,080	1,699	132	46	1	7	16,965
Undisputed Trade Receivable - Which Have Significant Increase In Credit Risk	-	-	-	-	-	-	-
Undisputed Trade Receivable - Credit Impaired	-	-	-	-	-	-	-
Disputed Trade Receivables Considered Good	-	-	-	-	-	-	-

(All amounts are in Lakhs of Indian Rupees , unless otherwise stated)

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	
Disputed Trade Receivables - Which Have Significant Increase In Credit Risk	-	-	-	-	-	-	-
Disputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	-
GRAND TOTAL	**15,080**	**1,699**	**132**	**46**	**1**	**7**	**16,965**

ii) Undisputed trade receivables considered good March 31, 2024

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**

iii) 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, 2025 and 31st March, 2024.

Notes forming part of Standalone Financial Statements

for the year ended 31st March, 2025 (Contd.)

(All amounts are in Lakhs of Indian Rupees , unless otherwise stated)

14 Cash and bank balances

	As at 31st March, 2025	As at 31st March, 2024
Cash and cash equivalents:		
Balance with banks in current accounts	1,562	825
	1,562	**825**
Bank balances other than mentioned in cash and cash equivalents		
- Deposit accounts (with original maturity greater than 3 months upto 12 months)	300	600
- Unpaid dividend (Also, refer note (i) below)	64	56
	364	**656**
	1,926	**1,481**

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:

	As at 31st March, 2025	As at 31st March, 2024
Interest accrued on deposits	69	59
Duty draw back receivable	13	7
Deposit accounts (with original maturity greater 12 months)	200	-
Advance given for investment	560	-
	842	**66**

16 Income tax assets

	As at 31st March, 2025	As at 31st March, 2024
Advance tax (net of Provision for tax)	781	527
	781	**527**

17 Other current assets

	As at 31st March, 2025	As at 31st March, 2024
Supplier advances	462	513
Other advances	10	7
Prepaid expenses	530	348
Other receivables	48	241
	1,050	**1,109**

(All amounts are in Lakhs of Indian Rupees , unless otherwise stated)

18 Equity share capital

	As at 31st March, 2025		As at 31st March, 2024	
	Numbers	Amount	Numbers	Amount
Authorised				
Equity shares of ₹ 5 each	3,00,00,000	1,500	3,00,00,000	1,500
Issued, subscribed and fully paid up share capital				
Equity shares of ₹ 5 each	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

	As at 31st March, 2025		As at 31st March, 2024	
	Numbers	% shareholding	Numbers	% shareholding
Equity shares of ₹ 5 each				
Lucas Indian Service Limited, India	1,59,07,374	70.32%	1,59,07,374	70.32%
	1,59,07,374	**70.32%**	**1,59,07,374**	**70.32%**

d) Disclosure of shareholding of promoters

Promoter Name	As at 31st March, 2025		As at 31st March, 2024		
	Numbers	% shareholding	Numbers	% shareholding	% Change during the year
Equity shares of ₹ 5 each					
Lucas Indian Service Limited	1,59,07,374	70.32%	1,59,07,374	70.32%	0.00%
Sheela Balaji	3,712	0.02%	3,712	0.02%	0.00%
T K Balaji	1,694	0.01%	1,694	0.01%	0.00%
Vatsala Raghu	542	0.00%	542	0.00%	0.00%
Sowmyan Ramakrishnan	4,308	0.02%	4,308	0.02%	0.00%
V A Raghu	8	0.00%	8	0.00%	0.00%
Mala Ramakrishnan	742	0.00%	742	0.00%	0.00%
Vijaya Mohanram	742	0.00%	742	0.00%	0.00%
	1,59,19,122	**70.37%**	**1,59,19,122**	**70.37%**	**0.00%**

e) 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, 2025.

Notes forming part of Standalone Financial Statements

for the year ended 31st March, 2025 (Contd.)

(All amounts are in Lakhs of Indian Rupees , unless otherwise stated)

f) Details of interim dividend declared:

	for the year 31st March, 2025	for the year 31st March, 2024
Date of meeting of board of directors	13th February, 2025	13th February, 2024
Dividend per share	12.50	10.25
Cash outflow in Lakhs (Gross of TDS)	2,828	2,318

19 Other equity

	As at 31st March, 2025	As at 31st March, 2024
Capital redemption reserve	**40**	**40**
General reserve	**23,909**	**23,909**
Retained earnings		
Opening Balance	25,739	22,127
Dividend paid during the year (Refer note 18 (g))	(2,828)	(2,318)
Profit for the year	8,203	5,930
Closing balance	**31,114**	**25,739**
Other Comprehensive income		
Opening Balance	11,507	8,827
Add : Other comprehensive income for the year, net of tax	3,387	2,680
Closing balance	**14,894**	**11,507**
Total Other Equity	**69,957**	**61,195**

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.

20 Lease liabilities

	As at 31st March, 2025		As at 31st March, 2024	
	Non-current	Current	Non-current	Current
Lease liabilities	128	84	212	82
	128	**84**	**212**	**82**

(All amounts are in Lakhs of Indian Rupees , unless otherwise stated)

a) Movement in lease liability

	As at 31st March, 2025	As at 31st March, 2024
Balance at beginning of the year	294	364
Additions	-	-
Deletion	-	-
Finance cost (Also, refer note 34)	26	33
Payment of Lease liabilities	(108)	(103)
Balance as at end of the year	**212**	**294**

b) Summary of contractual maturities of lease liabilities on undiscounted basis

	As at 31st March, 2025	As at 31st March, 2024
i) Less than one Year	109	108
ii) One to five years	130	239
iii) More than five years	-	-
	239	**347**

c) Amount recognised in statement of profit and loss

	As at 31st March, 2025	As at 31st March, 2024
Interest on lease liabilities	26	33
Amortisation of ROU	91	91
	117	**124**

21 Non-current provision

	As at 31st March, 2025	As at 31st March, 2024
Provision for employee benefits:		
- Compensated absences	386	363
	386	**363**

22 Deferred tax liability

	As at 31st March, 2025	As at 31st March, 2024
Deferred tax liability arising on account of :		
- Timing difference between written down value as per financials and as per Income tax on property plant and equipment	914	929
- Fair valuation of investments	3,327	3,189
Deferred tax asset arising on account of :		
- Provision for employee benefits	(255)	(290)
- Others	(74)	(59)
	3,912	**3,769**

Notes forming part of Standalone Financial Statements

for the year ended 31st March, 2025 (Contd.)

(All amounts are in Lakhs of Indian Rupees , unless otherwise stated)

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 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**
Recognised in statement of profit and loss *	(15)	76	30	(15)	76
Recognised in other comprehensive income **	-	62	5	-	67
Balance as at 31st March, 2025	**914**	**3,327**	**(255)**	**(74)**	**3,912**

* includes ₹ 76 Lakhs of tax expense for the year ended 31st March, 2025 on account of change in applicable tax rate.

** includes ₹ 429 Lakhs of tax income for the year ended 31st March, 2025 on account of change in applicable tax rate.

Note: Deferred income tax liabilities are recognised for all taxable temporary differences except in respect of taxable temporary differences associated with investments in subsidiary where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future. Accordingly, deferred income tax liabilities on undistributed cumulative earnings of subsidiary as at 31st March, 2025 and 31st March, 2024 has not been recognized. Further, it is not practicable to estimate the amount of the unrecognized deferred tax liabilities for these undistributed earnings.

23 Trade payables

	As at 31st March, 2025	As at 31st March, 2024
Total outstanding dues to micro enterprises and small enterprises (Also, refer note (a) and (b))	5,211	4,333
Total outstanding dues to other than micro enterprises and small enterprises (Also, refer note (b))	8,806	8,700
	14,017	**13,033**

a) Disclosures Required Under Section 22 Of The Micro, Small And Medium Enterprises Development Act, 2006:

	Particulars	As at 31st March, 2025	As at 31st March, 2024
(i)	Principal amount remaining unpaid to any supplier as at the end of the accounting year	5,211	4,333
(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, 2025 and 31st March, 2024 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, 2025

Particulars	Outstanding for following period from due date from payment						
	Unbilled	Not Due	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
Undisputed Micro and Small enterprises	-	5,211	-	-	-	-	**5,211**
Disputed - Micro and Small enterprises	-	-	-	-	-	-	**-**
Undisputed - Other than Micro and Small enterprises	2,829	2,664	3,234	16	12	51	**8,806**
Disputed - Other than Micro and Small enterprises	-	-	-	-	-	-	**-**

31st March, 2024

Particulars	Outstanding for following period from due date from payment						
	Unbilled	Not Due	Less than 1 year	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	3,627	3,393	1,596	32	-	52	**8,700**
Disputed - Other than Micro and Small enterprises	-	-	-	-	-	-	**-**

24 Other financial liabilities:

	As at 31st March, 2025	As at 31st March, 2024
Unpaid dividend	64	56
Earnest money deposit	27	72
Commission to directors	220	230
Employee payable	1,108	788
Liability towards discounts to customers	1,423	1,403
	2,842	**2,549**

Notes forming part of Standalone Financial Statements

for the year ended 31st March, 2025 (Contd.)

(All amounts are in Lakhs of Indian Rupees , unless otherwise stated)

25 Current provision

	As at 31st March, 2025	As at 31st March, 2024
Provisions for employee benefits		
- Compensated absences	58	24
Gratuity (Also, refer note 39)	40	97
Provision for warranty (Also, refer note (a) below)	78	77
	176	**198**
Product Warranty:		
Opening Balance	77	60
Additions	96	61
Utilizations	(95)	(44)
Closing Balance	**78**	**77**

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

	As at 31st March, 2025	As at 31st March, 2024
Statutory dues	775	676
Tooling advance	446	496
	1,221	**1,172**

27 Revenue from operations

	Year ended 31st March, 2025	Year ended 31st March, 2024
Sale of Manufactured Products:		
Export sales	3,363	3,578
Domestic sales	75,829	65,084
	79,192	**68,662**
Sale of Traded Products:		
Domestic sales	4,863	3,940
Gross sales:	**84,055**	**72,602**
Discount to customers (Turnover discount)	(861)	(932)
Net Sales:	**83,194**	**71,670**
Other operating revenues:		
- Export benefits	84	91
- Scrap sales and others	1,205	646
	84,483	**72,408**

(All amounts are in Lakhs of Indian Rupees , unless otherwise stated)

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.

	Year ended 31st March, 2025	Year ended 31st March, 2024
Revenue by geography		
India	81,158	68,830
Rest of the world	3,325	3,578
Total revenue from operations	**84,483**	**72,408**

b) Contract balances

	As at 31st March, 2025	As at 31st March, 2024
Receivables, which are included in Trade receivables (gross) (Contract Asset)	16,965	14,175
Tooling advances, which are included in Other current liabilities (Contract Liabilities)	446	496

c) Segment information

In accordance with Ind AS 108, Operating Segments, the Company has identified manufacture and sale of Electrical and Electronic products for two/three wheelers and engines. 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, 2025 and 31st March, 2024.

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:

	Year ended 31st March, 2025	Year ended 31st March, 2024
Revenue by geography		
India	81,158	68,830
Rest of the world	3,325	3,578
Total revenue from operations	**84,483**	**72,408**

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.

