



## India Nippon Electricals Ltd

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**CIN :** L31901TN1984PLC011021

INEL/SE/2026-27/12

**July 08, 2026**

**National Stock Exchange of India Limited,**  
Exchange Plaza, 5th Floor, Plot No.C1,  
G Block, Bandra - Kurla Complex,  
Bandra (E), Mumbai 400 051.

**BSE Limited,**  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai 400 001.

**Scrip Code: INDNIPPON**

**Scrip Code: 532240**

**Dear Sir/Madam,**

**Subject: Notice of 41<sup>st</sup> Annual General Meeting and Annual Report - FY 2025-26**

The 41<sup>st</sup> Annual General Meeting (“AGM”) of the Company will be held on Thursday, 30<sup>th</sup> July, 2026 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 41<sup>st</sup> AGM and the Annual Report of the Company, including the Business Responsibility and Sustainability Report, for the financial year 2025-26 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 2025-26 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](http://www.evotingindia.com).

This is for your information and record.

Yours Sincerely

**For India Nippon Electricals Limited**

S LOGITHA  
Digitally signed  
by S LOGITHA  
Date: 2026.07.08  
18:20:03 +05'30'

**S Logitha**

**Company Secretary**

**Membership No: A29260**

**Encl.: as above**

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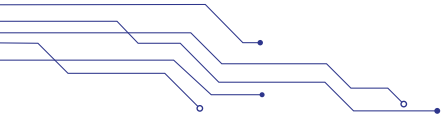
IATF 16949:2016  
BUREAU VERITAS  
Certification





**OPERATING WITH DISCIPLINE.  
EXECUTING WITH EXCELLENCE.  
BECOMING  
FUTURE-READY.**





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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 this 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.



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MANAGEMENT  
MESSAGE



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ABOUT THE  
COMPANY



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OUR  
JOURNEY





**OPERATING WITH DISCIPLINE.  
EXECUTING WITH EXCELLENCE.  
BECOMING  
FUTURE-READY.**

Today, we stand at an inflection point, one where a hard-earned legacy of reliability and operational strength meets a sharper, more deliberate ambition to build a future-ready enterprise. This year's theme is not a declaration of intent; it is a commitment to action, to translating foundational strength into scalable, high-performance growth through disciplined operations, execution-led strategy, and an unrelenting focus on what lies ahead.

## Operating with Discipline

Discipline is our competitive edge. Guided by consistency, accountability, and credibility, we continue to strengthen every aspect of our operations, from governance and compliance to risk management and digital modernization. Even as we reinforce our ICE core, we are pursuing a calibrated diversification strategy: measured, deliberate, and sustainability-conscious, steadily reducing dependence on legacy platforms while building an operational architecture engineered for long-term resilience.

## Executing with Excellence

At INEL, execution is what transforms vision into value creation. Our execution-led strategy is driving focused expansion into advanced electronics and emerging mobility solutions, including DC-DC converters,

controllers and sensors. Combining deep technical expertise with operational agility, we are delivering solutions that meet the industry where it is heading, not just where it stands today.

## Becoming Future-ready

The mobility landscape is not waiting. Neither are we. Through targeted investments in technology, innovation, and capability building, we are shaping an organization that doesn't merely respond to change: it anticipates it. Agile by design, resilient by discipline, and future-focused by conviction, we are positioning INEL to define the next chapter of intelligent, sustainable mobility.

Discipline keeps us grounded. Excellence keeps us moving. Future-readiness keeps us ahead. Together, they are the architecture of an organization that is building deliberately, executing decisively, and growing on its own terms.

### Key Highlights of 2025-26

₹ **1,06,848**  
**Lakhs**  
Revenue

₹ **11,126**  
**Lakhs**  
PAT

**10.12%**  
PAT Margin

₹ **14,924**  
**Lakhs**  
EBITDA

**13.97%**  
EBITDA Margin





# LETTER FROM THE MANAGING DIRECTOR.

## Dear Stakeholders,

This was a milestone year for India Nippon Electricals Limited as we strengthened our market leadership, expanded our technology capabilities, and accelerated our transformation into a future-focused mobility electronics company.

The global operating environment remained volatile during 2025–26, driven by ongoing geopolitical conflicts that created widespread concerns across the automotive industry. These challenges impacted supply chain continuity, commodity prices, logistics networks, and the availability of critical raw materials, particularly crude oil-based inputs.

Despite these headwinds, INEL navigated the environment with limited disruption through proactive planning, localized sourcing strategies, and lower dependence on imported rare-earth magnet content in key products. Our diversified sourcing approach and strong domestic supplier ecosystem ensured continuity in operations and customer deliveries even amid external volatility.

Against this backdrop, INEL delivered one of its strongest performances in recent years. The Company crossed the ₹1,000 Crore revenue milestone in 2025–26 and recorded approximately 26% year-on-year

growth. This strong performance was driven by increased business share across key OEM platforms, sustained leadership in ignition systems, growing momentum in Integrated Starter Generator (ISG) products, expansion of our electronic product portfolio, and deeper penetration into premium vehicle segments.