	Year ended 31st March, 2025	Year ended 31st March, 2024
No of customers	2	2
Amount involved	62,365	48,751

Notes forming part of Standalone Financial Statements

for the year ended 31st March, 2025 (Contd.)

(All amounts are in Lakhs of Indian Rupees , unless otherwise stated)

28 Other income

	Year ended 31st March, 2025	Year ended 31st March, 2024
Interest Income :		
- From bank deposits	66	39
- From bonds	220	132
Dividend Income	435	194
Net gain on foreign currency transactions	102	144
Net gain on sale of investments carried at FVTPL	1,276	551
Gain on fair valuation of investment carried at fair value through profit and loss	860	1,334
Provision no longer required written back	7	83
Other non-operating income	13	2
	2,979	**2,479**

29 Cost of raw materials consumed

	Year ended 31st March, 2025	Year ended 31st March, 2024
Opening stock	5,025	3,751
Add: Purchases	54,725	48,824
	59,750	**52,575**
Less: Closing stock	(4,881)	(5,025)
	54,869	**47,550**

30 Purchase of stock in trade

	Year ended 31st March, 2025	Year ended 31st March, 2024
Purchase of stock in trade	2,928	2,438
	2,928	**2,438**

31 Changes in inventories of finished goods, work-in-progress and stock-in-trade

	Year ended 31st March, 2025	Year ended 31st March, 2024
Closing stock		
Finished goods	1,507	1,161
Work in progress	316	200
Stock in trade	489	523
	2,312	**1,884**
Opening stock		
Finished goods	1,161	1,333
Work in progress	200	209
Stock in trade	523	307
	1,884	**1,849**
Changes in inventories	**(428)**	**(35)**

(All amounts are in Lakhs of Indian Rupees , unless otherwise stated)

32 Other operating expenses

	Year ended 31st March, 2025	Year ended 31st March, 2024
Stores and spares consumed	998	952
Power and fuel	993	862
Repairs to:		
- Building	404	325
- Machinery	592	401
- Others	86	98
Research and development expenses (Refer note 41)	473	262
	3,546	**2,900**

33 Employee benefits expenses

	Year ended 31st March, 2025	Year ended 31st March, 2024
Salaries, wages and bonus	8,248	7,322
Gratuity expenses (Also, refer note 39)	85	64
Contribution to provident and other funds (Refer Note 39)	311	341
Staff welfare expenses	1,209	1,070
	9,853	**8,797**

34 Finance costs

	Year ended 31st March, 2025	Year ended 31st March, 2024
Bank charges	13	6
Interest on lease liabilities (Refer note 20)	26	33
	39	**39**

35 Depreciation and amortisation expenses

	Year ended 31st March, 2025	Year ended 31st March, 2024
Depreciation of Property, plant and equipment (Also, refer note 4)	1,434	1,360
Amortisation of intangible assets (Also, refer note 6)	531	58
Amortisation of right to use asset (Also, refer note 7)	91	91
	2,056	**1,509**

36 Other expenses

	Year ended 31st March, 2025	Year ended 31st March, 2024
Rent (Also, refer note (a) below)	5	5
Repairs and maintenance - others	20	23
Insurance	46	51

Notes forming part of Standalone Financial Statements

for the year ended 31st March, 2025 (Contd.)

(All amounts are in Lakhs of Indian Rupees , unless otherwise stated)

	Year ended 31st March, 2025	Year ended 31st March, 2024
Royalty	23	-
Rates and taxes	70	51
Communication expenses	44	47
Postage, printing and stationery	44	46
Director sitting fees	23	21
Travelling and conveyance	392	298
Loss on sale of fixed assets(net)	0	-
Property, plant and equipment written off	7	-
Legal and professional charges	888	1,063
Management fees (Also, refer note 40)	726	654
Corporate social responsibility (Also, refer note 44)	125	99
Commission to directors	143	159
Contract expenses	311	237
Security charges	202	182
Warranty expenses	96	61
Freight outwards	455	417
Advertisement and sales promotion expenses	386	267
Audit Fees:		
a) Statutory Auditors:		
- Statutory Audit	22	18
- Tax Audit	4	4
- Other Attestation Matters	3	8
- Reimbursement of Expenses	1	2
b) Cost Audit	4	3
c) Secretarial Audit	2	2
d) Reimbursement - Other audits	2	2
Miscellaneous expenses	287	391
	4,331	**4,111**

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

	Year ended 31st March, 2025	Year ended 31st March, 2024
Increase in fair value of investments	3,431	3,591
Remeasurement of the defined benefit plan	23	(133)
Income tax relating to items that will not be reclassified to profit or loss	(67)	(778)
	3,387	**2,680**

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:

	Year ended 31st March, 2025	Year ended 31st March, 2024
Income tax expenses		
Accounting profit before taxes and exceptional items	10,268	7,578
Tax rates	25.17%	25.17%
Tax on profit at enacted tax rate	**2,584**	**1,907**
Dividend income from mutual funds and equity instruments exempted under the income tax act (u/s.80M deduction)	(109)	(49)
Effect of adjustment of long term capital gain against brought forward long term capital loss	(236)	(17)
Non taxable income	(216)	(248)
Others	(34)	49
Actual tax expenses as per P&L a/c	**1,989**	**1,642**
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	(15)	(35)
On account of fair value change in Investment	76	169
On account of provision for employee benefits	30	(159)
Others	(15)	31
Deferred tax expenses	**76**	**6**
Total tax expenses recognised in statement of profit and loss	**2,065**	**1,648**

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, 2013 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.

Notes forming part of Standalone Financial Statements

for the year ended 31st March, 2025 (Contd.)

(All amounts are in Lakhs of Indian Rupees , unless otherwise stated)

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.

	Year ended 31st March, 2025	Year ended 31st March, 2024
Employer's contribution to provident fund	272	284
Employer's contributions to employee state insurance	2	7
Employer's contribution to superannuation fund	37	50
	311	**341**

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, 2025 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 recognised in the Company's financial statement

i) Change in projected benefit obligation

	As at 31st March, 2025	As at 31st March, 2024
Opening defined benefit obligation	1,438	1,273
Benefits paid	(83)	(129)
Current service cost	82	68
Interest cost on benefit obligation	97	86
Actuarial (gain) on obligation	(14)	140
Projected benefit obligation at the end of the year	**1,520**	**1,438**

ii) Change in plan assets

	As at 31st March, 2025	As at 31st March, 2024
Opening fair value of plan assets	**1,341**	**1,282**
Contributions by employer	127	91
Benefits paid	(83)	(129)
Expected return	94	90
Others	(8)	-
Actuarial gain / (loss) on plan assets	9	7
Closing fair value of plan assets	**1,480**	**1,341**

iii) Reconciliation of present value of obligation on the fair value of plan assets to the liability recognised

	Year ended 31st March, 2025	Year ended 31st March, 2024
Present value of projected benefit obligation at the end of the year	1,520	1,438
Fair value of plan assets at the end of the year	1,480	1,341
(Asset) / liability recognized in the balance sheet	**40**	**97**
Funded Status		
Funded	1,520	1,438
Unfunded	-	-

iv) Components of net gratuity costs are

	Year ended 31st March, 2025	Year ended 31st March, 2024
Current service cost	82	68
Net Interest cost on benefit obligation	3	(4)
Total amount recognised in the statement of profit or loss	**85**	**64**

Notes forming part of Standalone Financial Statements

for the year ended 31st March, 2025 (Contd.)

(All amounts are in Lakhs of Indian Rupees , unless otherwise stated)

	Year ended 31st March, 2025	Year ended 31st March, 2024
Actuarial (gain)/loss	(23)	133
Total amount recognised in other comprehensive income	**(23)**	**133**

v) Principal actuarial assumptions used :

	As at 31st March, 2025	As at 31st March, 2024
Discount Rate (%)	6.41%	6.97%
Estimated Rate of Return on Plan Assets (%)	6.41%	6.97%
Attrition Rate (%)	12.00%	12.00%
Expected rate of salary increase (%)	7.00%	7.00%
Expected Average Remaining Service (years)	6.62	6.70

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)

	As at 31st March, 2025	As at 31st March, 2024
Within 1 year	202	185
1 - 2 years	297	299
2 - 3 years	180	177
3 - 4 years	197	161
4 - 5 years	178	173
Above 5 years	681	649
	1,735	**1,645**

vii) Sensitivity analyses

		As at 31st March, 2025	As at 31st March, 2024
A.	Discount Rate + 50 BP (%)	6.91%	7.47%
	Defined Benefit Obligation [PVO]	1,484	1,404
	Current Service Cost	84	79
B.	Discount Rate - 50 BP (%)	5.91%	6.47%
	Defined Benefit Obligation [PVO]	1,558	1,474
	Current Service Cost	89	84
C.	Salary Escalation Rate +50 BP (%)	7.50%	7.50%
	Defined Benefit Obligation [PVO]	1,559	1,476
	Current Service Cost	89	84
D.	Salary Escalation Rate -50 BP (%)	6.50%	6.50%
	Defined Benefit Obligation [PVO]	1,482	1,402
	Current Service Cost	84	79

(All amounts are in Lakhs of Indian Rupees , unless otherwise stated)

40 Related parties

40.1 Names of related parties	Nature of relationship
Ultimate holding Company	SB TVS Industrial Ventures Private Limited
Holding Company	Lucas Indian Service Limited
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
	Delphi TVS Technologies Limited
Entities in which Driector's are interested	TVS Educational Society
	Southern Roadways Private Limited
	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)
	Elango Srinivasan, CFO
	S Logitha, Company Secretary

a) Related party relationship is as identified by the Company on the basis of information available with the Company.

40.2 Transactions with related parties

Name of the related party	Year ended 31st March, 2025	Year ended 31st March, 2024
Lucas Indian Service Ltd		
Sale of products	4,998	4,909
Rent paid	25	25
Dividend paid	1,988	1,630
Lucas TVS Limited		
Sale of products	-	153
Warranties /Discount	10	-
Purchase of raw materials	3	-
Rent expenses	83	79
Reimbursement of expenses	509	467
Travel reimbursements received	21	24
Management fees	726	648
Dividend received	409	175

Notes forming part of Standalone Financial Statements

for the year ended 31st March, 2025 (Contd.)

(All amounts are in Lakhs of Indian Rupees , unless otherwise stated)

Name of the related party	Year ended 31st March, 2025	Year ended 31st March, 2024
TVS Educational Society		
Reimbursement of expenses	44	24
Stipend to apprentices	2,414	1,338
Arvee Consultants & Services Private Limited		
Professional charges	-	2
Subbaraya Aiyar Padmanabhan AN		
Professional charges	1	-
Remuneration		
Arvind Balaji- Managing director*	384	307
Anant Jaivant Talaulicar, Director	20	12
Tirumala Kumara Balaji, Director	8	7
Tirumala Kumara Balaji Priyamvada, Director	11	8
Heramb Ravindra Hajarnavis, Director	15	12
Gangapriya Chakraverti, Director	16	11
KG Raghavan, Director	-	2
R Vijaya Raghavan, Director	-	4
Elango Srinivasan, Chief financial officer	76	68

*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 in the form of rent free accomodation, furniture, Gas, electricity, water, Internet and Security, valued as per the Income Tax rules.

40.3 Balance with related parties

Name of the related party	As at 31st March, 2025	As at 31st March, 2024
Trade receivables		
Lucas Indian Service Limited	1,089	1,474
Lucas TVS Limited	-	71
Trade payables		
Lucas TVS Limited	253	253
Lucas Indian Service Limited	3	-
Arvee Consultants & Services Private Limited	-	1
Remuneration payable		
Commission payable	220	230
Investments in Equity Shares accounted as fair value through comprehensive income		
Lucas TVS Limited	22,468	19,037

(All amounts are in Lakhs of Indian Rupees , unless otherwise stated)

41 Research and Development expenses*

Particular	Year ended 31st March, 2025	Year ended 31st March, 2024
The amount spent towards Research and Development expenses during the year are as under:		
Capital expenditure	**585**	**102**
Revenue expenditure		
Salaries, wages and bonus	1,314	1,032
Power and fuel	103	95
Travelling and conveyance	81	51
Miscellaneous expenses	813	765
Total	2,896	2,045

*The summary is prepared based on the information available with the Company.

42 Earnings per equity share (EPS)

Particular	Year ended 31st March, 2025	Year ended 31st March, 2024
Nominal value of equity shares	5	5
Profit attributable to equity shareholders (A)	8,203	5,930
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)	36.26	26.20
Diluted earnings per equity share (A/B)	36.26	26.20

43 Contingent liabilities and commitment

Particular		As at 31st March, 2025	As at 31st March, 2024
a)	Claims not acknowledged as debt		
	Disputed income tax demands	1,034	684
	Disputed GST demands	130	-
	Service tax matters	3	3
	Others	-	-
b)	Estimated amount of contracts remaining to be executed on capital account and not provided, net of advance	367	401

Note:

i) 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 and concluded. The said compensation will be accounted on conclusion of the matter.

ii) The Company has received an eligibility letter during the year on 24th March, 2025, as per which the Company is entitled to receipt of capital subsidy for investments from SIPCOT. As per the eligibility letter, the Company has to enter into the

Notes forming part of Standalone Financial Statements

for the year ended 31st March, 2025 (Contd.)

(All amounts are in Lakhs of Indian Rupees , unless otherwise stated)

requirement agreements and comply with the relevant conditions for receipt of such grants of ₹ 67.93 Lakhs per year for the period from 2023-24 to 2037-38 , subject to fulfilment of the applicable conditions. The Company is in the process of entering into such agreements and the amounts will be accounted for in accordance with the accounting policy of the Company.

44 Corporate social responsibility (CSR) expenditure

Particular		Year ended 31st March, 2025	Year ended 31st March, 2024
a)	Gross amount required to be spent by the Company during the year	106	96
b)	Amount spent during the year on :		
	- Construction/Acquisition of any Asset:	-	-
	- Education	66	61
	- Rural Development Projects	25	25
	- Health Care and Sanitation	24	8
	- On purposes other than above	-	2
c)	(Shortfall) / excess paid at the end of the year	9	0
	- 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

45 Fair value measurement

a) Financial instruments by category

The carrying value and fair value of financial instruments by categories as of 31st March, 2025

Particulars	Amortised Cost	FVTPL	FVOCI	Total carrying value	Total fair value
Financial assets					
Investments	3,077	22,064	22,511	47,652	47,652
Trade receivables	16,965	-	-	16,965	16,965
Loans	117	-	-	117	117
Cash and cash equivalents	1,562	-	-	1,562	1,562
Other bank balances	364	-	-	364	364
Other Financial Assets	2,258	-	-	2,258	2,258
Total	**24,343**	**22,064**	**22,511**	**68,918**	**68,918**

(All amounts are in Lakhs of Indian Rupees , unless otherwise stated)

Particulars	Amortised Cost	FVTPL	FVOCI	Total carrying value	Total fair value
Financial liabilities					
Trade payables	14,017	-	-	14,017	14,017
Lease liability	212	-	-	212	212
Other financial liabilities	2,842	-	-	2,842	2,842
Total	**17,071**	**-**	**-**	17,071	**17,071**

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	906	23,618	19,073	43,597	43,597
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	**16,836**	**23,618**	**19,073**	**59,527**	**59,527**
Financial liabilities					
Trade payables	13,033	-	-	13,033	13,033
Lease liability	294	-	-	294	294
Other financial liabilities	2,549	-	-	2,549	2,549
Total	**15,876**	**-**	**-**	15,876	**15,876**

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

Particulars	Fair value hierarchy	As at 31st March, 2025	As at 31st March, 2024
Investments in Alternate Investment funds	Level I	1,217	1,367
Investments in equity shares	Level I	2,180	1,299
Investment in mutual funds and bonds	Level II	18,667	20,952
Total		**22,064**	**23,618**

Notes forming part of Standalone Financial Statements

for the year ended 31st March, 2025 (Contd.)

(All amounts are in Lakhs of Indian Rupees , unless otherwise stated)

(iii) Financial assets measured at fair value through Other Comprehensive Income (FVTOCI) on a recurring basis

Particulars	As at 31st March, 2025	As at 31st March, 2024	Fair value hierarchy	Valuation technique(s) and key input(s)
Unlisted equity instruments	22,511	19,073	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 unlisted 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.

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 8x (Previous Year - 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 ₹ 1,350 Lakhs and an increase in the multiple by 0.5x would result in a increase in the fair value by ₹ 1,350 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

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, 2025, 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.

Interest rate risk

The Company has no outstanding borrowings and investment in bonds at fixed rates. Accordingly, no Interest risk rate 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.

Notes forming part of Standalone Financial Statements

for the year ended 31st March, 2025 (Contd.)

(All amounts are in Lakhs of Indian Rupees , unless otherwise stated)

The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are as under:

Particulars	Currency	31st March, 2025		31st March, 2024	
		Amount in Foreign Currency	Amount in ₹	Amount in Foreign Currency	Amount in ₹
Trade Receivables	EUR	2	174	2	189
	USD	17	1,483	8	692
Trade Payables	GBP	-	-	-	8
	USD	7	579	3	289
	JPY	-	-	47	27
	CNY	52	609	26	308

Foreign currency sensitivity

Particulars	Currency	31st March, 2025		31st March, 2024	
		Increase	Decrease	Increase	Decrease
Effect on profit before tax	EUR	8.89	(8.89)	9.43	(9.43)
Increase/(Decrease) of 5%	USD	45.31	(45.31)	20.29	(20.29)
	JPY	-	-	(1.34)	1.34
	CNY	(30.48)	30.48	(15.40)	15.40
	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, 2025				Total
	Up to 1 year	1 to 3 years	3 to 5 years	5 years and above	
Trade payables	14,017	-	-	-	14,017
Lease Liability	109	130	-	-	239
Other financial liabilities	2,842	-	-	-	2,842
Total	**16,968**	**130**	**-**	**-**	**17,098**

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	13,033	-	-	-	13,033
Lease Liability	108	239	-	-	347
Other financial liabilities	2,549	-	-	-	2,549
Total	**15,690**	**239**	**-**	**-**	**15,929**

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 31st March, 2025, 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 at the database level to log any direct data changes with respect to Payroll software.. 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. The audit trail that was enabled and operated for the year ended 31st March, 2024, has been preserved by the Company as per the statutory requirements for record retention.

Notes forming part of Standalone Financial Statements

for the year ended 31st March, 2025 (Contd.)

(All amounts are in Lakhs of Indian Rupees , unless otherwise stated)

49 Material reclassification:

Pursuant to the opinion issued by the Expert Advisory Committee (EAC) of the Institute of Chartered Accountants of India in February 2025, the Company has reclassified employee-related payables pertaining to the previous year, amounting to ₹ 788 Lakhs, from 'Trade Payables' to 'Other Financial Liabilities' to ensure alignment with the presentation requirements under Ind AS and Schedule III to the Companies Act, 2013.

50 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 31st March, 2025: ₹ Nil (As at 31st March, 2024: ₹ 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.

51 Analytical ratios

Ratio	Current year	Previous year	% Variance	Remarks @
Current ratio	2.38	2.49	(4.40%)	Not applicable
Return on equity	12%	10%	22.72%	Not applicable
Inventory turnover ratio	8.12	7.98	1.73%	Not applicable
Trade receivables turnover ratio	5.43	5.54	(2.13%)	Not applicable
Trade payables turnover ratio	4.26	4.39	(2.83%)	Not applicable
Net working capital turnover ratio	3.34	2.86	16.98%	Not applicable
Net profit ratio	9.71%	8.19%	18.56%	Not applicable
Return on capital employed	14%	12%	19.25%	Not applicable
Return on investment*	14%	15%	(6.57%)	Not applicable

Ratio	Numerator	Denominator
Current Ratio	Current Assets	Current liabilities
Return On Equity	Profit available for Equity shareholders	Average Shareholder's Equity
Inventory Turnover Ratio	COGS	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 working capital
Net Profit Ratio	PAT	Net 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, 2024

52 Approval of Financial Statements

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 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, 2025.

53 Events after the reporting period

No adjusting or significant non-adjusting events have occurred since the reporting date.

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, 2025

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 2025, and the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows, 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 2025, 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 ("SA"s) 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.

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 2025 amounting to Rs. 22,468 lakhs. The Company has valued this investment 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.

Sr. No.	Key Audit Matter	Auditor's Response
		• 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 information included in 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 BOARD OF DIRECTORS 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

INDEPENDENT AUDITOR'S REPORT (Contd.)

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 the entities or business activities 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 or business activities 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.428 lakh as at 31st March 2025, total revenues of Rs. Nil and net cash inflows amounting to Rs.17 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, 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 audit trail as stated in (i)(vi) below.

   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 2025 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 2025 from being appointed as a director in terms of Section 164 (2) of the Act.

   f) The modifications relating to the maintenance of accounts and other matters connected therewith, 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.

INDEPENDENT AUDITOR'S REPORT (Contd.)

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 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 notice that has caused 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, 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 2025, 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

In respect of one accounting software used for maintaining payroll records, the audit trail feature was not enabled at the database level to log any direct data changes and accordingly we are unable to comment whether there were any instances of the audit trail feature being tampered with.

Further, during the course of our audit, we did not come across any instance of the audit trail feature being tampered with, in respect of accounting software for the period for which the audit trail feature was enabled and operating.

Additionally, the audit trail that was enabled and operated for the year ended 31st March 2024, has been preserved by the Parent as per the statutory requirements for record retention, as stated in Note 48 to the consolidated financial statements.

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: 25214045BMNWIA1245

Place: Chennai
Date: 30th May 2025

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 2025, 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 AND BOARD OF DIRECTORS' RESPONSIBILITIES FOR INTERNAL FINANCIAL CONTROLS

The management and Board of Directors of the Parent are 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.

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT (Contd.)