## India's Growth Momentum

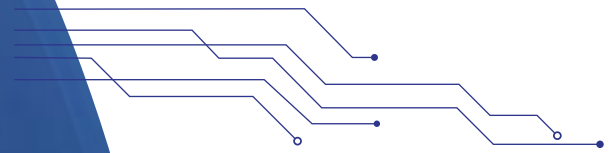
The Indian economy continued to demonstrate remarkable resilience and momentum during the year, supported by strong domestic consumption, infrastructure investments, and manufacturing growth. India's automotive sector remains one of the key pillars of economic progress and is becoming a global manufacturing hub for mobility technologies.

The automotive industry today is undergoing one of the most transformative phases in its history. Electrification continues to gain momentum, though the pace of transition remains uneven across markets and applications. OEMs are increasingly adopting multi-powertrain strategies involving ICE, hybrid, and electric vehicle (EV) platforms to meet evolving customer preferences, affordability considerations, and infrastructure readiness. Meanwhile, rising adoption of intelligent

electronics, advanced sensors, connected systems, and software-led functionalities is significantly increasing the electronic content per vehicle.

The two-wheeler and three-wheeler segments recorded healthy growth during the year. Premium motorcycles, scooters, and electric mobility applications emerged as important growth drivers. GST reforms and rationalization measures boosted ICE platforms, but supply chain challenges and cost pressures moderated the pace of EV penetration in certain categories. Exports faced temporary disruptions due to tariff burdens and macroeconomic uncertainties globally.

The industry also continued to face significant operational challenges arising from rare-earth magnet shortages, volatility in electronic component availability, commodity price inflation, and logistics disruptions. INEL responded proactively through strategic sourcing initiatives, alternate engineering solutions, disciplined inventory planning, supplier alignment, and closer collaboration with customers, thereby ensuring operational continuity and delivery reliability. At the same time, our balanced approach of strengthening core ICE technologies while investing in EV and advanced electronics capabilities



positions INEL strongly to participate across the full spectrum of evolving mobility ecosystems.

## Upholding the Highest Standards

A key highlight of the year was the continued strengthening of our position in premium and high-value segments. The premium two-wheeler category continues to witness strong growth, and INEL has strategically enhanced its participation through differentiated, high-performance solutions that improve efficiency, reliability, and overall vehicle performance. During 2025-26, the Company secured several important business wins across both domestic and export markets, further strengthening our growth pipeline and customer relationships.

Our exports business also maintained strong momentum during the year. We continued expanding our customer base and application footprint across North America and other overseas markets. Export programs for ignition systems and sensors gained traction in stationary engine applications, reflecting increasing customer confidence in INEL's engineering capabilities, product quality, and cost competitiveness. While global trade uncertainties and tariff-related pressures created

temporary challenges, the long-term export opportunity remains highly promising.

Innovation and engineering excellence continue to remain central to INEL's long-term growth strategy and during the year, we have successfully registered patents for EV applications. Our technology roadmap continues to evolve in line with future mobility requirements. In parallel, we are exploring global technical partnerships to accelerate time-to-market and enhance access to emerging technologies while preserving our operational excellence.

“

**INDIA'S AUTOMOTIVE SECTOR REMAINS ONE OF THE KEY PILLARS OF ECONOMIC PROGRESS AND IS BECOMING A GLOBAL MANUFACTURING HUB FOR MOBILITY TECHNOLOGIES.**

**Arvind Balaji**  
Managing Director





Automation, low-cost manufacturing solutions, process optimization, and productivity improvement programs helped enhance operational efficiency and cost competitiveness. We also made further progress in digitization through improved systems integration, ERP implementation, commodity tracking tools, and enhanced data-driven decision-making frameworks.

## Building Financial Momentum

We delivered robust results across all key parameters. Profit Before

Tax (PBT) reached ₹14,601 Lakhs, supported by an operational profit of ₹10,072 Lakhs, reflecting the resilience and efficiency of our core operations.

Total revenue grew by 26% YoY to ₹106,848 Lakhs, driven by product demand and strong customer relationships. Profit After Tax (PAT) stood at ₹11,126 Lakhs, representing a strong 35.6% increase over the previous year. EBITDA improved from ₹12,363 Lakhs to ₹14,924 Lakhs, backed by material cost optimization initiatives, improved product mix, and increasing contribution from exports and aftermarket businesses.

The aftermarket business remained another important growth driver during the year. Stronger dealer engagement, expanded distribution reach, localized stocking strategies, improved product availability, and portfolio expansion helped deepen our presence across both domestic and export aftermarket channels. Both domestic and export aftermarket segments continue to play an important role in expanding market penetration and enhancing customer reach. Our continued focus on value-based differentiation, rather than pure cost competition, also contributed positively to performance during the year.

Financial discipline remained central to our operating philosophy. Despite increased working capital requirements arising from higher business volumes, export growth, and strategic inventory build-up to address geopolitical supply risks, we maintained our debt-free position. Importantly, we have successfully reduced our working capital days from 42 to 40 days, improving liquidity and operational agility while continuing to invest in future growth.