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 2025, 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: 25214045BMNWIA1245

Place: Chennai
Date: 30th May 2025

Consolidated Balance Sheet

as at 31st March, 2025

(All amounts are in Lakhs of Indian Rupees , unless otherwise stated)

Particulars	Note No.	As at 31st March, 2025	As at 31st March, 2024
Assets			
Non-current assets			
Property, plant and equipment	4	14,372	13,117
Right-of-use assets	7	997	1,088
Capital work-in-progress	5	366	1,274
Intangible assets	6A	78	113
Intangible assets Under development	6B	19	32
Financial Assets			
(i) Investments	8	32,814	25,078
(ii) Loans	9	117	112
(iii) Others financial assets	10	1,416	96
Other non-current assets	11	52	-
Total non-current assets		**50,231**	**40,910**
Current assets			
Inventories	12	7,221	6,917
Financial Assets			
(i) Investments	8	14,433	18,108
(ii) Trade receivables	13	16,965	14,175
(iii) Cash and cash equivalents	14	2,001	1,235
(iv) Bank balances other than (iii) above	14	364	656
(v) Others financial assets	15	842	66
Current tax assets, net	16	781	527
Other current assets	17	1,050	1,109
Total current assets		**43,657**	**42,793**
Total assets		**93,888**	**83,703**
Equity and liabilities			
Equity			
Equity share capital	18	1,131	1,131
Other equity	19	69,987	61,194
Equity - Total		**71,118**	**62,325**
Liabilities			
Non-current liabilities			
Financial Liabilities			
(i) Lease Liabilities	20	127	212
Provisions	21	386	363
Deferred tax liabilities, net	22	3,912	3,769
Total non-current liabilities		**4,425**	**4,344**
Current Liabilities			
Financial Liabilities			
(i) Lease Liabilities	20	84	82
(ii) Trade payables	23		
Total outstanding dues to micro enterprises and small enterprises		5,211	4,333
Total outstanding dues to other than micro enterprises and small enterprises		8,806	8,700
(iii) Others financial liabilities	24	2,843	2,549
Provisions	25	176	198
Other current liabilities	26	1,225	1,172
Total current liabilities		**18,345**	**17,034**
Total equity and liabilities		**93,888**	**83,703**

Notes 1 to 53 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, 2025

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, 2025

Consolidated Statement of Profit and Loss

for the year ended 31st March, 2025

(All amounts are in Lakhs of Indian Rupees , unless otherwise stated)

Particulars	Note No.	Year ended 31st March, 2025	Year ended 31st March, 2024
Revenue from operations	27	84,483	72,408
Other income	28	3,011	2,487
Total income		**87,494**	**74,895**
Expenses:			
Cost of material consumed	29	54,869	47,550
Purchase of stock in trade	30	2,928	2,438
Changes in inventories of finished goods, work-in-progress and stock in trade	31	(428)	(35)
Other operating expenses	32	3,546	2,900
Employee benefit expenses	33	9,853	8,797
Finance costs	34	39	39
Depreciation and amortisation expenses	35	2,056	1,509
Other expenses	36	4,338	4,119
Total expenses		**77,201**	**67,317**
Profit before tax		**10,293**	**7,578**
Tax expenses			
(1) Current year	38	1,989	1,642
(2) Deferred tax	22	76	6
Total tax expenses		**2,065**	**1,648**
Profit for the year		**8,228**	**5,930**
Other comprehensive income			
Items that will not be reclassified to profit or loss	37	3,454	3,377
- Income tax relating to items that will not be reclassified to profit or loss		(67)	(778)
Total other comprehensive income for the year, net of tax		**3,387**	**2,599**
Total comprehensive income for the year		**11,615**	**8,529**
Profits attributable to :			
a) Owners of the Company		8,228	5,930
b) Non controlling interest		-	-
Total Comprehensive income attributable to			
a) Owners of the Company		11,615	8,529
b) Non controlling interest		-	-
Earnings per equity share	42		
Basic		36.37	26.21
Diluted		36.37	26.21
Nominal value of equity shares (in rupees)		5.00	5.00

Notes 1 to 53 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, 2025

For and on behalf of the Board of Directors of
India Nippon Electricals Limited
CIN: L31901TN1984PLC011021

T K Balaji
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Arvind Balaji
Managing Director
DIN:00557711

Elango Srinivasan
Chief Financial Officer

S Logitha
Company Secretary

Place: Chennai
Date: 30th May, 2025

Consolidated Statement of Cash Flows

for the year ended 31st March, 2025

(All amounts are in Lakhs of Indian Rupees , unless otherwise stated)

Particulars	Year ended 31st March, 2025	Year ended 31st March, 2024
Cash flows from Operating Activities:		
Net Profit after tax	8,228	5,930
Adjustments for		
- Income tax expenses	2,065	1,648
- Depreciation and amortization expenses	2,056	1,509
- Dividend income from investments	(435)	(194)
- Interest Income	(300)	(179)
- (Loss) / Gain on fair valuation of investments	(860)	(1,334)
- Gain on sale of investments(net)	(1,276)	(551)
- Provision no longer required written back	(7)	-
- Property, plant and equipment written off	7	-
- Interest expenses	39	39
- Unrealised forex gain, net	(44)	(145)
Operating Profit before Working Capital changes	**9,473**	**6,723**
- Decrease / (increase) in loans	(5)	6
- Decrease / (increase) in other non-current financial assets	(20)	(17)
- Decrease / (increase) in trade receivables	(2,936)	(2,083)
- Decrease / (increase) in Inventories	(304)	(1,311)
- Decrease / (Increase) in other financial assets	(576)	67
- Decrease / (Increase) in other current assets	59	(341)
- Increase / (Decrease) in trade payables	1,160	3,349
- Increase / (Decrease) in other financial liabilities	294	2,283
- Increase / (Decrease) in other current liabilities	53	(997)
- Increase / (Decrease) in non-current provisions	23	42
- Increase / (Decrease) in current provisions	(22)	113
Cash generated from operations	**7,199**	**7,834**
Income taxes paid, net	(2,243)	(1,565)
Net cash generated from operating activities: (A)	**4,956**	**6,269**
Cash flows from investing activities:		
Purchase of property, plant and equipment (including CWIP and adjustment of capital advance)	(2,325)	(2,399)
Acquisition of investments	(72,467)	(70,763)
Proceeds from sale of investments	73,817	68,517
Proceeds from venture capital fund	243	-
Interest received	290	251
Dividend received	435	194
(Increase)/decrease in deposits with NBFC	(1,300)	-
(Increase)/decrease in deposits with bank with maturity more than 12 months	(200)	-
(Increase)/decrease in other bank balances	292	340
Net cash used in investing activities (B)	**(1,215)**	**(3,860)**

Consolidated Statement of Cash Flows

for the year ended 31st March, 2025 (Contd.)

(All amounts are in Lakhs of Indian Rupees , unless otherwise stated)

Particulars	Year ended 31st March, 2025	Year ended 31st March, 2024
Cash flows from Financing Activities:		
Payment of lease liabilities	(108)	(103)
Interest expenses	(39)	(39)
Dividend paid	(2,828)	(2,318)
Net Cash used in Financing Activities (C)	**(2,975)**	**(2,460)**
Net increase / (decrease) in cash and cash equivalents (A+B+C)	766	(51)
Add : Cash and cash equivalents at the beginning of the year	1,235	1,286
Cash and cash equivalents at the end of the year	**2,001**	**1,235**
Cash and cash equivalents comprise of:		
Balance with banks in current accounts	2,001	1,235
Cash and cash equivalents as per note 14	**2,001**	**1,235**

Notes 1 to 53 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, 2025

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, 2025

Consolidated Statement of Changes in Equity

for the year ended 31st March, 2025

(All amounts are in Lakhs of Indian Rupees , unless otherwise stated)

Equity Share Capital

Particulars	No.of.Shares	Amount
Balances as at 31st March, 2024	2,26,21,424	1,131
Balances as at 31st March, 2025	**2,26,21,424**	**1,131**

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, 2024	1,131	-	1,131
As at 31st March, 2025	**1,131**	**-**	**1,131**

Other Equity

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 31st March, 2023	**40**	**34,591**	**10,948**	**(104)**	**9,427**	**54,902**	**-**	**54,902**
Profits for the year	-	5,930	-	-	-	5,930	-	5,930
Other comprehensive income	-	-	-	-	2,599	2,599	-	2,599
Dividend paid	-	(2,318)	-	-	-	(2,318)	-	(2,318)
Foreign currency translation	-	-	-	81	-	81	-	81
Balance as at 31st March, 2024	**40**	**38,203**	**10,948**	**(23)**	**12,026**	**61,194**	**-**	**61,194**
Profits for the year	-	8,228	-	-	-	8,228	-	8,228
Other comprehensive income	-	-	-	-	3,387	3,387	-	3,387
Dividend paid	-	(2,828)	-	-	-	(2,828)	-	(2,828)
Foreign currency translation	-	-	-	6	-	6	-	6
Balance as of 31st March, 2025	**40**	**43,603**	**10,948**	**(17)**	**15,413**	**69,987**		**69,987**

Notes 1 to 53 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, 2025

For and on behalf of the Board of Directors of
India Nippon Electricals Limited
CIN: L31901TN1984PLC011021

T K Balaji
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Arvind Balaji
Managing Director
DIN:00557711

Elango Srinivasan
Chief Financial Officer

S Logitha
Company Secretary

Place: Chennai
Date: 30th May, 2025

Notes forming part of Consolidated Financial Statements

for the year ended 31st March, 2025

(All amounts are in Lakhs of Indian Rupees , unless otherwise stated)

1 General Information

India Nippon Electricals Ltd. ("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 became subsidiary of Lucas Indian Service Limited with effect from 30 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 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 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 Company reviews the useful life of property, plant and equipment & intangible assets at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

vii) Deferred income tax assets and liabilities: As Ind 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

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

Notes forming part of Consolidated Financial Statements

for the year ended 31st March, 2025 (Contd.)

(All amounts are in Lakhs of Indian Rupees , unless otherwise stated)

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 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 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.

Category	Range of useful life (in years)
Building	3-60
Furniture and Fixtures	5-10
Office Equipment	3-10
Plant and Equipment	5-15
Vehicles	5-8

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 five years

b) SAP - Over a period of ten years

c) Licenses - Over a period of two to five 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

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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 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) 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) Defined Benefit plan

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.

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

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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.

Amendment to Ind AS 116 – Leases

On 9th September, 2024, the Ministry of Corporate Affairs notified the Companies (Indian Accounting Standards) Second Amendment Rules, 2024. The amendments to Ind AS 116 clarifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. The amendment is intended to improve the requirements for sale and leaseback transactions in Ind AS 116 and will not change the accounting for leases unrelated to sale and leaseback transactions. These amendments are effective for annual reporting periods beginning on or after 1st April, 2024, and are to be applied retrospectively, with earlier application permitted. The adoption of these amendments to Ind AS 116 did not have any impact on the Standalone Financial Statements of the Company.

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

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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.

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

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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:

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

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 - 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.

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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.

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.

e) 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 Government grants

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received.

3 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.

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, 2025 and 31st March, 2024.

(All amounts are in Lakhs of Indian Rupees , unless otherwise stated)

4 Property, plant and equipment

Particulars	Land	Building	Plant and equipments	Furniture & Fixtures	Office Equipments	Vehicles	Total
Gross block							
Balance as at 1st April, 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**
Additions	-	351	2,025	47	253	22	2,698
Deletions	**-**	-	(19)	(4)	(41)	(12)	(76)
Balance as at 31st March, 2025	**713**	**7,168**	**13,578**	**534**	**907**	**138**	**23,038**
Accumulated depreciation							
Balance as at 1st April, 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**
Charge for the year	-	293	973	40	115	13	1,434
Reversals on deletions	-	-	(17)	(3)	(37)	(10)	(67)
Balance as at 31st March, 2025	**-**	**1,331**	**6,476**	**280**	**533**	**46**	**8,666**
Net block							
Balance as at 31st March, 2024	**713**	**5,779**	**6,052**	**248**	**240**	**85**	**13,117**
Balance as at 31st March, 2025	**713**	**5,837**	**7,102**	**254**	**374**	**92**	**14,372**

Notes:

1. The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), are held in the name of the Company.

5 Capital work in progress

i) Ageing schedule of capital work-in-progress

a) Projects in progress

Particulars	As at 31st March, 2025	As at 31st March, 2024
Less than 1 year	234	1,013
Project 1	-	460
Project 2	-	385
Other Projects	234	168
1-2 years	132	261
Project 1	-	8
Project 2	-	253
Other Projects	132	-
2-3 years	-	-
More than 3 years	-	-
Total	**366**	**1,274**

Notes forming part of Consolidated Financial Statements

for the year ended 31st March, 2025 (Contd.)

(All amounts are in Lakhs of Indian Rupees , unless otherwise stated)

b) There were no projects temporarily suspended as at 31st March, 2025 and 31st March, 2024

c) Completion schedule for the Projects which are over due :

Particular	As at 31st March, 2025	As at 31st March, 2024
To be completed in		
Less than 1 year		
Project 1	-	259
1-2 years		
Project 2	85	-
2-3 years	-	-
More than 3 years	-	-
Total	**85**	**259**

d) There are no projects for the year ended 31st March, 2025 and 31st March, 2024 which have exceeded its initial planned cost.

6A Intangible asset

Particulars	Softwares	SAP	Licenses	Technical knowhow	Total
Gross block					
Balance as at 1st April, 2023	**169**	**178**	**125**	**34**	**506**
Additions	-	-	12	-	12
Balance as at 31st March, 2024	**169**	**178**	**137**	**34**	**518**
Additions	19	-	-	477	496
Deletions	**(8)**	-	(26)	(33)	(67)
Balance as at 31st March, 2025	**180**	**178**	**111**	**478**	**947**
Accumulated amortisation					
Balance as at 1st April, 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**
Charge for the year	22	18	14	477	531
Accumulated amortization on deletions	(8)	-	(26)	(33)	(67)
Balance as at 31st March, 2025	**125**	**166**	**100**	**478**	**869**
	-	**-**	**-**	**-**	**-**
Net block					
Balance as at 31st March, 2024	**58**	**30**	**25**	**-**	**113**
Balance as at 31st March, 2025	**55**	**12**	**11**	**-**	**78**

6B Intangible assets under development ageing schedule

As at 31st March, 2025

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	-	19	-	-	19
Project temporarily suspended	-	-	-	-	-

(All amounts are in Lakhs of Indian Rupees , unless otherwise stated)

As at 31st March, 2024

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	-	-	-	-	-

7 Right to use assets

Particulars	Leasehold land	Leasehold buildings	Total
Gross block			
Balance as at 1st April, 2023	**1,487**	**67**	**1,554**
Additions	-	-	-
Deletions	-	-	-
Balance as at 31st March, 2024	**1,487**	**67**	**1,554**
Additions	-	-	-
Deletions	-	-	-
Balance as at 31st March, 2025	**1,487**	**67**	**1,554**
Accumulated amortisation			
Balance as at 1st April, 2023	**309**	**66**	**375**
Charge for the year	91	-	91
Disposals	-	-	-
Balance as at 31st March, 2024	**400**	**66**	**466**
Charge for the year	91	-	91
Balance as at 31st March, 2025	**491**	**66**	**557**
Net block			
Balance as at 31st March, 2024	1,087	1	1,088
Balance as at 31st March, 2025	**996**	**1**	**997**

8 Investments

A) Non-current investments

	Face value per unit	No. of Shares/Units		Amount	
		As at 31st March, 2025	As at 31st March, 2024	As at 31st March, 2025	As at 31st March, 2024
a) Investment carried at amortised cost					
360 One Prime- 9.03% Non Convertible Debenture	1,00,000	-	500	-	501
Aditya Birla Fin- 8.30% Non Convertible Debenture	1,00,000	500	-	503	-
Mahindra Rural Housing Finance- 8.35% Non Convertible Debenture	1,00,000	250	-	267	-
Axis Finance Limited- 8.08% Non Convertible Debenture	10,00,000	35	-	364	-

Notes forming part of Consolidated Financial Statements

for the year ended 31st March, 2025 (Contd.)

(All amounts are in Lakhs of Indian Rupees , unless otherwise stated)

		Face value per unit	No. of Shares/Units		Amount	
			As at 31st March, 2025	As at 31st March, 2024	As at 31st March, 2025	As at 31st March, 2024
b)	**Investment carried at fair value through other comprehensive income (FVTOCI)**					
i)	**Equity instruments (fully paid-up) (Unquoted)**					
	Lucas TVS Limited	100	97,351	97,351	22,468	19,037
	IRIS Ecopower Venture Private Limited (Refer note 8.1)	4	4,29,400	3,56,400	43	36
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	-	262
	State Bank Of India Series - 7.74% Perpetual Bond	10,00,000	25	25	249	259
	L&T Bond Market Linked Debentures	10,00,000	50	50	595	546
	State Bank Of India Sr. 1- 7.72% Perpetual Bond	1,00,00,000	2	-	199	-
	Bank Of Baroda- 8.50% Perpetual Bond	10,00,000	18	-	180	-
	Bank Of Baroda- 8.15% Perpetual Bond	10,00,000	10	-	100	-
ii)	**Non listed equity shares**					
	NSE Equity	1	65,000	13,000	1,095	533
iii)	**Listed equity shares**					
	HDFC Bank Limited	1	14,098	14,098	258	203
	ICICI Bank Limited	2	13,150	13,150	177	144
	Infosys Limited	5	-	5,745	-	86
	Reliance Industries Limited	10	7,730	3,865	99	115
	JIO Financial Service Limited	10	3,865	3,865	9	14
	Tata Consultancy Service Limited	1	2,760	2,760	100	107
	Blue Dart Express Limited	10	787	787	48	49
	Ultratech Cement Limited	10	1,023	495	118	48
	Bharti Airtel Limited	5	7,726	-	100	-
	Nestle India Limited	1	1,596	-	36	-
	Larsen & Toubro Limited	2	2,880	-	101	-
	ITC Limited	1	9,200	-	38	-
	ITC Hotels Limited	1	920	-	2	-
iv)	**Alternative investment funds**					
	TVS Shriram Growth Fund Scheme 3	1,000	87,068	90,800	1,154	1,362
	TVS Shriram Growth Fund Scheme 4		6,250	-	63	-
v)	**Mutual funds**					
	HDFC Index Fund-Nifty 50 Plan -Direct Growth	10	4,37,131	2,27,411	990	484
	HDFC HOF Series 1 1140D November 2017 - 1- Reg-G	10	10,00,000	10,00,000	207	204
	Nippon India Nifty Midcap 150 Index Fund - Direct Plan Growth	10	13,81,912	7,78,809	305	159

(All amounts are in Lakhs of Indian Rupees , unless otherwise stated)

	Face value per unit	No. of Shares/Units		Amount	
		As at 31st March, 2025	As at 31st March, 2024	As at 31st March, 2025	As at 31st March, 2024
ICICI Prudential Nifty Next 50 Index Fund - Direct Plan Growth	10	5,90,577	3,72,314	344	208
ICICI Prudential India opportunities Fund - Direct Plan Growth	10	3,24,846	2,47,282	116	79
360 One Focused equity fund Direct plan Growth	10	2,14,943	61,356	106	28
Tata Large & Mid Cap Fund Direct plan Growth	10	29,601	20,277	165	106
Tata Balanced Advantage Fund - Direct Plan Growth	10	21,14,861	9,79,844	457	200
ICICI Prudential Balanced Advantage Fund - Direct Plan Growth	10	6,05,377	2,82,312	467	201
HDFC Focused 30 fund Direct plan Growth	10	75,309	51,886	182	107
Nippon Multi Asset Allocation fund - Growth fund	10	24,66,905	-	493	-
HDFC GOLD FUND- Exhange Traded Fund	1	22,89,977	-	616	-
				32,814	**25,078**

B) Current investments

	Face value per unit	No. of Shares/Units		Amount	
		As at 31st March, 2025	As at 31st March, 2024	As at 31st March, 2025	As at 31st March, 2024
a) Investment carried at amortised cost					
i) Debentures / bonds					
360 One Prime- 9.03% Non Convertible Debenture	1,00,000	500	-	501	-
HDB- 8.34% Non Convertable Debenture	1,00,000	500	-	533	-
Tata Fin- 8.30% Capital Non Convertable Debenture	1,00,000	500	-	504	-
b) Investment carried at fair value through profit and loss:					
Current Investments - Quoted					
Investment In Mutual Funds					
Axis Short Term-G	10	77,81,178	94,56,821	2,350	2,638
Aditya Birla SL Corporate Bond-G	10	14,00,088	14,00,088	1,549	1,425
ICICI pru liquid fund Direct plan - Growth	100	-	2,30,250	-	823
Aditya Birla Sun life Money manager fund Direct Growth	100	82,343	2,35,530	303	803
Kotak Bond Short-term Reg-G	10	46,24,333	46,24,333	2,359	2,185
Nippon India Money Market Fund Direct plan - Growth	1,000	7,299	24,154	301	923

Notes forming part of Consolidated Financial Statements

for the year ended 31st March, 2025 (Contd.)

(All amounts are in Lakhs of Indian Rupees , unless otherwise stated)

	Face value per unit	No. of Shares/Units		Amount	
		As at 31st March, 2025	As at 31st March, 2024	As at 31st March, 2025	As at 31st March, 2024
Bhandhan CRISIL Glit 2027 Index Fund Regular Plan- Growth	10	1,28,22,384	1,68,34,871	1,612	1,961
Bhandhan SSI ST Reg-G (formerly Known as IDFC SSI ST Reg-G)	10	21,08,517	39,37,462	1,178	2,032
Nippon India Short-term-Growth	10	18,35,238	18,35,238	947	874
Nippon India liquid fund Direct plan - Growth	1,000	2,684	12,744	170	753
Aditya Birla SL Overnight fund - Growth - Direct	1,000	18,121	15,480	250	200
Nippon India Overnight Fund - Direct Plan	1,000	1,82,686	2,17,986	251	280
DSP Overnight Fund - Direct Plan	1,000	18,298	31,254	250	401
Axis Liquid Fund Direct-G	1,000	-	11,211	-	301
HSBC Overnight Fund - Direct	1,000	-	43,958	-	551
Sundaram Liquid Fund - Direct Plan	10	31,547	37,672	723	803
Axis Money Market Fund Direct-G	1,000	-	32,142	-	422
Aditya Birla SL Liquid fund Direct Plan - Growth	100	1,55,812	1,88,247	652	733
				14,433	**18,108**

8.1 Investment made in IRIS Ecopower Venture Private Limited is Group captive investment with 429,400 units carried at Value of ₹ 43 Lakhs as at 31st March, 2025. Refer note 8(A)(b)(i).