Our strong balance sheet continues to provide the flexibility required for investments in technology, automation, manufacturing expansion, and new product development. During the year, we continued investing ahead of demand through capacity enhancement, smart manufacturing initiatives, and operational digitization programs. Our disciplined financial stewardship is also reflected in





## OUR STRONG BALANCE SHEET CONTINUES TO PROVIDE THE FLEXIBILITY REQUIRED FOR INVESTMENTS IN TECHNOLOGY, AUTOMATION, MANUFACTURING EXPANSION, AND NEW PRODUCT DEVELOPMENT.

the dividend declaration of ₹15.50 per share for the year, reinforcing our commitment to delivering consistent and sustainable value to our shareholders.

### Sustainability at the Core

Sustainability remains integral to INEL's long-term strategy and operating philosophy. We continue to focus on energy efficiency, resource optimization, process simplification, and reducing environmental impact across our manufacturing facilities and product development programs.

During the year, we also strengthened our cybersecurity and digital governance framework. While our existing SIEM systems continue to remain operational and effective, we are evaluating additional initiatives to further enhance the protection of critical systems, digital infrastructure, and data assets.

At INEL, we firmly believe that organizational growth is driven

by people and culture. During the year, we sharpened our focus on capability building, leadership development, AI and digital literacy, technical upskilling, and employee engagement initiatives. We remain committed to building a future-ready workforce through continuous learning, inclusivity, wellness initiatives, and a performance-driven culture founded on collaboration and innovation.

### Charting the Future

We are aware that uncertainties relating to geopolitical developments, energy prices, regulatory changes, and EV adoption trends may continue in the near term. However, we remain confident in the long-term opportunities emerging across the automotive ecosystem.

Our strategic multi-year roadmap is built around five core priorities. We aim to strengthen leadership in core products, accelerate growth in electronics and EV-related technologies, expand the exports and aftermarket businesses, improve operational excellence through automation and digitalization, and build future-ready organizational capabilities. We will continue focusing on increasing the share of electronics products within our overall revenue mix while deepening engagement across automotive, non-automotive applications, and global markets, with investments directed toward automation, operational excellence, advanced sensors, displays, integrated controllers, power electronics, EV systems, and intelligent mobility

solutions to strengthen our technology capabilities and create lasting value for customers and stakeholders alike.

### Closing Remarks

We move into 2026-27 with confidence, optimism, and a strong sense of purpose. This year's progress reinforces our conviction that INEL is evolving into a stronger, more diversified, and technology-driven organization. Despite ongoing geopolitical impacts and cost pressures from commodity prices and upcoming labor code reforms, we remain resilient. By driving execution excellence and aggressive cost-control measures like VAVE (Value Analysis and Value Engineering), we are successfully navigating these macroeconomic headwinds. Furthermore, our strategic focus on the EV sector positions us to capture future mobility trends and deliver sustainable, long-term value to our stakeholders.

I would like to express my sincere gratitude to our Board of Directors, customers, supplier partners, financial institutions, shareholders, and all our employees for their continued trust, collaboration, and support. Your commitment remains instrumental to INEL's continued growth and success.

Warm Regards,

**Arvind Balaji**  
Managing Director



About the Company

# ENGINEERED FOR EXCELLENCE.

For decades, INEL has stood at the forefront of automotive electronics, building a legacy defined by engineering excellence, technological innovation, and customer trust. As a leading manufacturer of advanced electronic ignition systems, we have forged long-standing partnerships with marquee OEMs across the automotive and non-automotive segments, delivering solutions that are synonymous with precision and performance.

Driven by a commitment to continuous evolution, we are expanding our capabilities beyond conventional systems into the EV ecosystem. While fortifying our core internal combustion engine business, we are also developing advanced electronic solutions such as controllers, converters, sensors, and engine control units that align

with the future of mobility. This balanced approach unlocks new growth avenues while leveraging our proven strengths.

Our innovation-led journey is powered by three strategically located state-of-the-art manufacturing facilities and an advanced Technical Center. As we

extend our footprint across India and overseas market, we continue to strengthen our global presence while advancing future-ready technologies. By bridging traditional mobility systems with next-generation electrification solutions, we remain committed to shaping a smarter, more sustainable future for mobility.



## 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

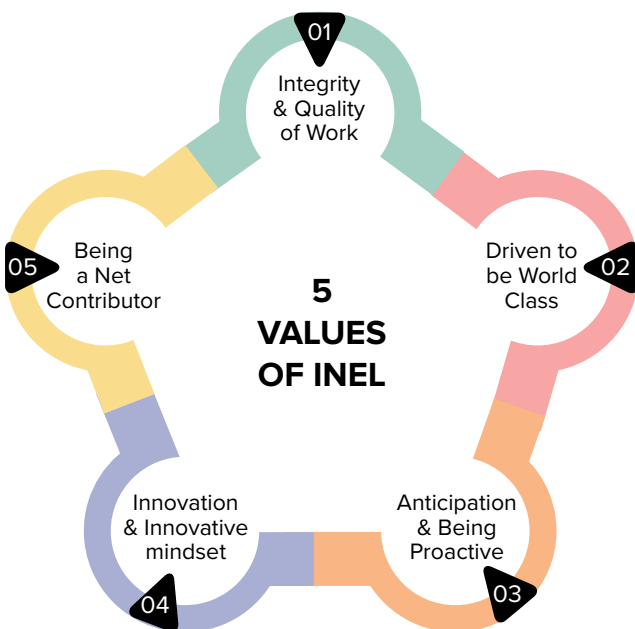
To be a preferred supplier of Ignition Systems for Automotive and General-Purpose engines. To design, develop and supply cost-competitive, high-quality products to meet customer requirements through involvement of employees and suppliers through the use of contemporary technology.