8.2

Particular	As at 31st March, 2025	As at 31st March, 2024
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	1,134	501
Aggregate amount of unquoted investments carried at FVTOCI	22,511	19,073
Aggregate value of quoted/Un-Quoted investments - Carried at FVTPL	9,169	5,504
Total non-current investment	**32,814**	**25,078**
Aggregate amount of unquoted investments carried at amortised cost	1,538	-
Aggregate value of quoted investments - Carried at FVTPL	12,895	18,108
Total current investment	**14,433**	**18,108**

9 Non - current loans

	As at 31st March, 2025	As at 31st March, 2024
(Unsecured and considered good)		
Loans to employees	117	112
	117	**112**

(All amounts are in Lakhs of Indian Rupees , unless otherwise stated)

10 Other non-current financial assets

	As at 31st March, 2025	As at 31st March, 2024
(Unsecured and considered good)		
Bank deposits with more than 12 months maturity	1	1
Security deposits	115	95
Deposits with Non Banking Financial Company (NBFC)	1,300	-
	1,416	**96**

11 Other non-current assets

	As at 31st March, 2025	As at 31st March, 2024
(Unsecured and considered good)		
Capital Advance	52	-
	52	**-**

12 Inventories

	As at 31st March, 2025	As at 31st March, 2024
(Lower of cost and net realisable value)		
Raw material	4,396	4,114
Raw material - goods in transit	485	911
Work in progress	316	200
Finished goods	950	789
Finished goods in transit	557	372
Stores and spares	28	8
Stock in trade	489	523
	7,221	**6,917**

a) Cost of Inventories recognised as expense in statement of profit and loss 58,367 50,905

b) The mode of valuation of inventories has been stated in Note 2.8

c) Net of inventory provision of ₹ 805 Lakhs as at 31st March, 2025 (as at 31st March, 2024: ₹ 433 Lakhs)

13 Trade receivables

	As at 31st March, 2025	As at 31st March, 2024
Considered good	16,965	14,175
	16,965	**14,175**

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.

Notes forming part of Consolidated Financial Statements

for the year ended 31st March, 2025 (Contd.)

(All amounts are in Lakhs of Indian Rupees , unless otherwise stated)

c) Ageing of trade receivables

i) Undisputed trade receivables considered good March 31, 2025

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	15,080	1,699	132	46	1	7	16,965
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	**15,080**	**1,699**	**132**	**46**	**1**	**7**	**16,965**

ii) Undisputed trade receivables considered good March 31, 2024

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**

iii) 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, 2025 and 31st March, 2024.

14 Cash and bank balances

	As at 31st March, 2025	As at 31st March, 2024
Cash and cash equivalents:		
Balance with banks in current accounts	2,001	1,235
	2,001	**1,235**
Bank balances other than mentioned in cash and cash equivalents		
- Deposit accounts (with original maturity greater than 3 months up to 12 months)	300	600
- Unpaid dividend (Also, refer note (i) below)	64	56
	364	**656**
	2,365	**1,891**

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:

	As at 31st March, 2025	As at 31st March, 2024
Interest accrued on deposits	69	59
Duty draw back receivable	13	7
Deposit accounts (with original maturity greater 12 months)	200	-
Advance given for investment	560	-
	842	**66**

16 Income tax assets

	As at 31st March, 2025	As at 31st March, 2024
Advance tax (net of Provision for tax)	781	527
	781	**527**

17 Other current assets

	As at 31st March, 2025	As at 31st March, 2024
Supplier advances	462	513
Other advances	10	7
Prepaid expenses	530	348
Other receivables	48	241
	1,050	**1,109**

Notes forming part of Consolidated Financial Statements

for the year ended 31st March, 2025 (Contd.)

(All amounts are in Lakhs of Indian Rupees , unless otherwise stated)

18 Equity share capital

	As at 31st March, 2025		As at 31st March, 2024	
	Numbers	Amount	Numbers	Amount
Authorised				
Equity shares of ₹ 5 each	3,00,00,000	1,500	3,00,00,000	1,500
Issued, subscribed and fully paid up share capital				
Equity shares of ₹ 5 each	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

	As at 31st March, 2025		As at 31st March, 2024	
	Numbers	% shareholding	Numbers	% shareholding
Equity shares of ₹ 5 each				
Lucas Indian Service Limited, India	1,59,07,374	70.32%	1,59,07,374	70.32%
	1,59,07,374	**70.32%**	**1,59,07,374**	**70.32%**

d) Disclosure of shareholding of promoters

Promoter Name	As at 31st March, 2025		As at 31st March, 2024		
	Numbers	% shareholding	Numbers	% shareholding	% Change during the year
Equity shares of ₹ 5 each					
Lucas Indian Service Limited	1,59,07,374	70.32%	1,59,07,374	70.32%	0.00%
Sheela Balaji	3,712	0.02%	3,712	0.02%	0.00%
T K Balaji	1,694	0.01%	1,694	0.01%	0.00%
Vatsala Raghu	542	0.00%	542	0.00%	0.00%
Sowmyan Ramakrishnan	4,308	0.02%	4,308	0.02%	0.00%
V A Raghu	8	0.00%	8	0.00%	0.00%
Mala Ramakrishnan	742	0.00%	742	0.00%	0.00%
Vijaya Mohanram	742	0.00%	742	0.00%	0.00%
D Saroja	-	0.00%	-	0.00%	0.00%
	1,59,19,122	**70.37%**	**1,59,19,122**	**70.37%**	**(0)**

e) 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, 2025.

(All amounts are in Lakhs of Indian Rupees , unless otherwise stated)

f) Details of interim dividend declared:

	for the year 31st March, 2025	for the year 31st March, 2024
Date of meeting of board of directors	13th February, 2025	13th February, 2024
Dividend per share	12.50	10.25
Cash outflow in Lakhs	2,828	2,318

19 Other equity

	As at 31st March, 2025	As at 31st March, 2024
Capital redemption reserve	**40**	**40**
General reserve	**10,948**	**10,948**
Retained earnings		
Opening Balance	38,203	34,591
Dividend paid during the year	(2,828)	(2,318)
Profit for the year	8,228	5,930
Closing balance	**43,603**	**38,203**
Other Comprehensive income		
Opening Balance	12,026	9,427
Add : Other comprehensive income for the year, net of tax	3,387	2,599
Closing balance	**15,413**	**12,026**
Foreign currency translation reserves		
Opening Balance	(23)	(104)
Add : movement during the year	6	81
Closing balance	**(17)**	**(23)**
Total Other Equity	**69,987**	**61,194**

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, 2025 (Contd.)

(All amounts are in Lakhs of Indian Rupees , unless otherwise stated)

20 Lease liabilities

	As at 31st March, 2025		As at 31st March, 2024	
	Non-current	Current	Non-current	Current
Lease liabilities	127	84	212	82
	127	**84**	**212**	**82**

a) Movement in lease liability

	As at 31st March, 2025	As at 31st March, 2024
Balance at beginning of the year	294	364
Additions	-	-
Deletion	-	-
Finance cost (Also, refer note 34)	26	33
Payment of Lease liabilities	(108)	(103)
Balance as at end of the year	**212**	**294**

b) Summary of contractual maturities of lease liabilities on undiscounted basis

	As at 31st March, 2025	As at 31st March, 2024
i) Less than one Year	109	108
ii) One to five years	130	239
iii) More than five years	-	-
	239	**347**

c) Amount recognised in statement of profit and loss

	As at 31st March, 2025	As at 31st March, 2024
Interest on lease liabilities	26	33
Amortisation of ROU	91	91
	117	**124**

21 Non-current provision

	As at 31st March, 2025	As at 31st March, 2024
Provision for employee benefits:		
- Compensated absences	386	363
	386	**363**

22 Deferred tax liability

	As at 31st March, 2025	As at 31st March, 2024
Deferred tax liability arising on account of :		
- Timing difference between written down value as per financials and as per Income tax on property plant and equipment	914	929
- Fair valuation of investments	3,327	3,189

(All amounts are in Lakhs of Indian Rupees , unless otherwise stated)

	As at 31st March, 2025	As at 31st March, 2024
Deferred tax asset arising on account of :		
- Provision for employee benefits	(255)	(290)
- Others	(74)	(59)
	3,912	**3,769**

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, 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**
Recognised in statement of profit and loss *	(15)	76	30	(15)	76
Recognised in other comprehensive income **	-	62	5	-	67
Balance as at 31st March, 2025	**914**	**3,327**	**(255)**	**(74)**	**3,912**

* includes ₹ 76 Lakhs of tax expense for the year ended 31st March, 2025 on account of change in applicable tax rate.

** includes ₹ 429 Lakhs of tax income for the year ended 31st March, 2025 on account of change in applicable tax rate.

23 Trade payables

	As at 31st March, 2025	As at 31st March, 2024
Total outstanding dues to micro enterprises and small enterprises (Also, refer note (a) and (b))	5,211	4,333
Total outstanding dues to other than micro enterprises and small enterprises (Also, refer note (b))	8,806	8,700
	14,017	**13,033**

a) Disclosures Required Under Section 22 Of The Micro, Small And Medium Enterprises Development Act, 2006:

	Particulars	As at 31st March, 2025	As at 31st March, 2024
(i)	Principal amount remaining unpaid to any supplier as at the end of the accounting year	5,211	4,333
(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	-	-

Notes forming part of Consolidated Financial Statements

for the year ended 31st March, 2025 (Contd.)

(All amounts are in Lakhs of Indian Rupees , unless otherwise stated)

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, 2025 and 31st March, 2024 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, 2025

Particulars	Outstanding for following period from due date from payment						
	Unbilled	Not Due	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
Undisputed Micro and Small enterprises	-	5,211	-	-	-	-	**5,211**
Disputed - Micro and Small enterprises	-	-	-	-	-	-	**-**
Undisputed - Other than Micro and Small enterprises	2,829	2,664	3,234	16	12	51	**8,806**
Disputed - Other than Micro and Small enterprises	-	-	-	-	-	-	**-**

31st March, 2024

Particulars	Outstanding for following period from due date from payment						
	Unbilled	Not Due	Less than 1 year	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	3,627	3,393	1,596	32	-	52	**8,700**
Disputed - Other than Micro and Small enterprises	-	-	-	-	-	-	**-**

24 Other financial liabilities:

	As at 31st March, 2025	As at 31st March, 2024
Unpaid dividend	64	56
Earnest money deposit	27	72
Commission to directors	220	230
Employee payable	1,108	788
Liability towards discounts to customers	1,424	1,403
	2,843	**2,549**

(All amounts are in Lakhs of Indian Rupees , unless otherwise stated)

25 Current provision

	As at 31st March, 2025	As at 31st March, 2024
Provisions for employee benefits		
- Compensated absences	59	24
Gratuity (Also, refer note 39)	39	97
Provision for warranty (Also, refer note (a) below)	78	77
	176	**198**
Product Warranty:		
Opening Balance	77	60
Additions	96	61
Utilizations	(95)	(44)
Closing Balance	**78**	**77**

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

	As at 31st March, 2025	As at 31st March, 2024
Statutory dues	775	676
Tooling advance	446	496
Others	4	-
	1,225	**1,172**

27 Revenue from operations

	Year ended 31st March, 2025	Year ended 31st March, 2024
Sale of Manufactured Products:		
Export sales	3,363	3,578
Domestic sales	75,829	65,084
	79,192	**68,662**
Sale of Traded Products:		
Domestic sales	4,863	3,940
Gross sales:	**84,055**	**72,602**
Discount to customers (Turnover discount)	(861)	(932)
Net Sales:	**83,194**	**71,670**
Other operating revenues:		
- Export benefits	84	91
- Scrap sales and others	1,205	646
	84,483	**72,408**

Notes forming part of Consolidated Financial Statements

for the year ended 31st March, 2025 (Contd.)