# 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 5 Values we identify with are:



## 1 Integrity and 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.

## 2 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.

## 3 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.

## 4 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.

## 5 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.



## Shareholding Pattern (%)

As of 31<sup>st</sup> March, 2026



**70.32** Lucas Indian Service Limited

**0.05** Promoter Individual

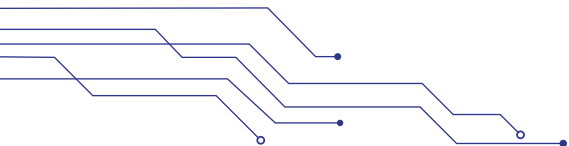
**29.63** Public Shareholders

## Global Footprint

We are expanding our global relevance through deeper market penetration and versatile technology applications. Our international growth momentum is backed by rising export opportunities, particularly in North America, where collaborations with leading global OEMs are unlocking new avenues for scale and innovation.

We continue to strengthen our presence across ASEAN, Europe, and North America by delivering precision-engineered and adaptable solutions. We are also sharpening our aftermarket capabilities to create stronger customer engagement and long-term value across regions.

Today, INEL's products reach customers in over 10 countries, signaling the growing global acceptance of our technology and manufacturing capabilities. Our focus remains on building enduring partnerships and advancing mobility solutions designed for the future.



on Electricals Limited



Corporate  
Overview



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Our Journey

# PROGRESS POWERED BY **PRECISION.**



- 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.

**1984-1988**

**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.



Corporate Overview

Statutory Reports

Financial Statements



Product Portfolio

# ADVANCED SOLUTIONS FOR EVOLVING MOBILITY.

From powering conventional internal combustion engine platforms to supporting next-generation EV applications, our solutions cater to diverse OEM requirements across the automotive industry. Our expanding capabilities in advanced electronics and EV-focused technologies reflect our commitment to staying ahead of industry transformation.

## Comprehensive Product Portfolio

### Electronic Ignition System

Modern electronic automotive ignition systems are advanced replacements for conventional mechanical systems used in older vehicles. Their primary function is to ignite the air-fuel mixture within the engine cylinder at the precise moment required for efficient combustion, optimal engine performance, improved fuel efficiency, and lower emissions.



#### AC Generator/ Flywheel Magneto

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



#### Regulator and Rectifier

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



#### Integral Unit

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



#### Ignition Coil

This 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.

The Company has consistently achieved performance benchmarks by delivering innovative, reliable solutions for customer needs in products such as ACGs, ignition coils, and regulator rectifiers. Its focus on engineering excellence has strengthened its position in a highly competitive, technology-driven automotive industry.

## Controllers

Controllers encompass a range of electronic control units (ECUs) and modules that manage and coordinate key systems in modern vehicles. As automotive electronics become more 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 unit. This helps improve fuel efficiency, enables smoother engine starts, and supports 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, like a magneto in traditional systems, to power the vehicle's electrical loads.



#### ISG Controller

The ISG controller works in sync with the machine, initially driving it as a motor to start the engine, and then 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. It also plays a vital role in regulating vehicle emissions.

## Sensors

Modern vehicles rely on a sophisticated network of sensors embedded across the system to track performance and collect real-time data on operating conditions. These sensors are 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

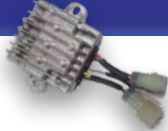


#### Speed Sensor



## Electric Vehicles

INEL has established a state-of-the-art technology center in Tamil Nadu focused on advancing next-generation EV technologies. By combining innovative hardware and software solutions, the facility supports versatile applications across multiple vehicle segments and reinforces our position at the forefront of the EV transition.



### DC-DC Converter

These converters are essential components in EVs, managing power distribution and ensuring compatibility among various electrical systems. Their primary function is to convert the high-voltage DC power from the main battery pack into lower voltage levels required for auxiliary systems and vehicle components.



### 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 tires and alerts the driver in case of a significant drop. This helps prevent reduced vehicle performance, increased tyre wear, and potential safety hazards.

## Display

We have developed display systems for stationary engines that enable continuous monitoring, enhanced operational visibility, and real-time performance insights.



## Under Development



### Traction Motor

Traction motors are electric motors that convert electrical energy into mechanical torque to propel a vehicle's wheels. Typically mounted within the wheel assemblies, they enable direct propulsion and efficient power transmission to the wheels.



### Motor Controller

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

# 2025-26

## Highlights



We further strengthened our product portfolio by introducing sensors for both domestic and export markets. During the year, we successfully provided alternate and innovative sensor solutions to customers to address supply chain challenges arising from rare earth magnet shortages. Our sensor solutions have also been recognized by export customers for their innovation and performance.