(All amounts are in Lakhs of Indian Rupees , unless otherwise stated)

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.

	Year ended 31st March, 2025	Year ended 31st March, 2024
Revenue by geography		
India	81,158	68,830
Rest of the world	3,325	3,578
Total revenue from operations	**84,483**	**72,408**

b) Contract balances

	As at 31st March, 2025	As at 31st March, 2024
Receivables, which are included in Trade receivables (gross) (Contract Asset)	16,965	14,175
Tooling advances, Which are included in Other current liabilities (Contract Liabilities)	446	496

c) Segment information

In accordance with Ind AS 108, Operating Segments, the Company has identified manufacture and sale of Electrical and Electronic products for two/three wheelers and engines. 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, 2025 and 31st March, 2024.

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:

	Year ended 31st March, 2025	Year ended 31st March, 2024
Revenue by geography		
India	81,158	68,830
Rest of the world	3,325	3,578
Total revenue from operations	**84,483**	**72,408**

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.

	Year ended 31st March, 2025	Year ended 31st March, 2024
No of customer	2	2
Amount involved	62,365	48,751

(All amounts are in Lakhs of Indian Rupees , unless otherwise stated)

28 Other income

	Year ended 31st March, 2025	Year ended 31st March, 2024
Interest Income :		
- From bank deposits	80	47
- From bonds	220	132
Dividend Income	435	194
Net gain on foreign currency transactions	120	144
Net gain on sale of investments carried at FVTPL	1,276	551
Gain on fair valuation of investment carried at fair value through profit and loss	860	1,334
Provision no longer required written back	7	83
Other non-operating income	13	2
	3,011	**2,487**

29 Cost of raw materials consumed

	Year ended 31st March, 2025	Year ended 31st March, 2024
Opening stock	5,025	3,751
Add: Purchases	54,725	48,824
	59,750	**52,575**
Less: Closing stock	(4,881)	(5,025)
	54,869	**47,550**

30 Purchase of stock in trade

	Year ended 31st March, 2025	Year ended 31st March, 2024
Purchase of stock in trade	2,928	2,438
	2,928	**2,438**

31 Changes in inventories of finished goods, work-in-progress and stock-in-trade

	Year ended 31st March, 2025	Year ended 31st March, 2024
Closing stock		
Finished goods	1,507	1,161
Work in progress	316	200
Stock in trade	489	523
	2,312	**1,884**
Opening stock		
Finished goods	1,161	1,333
Work in progress	200	209
Stock in trade	523	307
	1,884	**1,849**
Changes in inventories	**(428)**	**(35)**

Notes forming part of Consolidated Financial Statements

for the year ended 31st March, 2025 (Contd.)

(All amounts are in Lakhs of Indian Rupees , unless otherwise stated)

32 Other operating expenses

	Year ended 31st March, 2025	Year ended 31st March, 2024
Stores and spares consumed	998	952
Power and fuel	993	862
Repairs to:	-	
- Building	404	325
- Machinery	592	401
- Others	86	98
Research and development expenses	473	262
	3,546	**2,900**

33 Employee benefits expenses

	Year ended 31st March, 2025	Year ended 31st March, 2024
Salaries, wages and bonus	8,248	7,322
Gratuity expenses (Also, refer note 39)	85	64
Contribution to provident and other funds (Refer Note 39)	311	341
Staff welfare expenses	1,209	1,070
	9,853	**8,797**

34 Finance costs

	Year ended 31st March, 2025	Year ended 31st March, 2024
Bank charges	13	6
Interest on lease liabilities (Refer note 20)	26	33
	39	**39**

35 Depreciation and amortisation expenses

	Year ended 31st March, 2025	Year ended 31st March, 2024
Depreciation of Property, plant and equipment (Also, refer note 4)	1,434	1,360
Amortisation of intangible assets (Also, refer note 6)	531	58
Amortisation of right to use asset (Also, refer note 7)	91	91
	2,056	**1,509**

36 Other expenses

	Year ended 31st March, 2025	Year ended 31st March, 2024
Rent (Also, refer note (a) below)	5	5
Repairs and maintenance - others	19	23
Insurance	46	51

(All amounts are in Lakhs of Indian Rupees , unless otherwise stated)

	Year ended 31st March, 2025	Year ended 31st March, 2024
Royalty	23	-
Rates and taxes	73	53
Communication expenses	44	47
Postage, printing and stationery	44	47
Director sitting fees	23	21
Travelling and conveyance	392	299
Loss on sale of fixed assets(net)	0	-
Property, plant and equipment written off	7	-
Legal and professional charges	892	1,068
Management fees (Also, refer note 40)	726	654
Corporate social responsibility (Also, refer note 44)	125	99
Commission to directors	143	159
Contract expenses	311	237
Security charges	202	182
Warranty expenses	96	61
Freight outwards	455	417
Advertisement and sales promotion expenses	386	398
Audit Fees:		
a) Statutory Auditors:		
- Statutory Audit	22	18
- Tax Audit	4	4
- Other Attestation Matters	3	8
- Reimbursement of Expenses	1	2
b) Cost Audit	4	3
c) Secretarial Audit	2	2
d) Reimbursement - Other audits	2	2
Miscellaneous expenses	288	259
	4,338	**4,119**

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

	Year ended 31st March, 2025	Year ended 31st March, 2024
Increase in fair value of investments	3431	3,510
Remeasurement of the defined benefit plan	23	(133)
Income tax relating to items that will not be reclassified to profit or loss	(67)	(778)
	3,387	**2,599**

Notes forming part of Consolidated Financial Statements

for the year ended 31st March, 2025 (Contd.)

(All amounts are in Lakhs of Indian Rupees , unless otherwise stated)

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:

	Year ended 31st March, 2025	Year ended 31st March, 2024
Income tax expenses		
Accounting profit before taxes and exceptional items	10,293	7,578
Tax rates	25.17%	25.17%
Tax on profit at enacted tax rate	**2,591**	**1,907**
Dividend income from mutual funds and equity instruments exempted under the income tax act (u/s.80M deduction)	(109)	(49)
Effect of adjustment of long term capital gain against brought forward long term capital loss	(236)	(17)
On account of enacted tax rates	(216)	(248)
Others	(41)	49
Actual tax expenses	**1,989**	**1,642**
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	(15)	(35)
On account of fair value change in Investment	76	169
On account of provision for employee benefits	30	(159)
Others	(15)	31
Deferred tax expenses	**76**	**6**
Total tax expenses recognised in statement of profit and loss	**2,065**	**1,648**

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, 2013 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.

	Year ended 31st March, 2025	Year ended 31st March, 2024
Employer's contribution to provident fund	272	284
Employer's contributions to employee state insurance	2	7
Employer's contribution to superannuation fund	37	50
	311	**341**

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.

Notes forming part of Consolidated Financial Statements

for the year ended 31st March, 2025 (Contd.)

(All amounts are in Lakhs of Indian Rupees , unless otherwise stated)

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, 2025 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 recognised in the Company's financial statement

i) Change in projected benefit obligation

	As at 31st March, 2025	As at 31st March, 2024
Opening defined benefit obligation	1,438	1,273
Benefits paid	(83)	(129)
Current service cost	82	68
Interest cost on benefit obligation	97	86
Actuarial (gain) on obligation	(14)	140
Projected benefit obligation at the end of the year	**1,520**	**1,438**

ii) Change in plan assets

	As at 31st March, 2025	As at 31st March, 2024
Opening fair value of plan assets	**1,341**	**1,282**
Contributions by employer	127	91
Benefits paid	(83)	(129)
Expected return	94	90
Others	(8)	-
Actuarial gain / (loss) on plan assets	9	7
Closing fair value of plan assets	**1,480**	**1,341**

iii) Reconciliation of present value of obligation on the fair value of plan assets to the liability recognised

	Year ended 31st March, 2025	Year ended 31st March, 2024
Present value of projected benefit obligation at the end of the year	1,520	1,438
Fair value of plan assets at the end of the year	1,480	1,341
(Asset) / liability recognized in the balance sheet	**40**	**97**
Funded Status		
Funded	1,520	1,438
Unfunded	-	-

iv) Components of net gratuity costs are

	Year ended 31st March, 2025	Year ended 31st March, 2024
Current service cost	82	68
Interest cost on benefit obligation	3	(4)
Expected return on plan assets	-	-
Total amount recognised in the statement of profit or loss	**85**	**64**

(All amounts are in Lakhs of Indian Rupees , unless otherwise stated)

	Year ended 31st March, 2025	Year ended 31st March, 2024
Actuarial (gain)/loss	(23)	133
Total amount recognised in other comprehensive income	**(23)**	**133**

v) Principal actuarial assumptions used :

	As at 31st March, 2025	As at 31st March, 2024
Discount Rate (%)	6.41%	6.97%
Estimated Rate of Return on Plan Assets %	6.41%	6.97%
Attrition Rate (%)	12.00%	12.00%
Expected rate of salary increase (%)	7.00%	7.00%
Expected Average Remaining Service (years)	6.62	6.70

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)

	As at 31st March, 2025	As at 31st March, 2024
Within 1 year	202	186
1 - 2 years	297	299
2 - 3 years	180	177
3 - 4 years	197	161
4 - 5 years	178	173
Above 5 years	681	649
	1,735	**1,645**

vii) Sensitivity analysis

		As at 31st March, 2025	As at 31st March, 2024
A.	Discount Rate + 50 BP (%)	6.91%	7.47%
	Defined Benefit Obligation [PVO]	1,484	1,404
	Current Service Cost	84	79
B.	Discount Rate - 50 BP (%)	5.91%	6.47%
	Defined Benefit Obligation [PVO]	1,558	1,474
	Current Service Cost	89	84
C.	Salary Escalation Rate +50 BP (%)	7.50%	7.50%
	Defined Benefit Obligation [PVO]	1,559	1,476
	Current Service Cost	89	84
D.	Salary Escalation Rate -50 BP (%)	6.50%	6.50%
	Defined Benefit Obligation [PVO]	1,482	1,402
	Current Service Cost	84	79

Notes forming part of Consolidated Financial Statements

for the year ended 31st March, 2025 (Contd.)