We continue to expand our presence across key customer platforms and vehicle segments by offering high-performance, efficient solutions. INEL holds a strong market position in major scooter models, having gained significant market share. We have also achieved growth in the two and three-wheeler segment, particularly in ISG Machine.

Recognizing the rapid growth of the premium vehicle segment in India, we are developing high-performance solutions aimed at improving vehicle efficiency and enhancing customer value.

We are expanding our EV product portfolio, including motors, controllers, DC-DC converters and sensors. Simultaneously, we are deepening engagement with key OEM customers and extending our capabilities into the four-wheeler segment.

We remain focused on expanding our product portfolio through continuous innovation, stronger customer engagement, and strategic investments in advanced electronics and EV technologies. Going forward, we aim to enhance the contribution of electronic products within our overall revenue mix, strengthen our presence in export markets, accelerate aftermarket growth, and expand into new segments including passenger vehicles, commercial vehicles, and non-automotive applications.

## Aftermarket

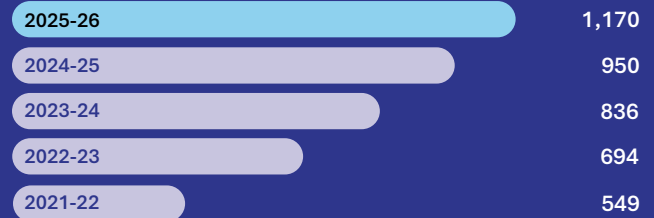
INEL has a dedicated team focused on the aftermarket segment. Through consistent promotional activities, we continue to maximize business value while extending our market reach. In addition, we conduct skill development programs for two-wheeler mechanics, reflecting our commitment to improving service quality and contributing to community development. Our aftermarket business has demonstrated strong momentum, achieving a robust 20% CAGR over the past five years.

In the aftermarket business, our key focus areas included:

- Expanding distribution reach by strengthening dealer networks, particularly in export markets, improving inventory availability, and enhancing brand image levels.
- Driving channel partner development, localized stocking strategies, and faster turnaround times to improve market penetration and customer satisfaction.
- Additional warehouse space for stock inventory levels.

After Market Sales (in ₹ Million)

# ₹1,170 Million





Manufacturing

# WHERE CAPABILITY MEETS SCALE.

Central to our operations is a future-ready manufacturing ecosystem engineered for precision, agility, and scale. Every facility, process, and technology investment is aligned to create products that meet evolving industry demands while maintaining the highest quality standards.

Our integrated manufacturing infrastructure combines advanced automation, intelligent process control, and lean operational frameworks to deliver consistent performance across every stage of production. Embedding digital technologies into core operations enables faster decision-making, improves traceability, and increases operational efficiency.



## Manufacturing Facilities

Our manufacturing plants at Hosur, Puducherry, and Rewari are built to support high-volume production while retaining the flexibility to adapt to changing market and technology requirements. Structured around safety, operational excellence, and long-term scalability, our facilities enable us to deliver reliable, high-quality products across industries.

## Operational Focus Areas



### Performance

- Process Optimization
- Production Efficiency
- Consistent Quality
- Rapid Scalability



### Technology

- Smart Automation
- Digital Manufacturing
- IoT Integration
- Advanced Analytics



### People and Culture

- Skilled Workforce Development
- Safety-First Environment
- Continuous Learning
- Collaborative Innovation



### Sustainability

- Resource Optimization
- Responsible Manufacturing
- Environmental Compliance
- Energy-efficient Operations

## Intelligent Manufacturing Ecosystem

The Company's strategically developed production facilities are equipped with globally benchmarked systems and modern engineering practices. From streamlined workflows to data-driven production monitoring, the plants are designed to maximize productivity while ensuring reliability and process stability.

### Key operational strengths include:

- Lean manufacturing methodologies and continuous improvement systems.
- Smart automation for optimized throughput and reduced manual dependency.
- Real-time production visibility through connected systems and analytics.
- End-to-end quality monitoring with digital traceability mechanisms
- Agile manufacturing capabilities supporting scalable product innovation

## Innovation-driven Operations

To strengthen manufacturing independence and operational flexibility, we continuously invest in in-house engineering capabilities and process innovation. Our focus on localized solutions, advanced machinery integration, and intelligent tooling improves turnaround times and cost efficiency, while reducing supply chain risks.

### We are also accelerating Industry 4.0 adoption across facilities through:

- IoT-enabled manufacturing environments.
- Smart production dashboards and predictive monitoring.
- Automated inspection and quality assurance systems.
- Digitized workflows for higher operational transparency
- Sustainable production initiatives focused on energy and resource efficiency

## 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

## Building an Agile Supply Network

Our procurement strategy is closely aligned with production planning and logistics operations. Integrated coordination across functions helps us ensure smooth material flow, operational continuity, and efficient inventory management. We leverage advanced ERP-enabled systems to maintain real-time visibility, ensuring material availability, optimized lead times, and minimal operational disruption. Our strategic partnerships with leading global electronic component suppliers further strengthen supply reliability and operational agility.



R&D and Innovation

# TECHNOLOGY THAT **DELIVERS SCALE.**

Our R&D ecosystem is built on a strong foundation of electronics, embedded systems, simulation, testing, and design optimization to create high-performance solutions for the automotive sector. By continuously investing in advanced infrastructure and deep technical expertise, we have developed robust in-house capabilities to independently design, validate, and manufacture advanced ignition and electronic systems.

**43**

Patents Filed

**21**

Patents Successfully  
Implemented in Mass Production

**29**

Patents Awarded Reflecting  
Our Innovation Leadership

**49%**

Advanced electrical systems that  
ensure reliability and efficiency

**26%**

Efficient solutions built on a  
solid mechanical foundation



## State-of-the-Art Research and Technology Center

At the core of this ecosystem is our advanced Technology Center, staffed by highly skilled engineers and equipped with modern testing, validation, and product development capabilities. The center supports the development of next-generation technologies across ICE, electric, and hybrid mobility platforms, spanning the entire lifecycle from concept design to final compliance validation. In recognition of these capabilities, India Nippon Electricals Ltd. has been accorded recognition by the Department of Science and Technology, Ministry of Industry, Government of India, since 1994.

# 2025-26 Initiatives



## ADVANCING OUR CONTROLLER TECHNOLOGIES

During the year, we continued our strategic transformation from being primarily an electrical product supplier for the two-wheeler industry to a technology-driven electronic controller and mobility solutions provider. We sharpened our focus on advanced controller technologies, software capabilities, sensor systems, and electric mobility solutions to advance our position in the evolving automotive ecosystem

A key milestone this year was the successful development and validation of our ISG controller platform. Through close collaboration with leading OEMs and continuous engineering support, we achieved successful product validation and approvals.

We made significant progress in strengthening our electronic fuel injection (EFI) controller capabilities. During the year, we initiated in-house software development for EFI controllers, which will enable greater flexibility in calibration and fine-tuning across multiple vehicle variants. This is expected to strengthen our integrated controller offerings and support future-ready mobility applications.



## STRENGTHENING ENGINEERING AND DESIGN CAPABILITIES

To accelerate product development cycles and improve engineering efficiency, we began automation of design activities through the development of design guidelines, standardization frameworks, parts libraries, and sub-assembly libraries. These initiatives are expected to reduce manual intervention and support faster time-to-market for new product introductions.

We continued investing in our engineering and validation infrastructure. During the year, we enhanced our SMT line infrastructure with environmentally controlled systems to support growing engineering requirements and enable faster prototyping and product realization. We also expanded our testing and validation facilities to cater to increasing product complexity and customer requirements.



## EXPANDING OUR PRODUCT PORTFOLIO

In our sensor business, we expanded our technology roadmap from low-pressure sensing solutions towards mid-pressure sensor technologies. These developments, currently under test, are aimed at broadening our product portfolio in advanced sensing applications.

We also continued advancing our electric mobility portfolio through development initiatives in off-board chargers, DC-DC converter technologies, and high-efficiency regulators. In addition, we progressed work on torque assist systems aimed at improving vehicle fuel efficiency and performance.



## INFORMATION SECURITY AND COMPLIANCE

We achieved TISAX certification in 2025-26, reinforcing our commitment to robust information security and global compliance requirements. This certification supports our engagement with European and US OEMs for design and development programs.



## BUILDING FUTURE-READY TALENT

We continued focusing on capability building and technical upskilling across our R&D and engineering teams. Structured programs covering technical skills, leadership development, and functional competencies helped build future-ready talent within the organization.



## THE ROAD AHEAD

We remain committed to continuously advancing our technology roadmap across product verticals. Through sustained investments in technology, innovation, and strategic collaborations, we aim to steadily evolve from a product supplier into a comprehensive mobility solutions provider.



Quality Assurance

# RAISING THE BENCHMARK.

Quality is engineered into every stage of product development and manufacturing. We believe that technological excellence, process precision, and customer trust are inseparable. By integrating advanced engineering practices, continuous innovation, and stringent quality controls across operations, we deliver high-performance automotive solutions that consistently meet evolving global industry standards.

Driven by a culture of continuous improvement, INEL maintains rigorous manufacturing standards supported by regular quality evaluations, process optimization, and employee engagement initiatives. Every product is developed with a strong focus on reliability, durability, and performance, ensuring superior quality, value, and long-term customer satisfaction.



INEL works closely with OEM customers to understand evolving expectations, analyze field performance and integrate lessons learned into product and process improvements.

Our commitment to operational excellence is reinforced by globally recognized certifications, including ISO 9001, IATF 16949, ISO 14001, ISO 45001, and ISO 50001 standards. These certifications reflect our adherence to international benchmarks in quality management, environmental responsibility, energy efficiency, and occupational health and safety.



Strategies

# PERFORMANCE DRIVEN BY VISION.

At INEL, we drive growth with a clear vision, technology-led execution, and the ability to adapt to an evolving mobility landscape. We continuously optimize our capabilities, investments, and innovation pipelines to accelerate business performance and create enduring value. Our approach enables long-term value creation while supporting stakeholders and maintaining future-readiness across the business.

## 1 Capitalizing on Our Core Business

We continue to strengthen our leadership in ignition systems and automotive electronics through advanced engineering, precision manufacturing, and deep domain expertise. As the automotive industry transitions toward cleaner and smarter mobility, we remain focused on enhancing our core technologies to deliver superior performance, reliability, and efficiency across diverse engine platforms.