(All amounts are in Lakhs of Indian Rupees , unless otherwise stated)

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 Limited
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 Private Limited
	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)
	Elango Srinivasan, CFO
	Logitha, Company Secretary

a) Related party relationship is as identified by the Company on the basis of information available with the Company.

40.2 Transactions with related parties

Name of the related party	Year ended 31st March, 2025	Year ended 31st March, 2024
Lucas Indian Service Limited		
Sale of products	5,432	4,909
Rent paid	25	25
Dividend paid	1,988	1,630
Lucas TVS Limited		
Sale of products	-	153
Warranties /Discount	10	-
Purchase of raw materials	3	-
Rent expenses	83	79
Reimbursement of expenses	509	467
Travel reimbursements received	21	24
Management fees	726	654
Dividend received	409	194

(All amounts are in Lakhs of Indian Rupees , unless otherwise stated)

Name of the related party	Year ended 31st March, 2025	Year ended 31st March, 2024
TVS Educational Society		
Reimbursement of expenses	44	24
Stipend to apprentices	2,414	1,338
Arvee Consultants & Services Private Limited		
Professional charges	-	2
Subbaraya Aiyar Padmanabhan AN		
Professional charges	1	-
Remuneration		
Arvind Balaji*	384	307
Anant Jaivant Talaulicar, Director	18	12
Tirumala Kumara Balaji, Director	9	7
Tirumala Kumara Balaji Priyamvada, Director	13	8
Heramb Ravindra Hajarnavis,Director	17	12
Gangapriya Chakraverti, Director	15	11
KG Raghavan, Director	-	2
R Vijaya Raghavan, Director	-	4
Elango srinivasan, Chief financial officer	76	68

*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 in the form of rent free accomodation, furniture, gas, electricity, water, Internet and Security, valued as per the Income Tax rules.

40.3 Balance with related parties

Name of the related party	As at 31st March, 2025	As at 31st March, 2024
Trade receivables		
Lucas Indian Service Limited	1,635	1,474
Lucas TVS Limited	-	71
Trade payables		
Lucas TVS Limited	152	253
Arvee Consultants & Services Private Limited	3	1
Remuneration payable		
Commission payable	278	159
Investments in Equity Shares accounted as fair value through comprehensive income		
Lucas TVS Limited	22,468	19,037

Notes forming part of Consolidated Financial Statements

for the year ended 31st March, 2025 (Contd.)

(All amounts are in Lakhs of Indian Rupees , unless otherwise stated)

41 Research and Development expenses*

Particular	Year ended 31st March, 2025	Year ended 31st March, 2024
The amount spent towards Research and Development expenses during the year are as under:		
Capital expenditure	**585**	**102**
Revenue expenditure		
Salaries, wages and bonus	1,314	1,032
Power and fuel	103	95
Travelling and conveyance	81	51
Miscellaneous expenses	813	765
Total	2,896	2,045

*The summary is prepared based on the information available with the Company.

42 Earnings per equity share (EPS)

Particular	Year ended 31st March, 2025	Year ended 31st March, 2024
Basic and diluted earnings per share		
Nominal value of equity shares	5	5
Profit attributable to equity shareholders (A)	8,228	5,930
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)	36.37	26.21
Diluted earnings per equity share (A/B)	36.37	26.21

43 Contingent liabilities and commitment

Particular	As at 31st March, 2025	As at 31st March, 2024
a) Claims not acknowledged as debt		
Disputed income tax demands	1,034	684
Disputed GST demands	130	-
Sales tax matters	3	3
Others	-	-
b) Estimated amount of contracts remaining to be executed on capital account and not provided, net of advance	367	401

Note:

i) 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.

ii) The Company has received an eligibility letter during the year on 24 March 2025, as per which the Company is entitled to receipt of capital subsidy for investments from SIPCOT. As per the eligibility letter, the Company has to enter into the requirement agreements and comply with the relevant conditions for receipt of such grants of ₹ 67.93 Lakhs per year for the period from 2023-24 to 2037-38 , subject to fulfilment of the applicable conditions. The Company is in the process of entering into such agreements and the amounts will be accounted for in accordance with the accounting policy of the Company.

44 Corporate social responsibility (CSR) expenditure

Particular		Year ended 31st March, 2025	Year ended 31st March, 2024
a)	Gross amount required to be spent by the Company during the year	106	96
b)	Amount spent during the year on :		
	- Construction/Acquisition of any Asset:	-	-
	- Education	66	61
	- Rural Development Projects	25	25
	- Health Care and Sanitation	24	8
	- On purposes other than above	-	2
c)	(Shortfall) / excess paid at the end of the year	9	0
	- 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

45 Fair value measurement

a) Financial instruments by category

The carrying value and fair value of financial instruments by categories as of 31st March, 2025

Particulars	Amortised Cost	FVTPL	FVOCI	Total carrying value	Total fair value
Financial assets					
Investments	2,673	22,064	22,511	47,247	47,247
Trade receivables	16,965	-	-	16,965	16,965
Loans	117	-	-	117	117
Cash and cash equivalents	2,001	-	-	2,001	2,001
Other bank balances	364	-	-	364	364
Other Financial Assets	2,258	-	-	2,258	2,258
Total	**24,378**	**22,064**	**22,511**	**68,952**	**68,952**

Notes forming part of Consolidated Financial Statements

for the year ended 31st March, 2025 (Contd.)

(All amounts are in Lakhs of Indian Rupees , unless otherwise stated)

Particulars	Amortised Cost	FVTPL	FVOCI	Total carrying value	Total fair value
Financial liabilities					
Trade payables	14,017	-	-	14,017	14,017
Lease liability	211	-	-	211	211
Other financial liabilities	2,843	-	-	2,843	2,843
Total	**17,071**	**-**	**-**	17,071	**17,071**

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	13,033	-	-	13,033	13,033
Lease liability	294	-	-	294	294
Other financial liabilities	2,549	-	-	2,549	2,549
Total	**15,876**	**-**	**-**	15,876	**15,876**

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

Particulars	Fair value hierarchy	As at 31st March, 2025	As at 31st March, 2024
Investments in Alternate Investment funds	Level I	1,217	1,361
Investments in equity shares	Level I	2,180	1,299
Investment in mutual funds and bonds	Level II	18,667	20,952
Total		**22,064**	**23,612**

(iii) Financial assets measured at fair value through Other Comprehensive Income (FVTOCI) on a recurring basis

Particulars	As at 31st March, 2025	As at 31st March, 2024	Fair value hierarchy	Valuation technique(s) and key input(s)
Unlisted equity instruments	22,511	19,073	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.

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 8x (Previous Year - 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 ₹ 1350 Lakhs and an increase in the multiple by 0.5x would result in a increase in the fair value by ₹ 1350 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.

Notes forming part of Consolidated Financial Statements

for the year ended 31st March, 2025 (Contd.)

(All amounts are in Lakhs of Indian Rupees , unless otherwise stated)

46 Financial risk management

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, 2025, 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.

Interest rate risk

The company has no outstanding borrowings and investment in bonds at fixed rates. Accordingly, no interest rate 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.

(All amounts are in Lakhs of Indian Rupees , unless otherwise stated)

The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are as under:

Particulars	Currency	31st March, 2025		31st March, 2024	
		Amount in Foreign Currency	Amount in ₹	Amount in Foreign Currency	Amount in ₹
Trade Receivables	EUR	2	174	2	189
	USD	17	1,483	8	692
Trade Payables	GBP	-	-	-	8
	USD	7	579	3	289
	JPY	-	-	47	27
	CNY	52	609	26	308

Particulars	Currency	31st March, 2025		31st March, 2024	
		Increase	Decrease	Increase	Decrease
Effect on profit before tax	EUR	8.52	(8.52)	9.43	(9.43)
Increase/(Decrease) of 5%	USD	44.16	(44.16)	20.29	(20.29)
	JPY	-	-	(1.34)	1.34
	CNY	(31.05)	31.05	(15.40)	15.40
	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, 2025				Total
	Up to 1 year	1 to 3 years	3 to 5 years	5 years and above	
Trade payables	14,017	-	-	-	14,017
Lease Liability	109	130	-	-	239
Other financial liabilities	2,843	-	-	-	2,843
Total	**16,969**	**130**	**-**	**-**	**17,099**

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	13,033	-	-	-	13,033
Lease Liability	108	239	-	-	347
Other financial liabilities	2,549	-	-	-	2,549
Total	**15,690**	**239**	**-**	**-**	**15,929**

Notes forming part of Consolidated Financial Statements

for the year ended 31st March, 2025 (Contd.)

(All amounts are in Lakhs of Indian Rupees , unless otherwise stated)

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 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, 2025								
Parent								
India Nippon Electricals Limited	100%	71,118	99.76%	10,268	100%	3,387	342%	11,590
Foreign subsidiary								
PT Automotive Systems Indonesia	1%	403	0.24%	25	0%	-	1%	25
Adjustments arising on consolidation	(1%)	(404)		-	0%	-	(33%)	-
	100%	**71,117**	**100%**	**10,293**	**100%**	**3,387**	**310%**	**11,615**

(All amounts are in Lakhs of Indian Rupees , unless otherwise stated)

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**

48 Audit Trial:

The Company has deployed various accounting software for maintaining its books of account for the year ended 31st March, 2025, 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 at the database level to log any direct data changes with respect to Payroll software. 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.The audit trail that was enabled and operated for the year ended 31st March, 2024, has been preserved by the Company as per the statutory requirements for record retention

49 Material reclassification:

Pursuant to the opinion issued by the Expert Advisory Committee (EAC) of the Institute of Chartered Accountants of India in February 2025, the Company has reclassified employee-related payables pertaining to the previous year, amounting to ₹ 788 Lakhs, from 'Trade Payables' to 'Other Financial Liabilities' to ensure alignment with the presentation requirements under Ind AS and Schedule III to the Companies Act, 2013.

50 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 31st March, 2025: ₹ Nil (As at 31st March, 2024: ₹ 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.

51 Analytical ratios

Ratio	Current year	Previous year	% Variance	Remarks
Current ratio	2.38	2.51	(5.27%)	Not applicable
Return on equity	12%	10%	23.07%	Not applicable
Inventory turnover ratio	8.12	7.98	1.73%	Not applicable
Trade receivables turnover ratio	5.43	5.54	(2.13%)	Not applicable
Trade payables turnover ratio	4.26	4.39	(2.83%)	Not applicable
Net capital turnover ratio	3.34	2.81	18.74%	Not applicable
Net profit ratio	9.74%	8.19%	18.92%	Not applicable
Return on capital employed	14%	12%	19.49%	Not applicable
Return on investment*	14%	15%	(5.37%)	Not applicable

Notes forming part of Consolidated Financial Statements

for the year ended 31st March, 2025 (Contd.)

(All amounts are in Lakhs of Indian Rupees , unless otherwise stated)

Ratio	Numerator	Denominator
Current Ratio	Current Assets	Current liabilities
Return On Equity	Profit available for Equity shareholders	Average Shareholder's Equity
Inventory Turnover Ratio	COGS	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 working capital
Net Profit Ratio	PAT	Net 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, 2024

52 Approval of Financial Statements

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 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, 2025.

53 Events after the reporting period

No adjusting or significant non-adjusting events have occurred since the reporting date.

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, 2025

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