## 3 Entering into New Technical Partnerships

We continue to collaborate with globally recognized automotive technology leaders to accelerate innovation and strengthen our technology capabilities. These partnerships provide access to advanced platforms, engineering expertise, and next-generation product architectures, enabling us to deliver globally competitive solutions for rapidly evolving mobility markets.

## 5 Exploring New Business Lines

Leveraging our expertise in electronics, mechatronics, and intelligent control systems, we are expanding into new business segments aligned with future mobility trends. We remain focused on developing scalable solutions for EVs, smart vehicle electronics, and connected mobility ecosystems.

## 2 Expanding Our Portfolio

Backed by strong in-house R&D capabilities and an innovation-led product development approach, we are expanding our portfolio into advanced mechatronic and intelligent electronic systems. We are developing next-generation solutions that support connected mobility, improved vehicle intelligence, and increased operational efficiency across automotive applications.

## 4 Expanding Our Global Presence

With a steadily growing domestic and international presence, we continue to expand our footprint across key automotive markets. We are deepening customer engagement and distribution networks across Europe, North America, and high-potential ASEAN regions, positioning ourselves as a trusted partner for advanced automotive technologies.

## 6 Advancing Our Aftermarket Business

We are continuously expanding our aftermarket capabilities through a broadening product portfolio, enhanced service support, and a growing distribution network. By delivering high-quality, technology-driven automotive components and systems, we aim to strengthen customer reach and unlock new growth opportunities in both domestic and global aftermarket segments.



## Growth Anchors



### Future-ready Talent

- Skilled talent for 3x growth
- Leadership pipeline development
- Upskilling – Learn, Relearn and Unlearn

1



### People Experience Excellence

- One INEL Experience – consistent and value-driven
- Superior workplace facilities
- Networked team and zero bossing

2



### AI and Digital Literacy

- Data-driven decision making
- Predictive talent and performance analytics
- Real-time workforce insights

3



### Inclusivity, Health, and Safety

- Holistic nurturing (physical, mental, financial and social wellness)
- Inclusive and bias-free practices
- Zero-harm safety culture

4



### Sustainability and Ethics

- Ecological stewardship
- Social impact and community growth
- Zero tolerance for quality lapses

5



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# STRONG FINANCIAL FOUNDATION FOR SUSTAINABLE GROWTH.

We delivered a strong financial performance in 2025–26, significantly outperforming broader industry growth despite a challenging macroeconomic and geopolitical environment. This growth was primarily driven by increased business from existing customers, sustained leadership in ISG products, and the Company’s ability to successfully defend its market position against competitive pressures.

We also benefited from favorable GST reforms and rationalization measures during the year, which supported demand momentum and operational efficiency. An improved sales mix, with a higher contribution from exports and aftermarket (AFM) sales, further strengthened revenue quality and profitability. Additionally, timely commodity price settlements with customers and continued efforts to reduce material costs contributed positively to operating margins.

### Total Revenue

₹1,06,848  
Lakhs

2025-26	1,06,848
2024-25	84,483
2023-24	72,408
2022-23	65,625
2021-22	56,627

### Profit Before Tax

₹14,601  
Lakhs

2025-26	14,601
2024-25	10,268
2023-24	7,578
2022-23	7,006
2021-22	5,155

### EBITDA

₹14,924  
Lakhs

2025-26	14,924
2024-25	12,363
2023-24	9,126
2022-23	8,510
2021-22	6,488

### Profit After Tax

₹11,126  
Lakhs

2025-26	11,126
2024-25	8,203
2023-24	5,930
2022-23	5,787
2021-22	4,026

### Net Worth

₹82,034  
Lakhs

2025-26	82,034
2024-25	71,088
2023-24	62,326
2022-23	56,035
2021-22	49,361

### Return on Net Worth (%)

14.52%

2025-26	14.52
2024-25	12.30
2023-24	10.02
2022-23	10.32
2021-22	8.16



### EBITDA Margin

**13.97%**

Year	EBITDA Margin (%)
2025-26	13.97
2024-25	14.10
2023-24	12.60
2022-23	12.97
2021-22	11.64

### Earnings per Share (EPS)

**₹49.18**

Year	EPS (₹)
2025-26	49.18
2024-25	36.26
2023-24	26.20
2022-23	25.58
2021-22	17.80

### Dividend per Share

**₹15.50**

Year	Dividend per Share (₹)
2025-26	15.50
2024-25	12.50
2023-24	10.25
2022-23	9.25
2021-22	6.25

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## Economic Value Distributed (EVD)

We remained focused on creating sustainable economic value through disciplined financial management and responsible capital allocation. The Company continued contributing to India's economic development by strengthening operational efficiency, optimizing costs, and improving capital productivity.

Despite continued inflationary pressure, commodity price volatility, and rising input costs, we maintained resilience through proactive cost management initiatives, strategic sourcing, and productivity improvements. Our robust performance reflects the effectiveness of our long-term growth strategy, supported by sustainable business practices and a commitment to operational excellence.

### Economic Performance (in ₹ Crores)

Particulars	2025-26	2024-25
Direct Economic Value Generated (Revenues)	1,068	845
<b>Economic Value Distributed</b>	<b>1,021</b>	<b>801</b>
Operating Costs*	831	652
Employee Wages and Benefits	119	99
Payments to Providers of Capital (Dividends)	35	28
Payments to the Government (Taxes)	35	21
Community Investments (SR)	1	1
<b>Economic Value Retained</b>	<b>48</b>	<b>44</b>

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



Environment

# ADVANCING SUSTAINABLE **PROGRESS.**

Sustainability is more than a responsibility for us: it is a guiding principle that shapes every decision we make. We believe true progress is achieved when innovation advances alongside environmental stewardship, preserving the natural systems that support life and growth. Drawing inspiration from nature's strength and adaptability, we are committed to building a future that delivers meaningful and lasting impact for generations ahead.



## Energy Consumption and GHG Emissions

We are committed to closely tracking our energy consumption and associated greenhouse gas emissions as part of our sustainability journey. By adopting energy-efficient technologies, optimizing operational processes, and supporting carbon reduction initiatives, we strive to lower our environmental impact and contribute to a cleaner, more sustainable, low-carbon future.

### Key Highlights

**10.92**  
**Million kWh**  
Total  
Electricity Consumed

**858.99**  
**tCO<sub>2</sub>eq**  
GHG  
Emissions (Scope 1)

Metric	Year	Hosur	Puducherry	Rewari
Average Electricity Consumption per Energy Service Unit (kWh/ESU)	2024-25	0.58	1.04	0.73
	2025-26	0.54	0.78	0.76
Percentage Utilization of Renewable Energy	2024-25	84%	9.1%	6.13%
	2025-26	87.42%	8.53%	4.50%

## Energy Conservation Initiatives

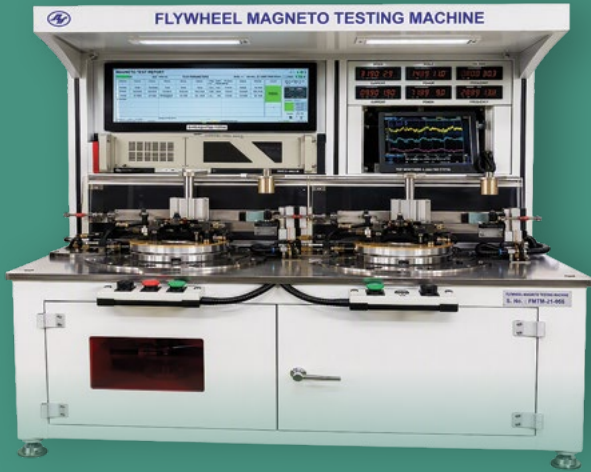
The power consumed per Standard Unit of Production continued to be closely monitored as part of the Company's energy conservation initiatives, achieving the targeted level of 0.54 EU through the implementation of several energy-saving measures, including:

- Replacement of the existing 30 kW hydraulic riveting press with a new energy-efficient hydro-pneumatic riveting press for Cup & Boss rotor riveting operations, reducing power consumption to only 3 KW.
- Installation of approximately six thyristor controllers in potting curing ovens used for Ignition Coil manufacturing and Rotor H-line curing operations to optimize energy usage.
- Installation of Variable Frequency Drive (VFD) controllers in STP blower motors to reduce energy consumption.
- Installation of around eight solar light balls in the canteen dining hall to utilize solar energy and minimize the use of electrical lighting during daytime.
- Replacement of the 1.5 TR panel air cooler in the DC-DC Converter EOL testing machine with a 120-watt high-speed centrifugal fan, resulting in reduced energy consumption.
- Introduction of a highly energy-efficient Rotor Cup washing machine in the E-line, achieving nearly 40% lower energy consumption through a compact hot water tank design and an optimized heating system.
- Installation of a new dual-spindle EOL testing machine in the Rotor H-line, improving operational efficiency and output while reducing energy consumption by approximately 30% compared to the conventional single-spindle machine.

### Future Plans for Energy Conservation

The Company remains committed to further strengthening its energy conservation initiatives through the following measures:

- Implementation of the Equalizer 4.0 Central Control System for AI-based optimisation of air compressor operations, expected to reduce overall energy consumption by around 5%.
- Replacement of existing IE2 and IE3 induction motors in hydraulic riveting presses with high energy-efficient IE4 class induction motors to improve electrical energy efficiency.
- Introduction of heat pump technology for bin washing machines to enhance energy efficiency and reduce overall power consumption.



Commissioned a dual-spindle EOL testing machine to enhance productivity and achieve around 30% energy savings.



Promoting energy conservation with solar-powered lighting in the canteen dining hall.

### Average Hazardous Waste Generated (in Tons)

Year	Hosur	Puducherry	Rewari
2024-25	39.15	21.90	1.86
2025-26	27.7	20.78	2.95

### Chemical Consumption (in Tons)

Year	Hosur	Puducherry	Rewari
2024-25	128	157.09	18.6
2025-26	138.4	160.2	29.24

## Effective Waste Management

Our approach to waste management is centered on reducing environmental impact through responsible and sustainable practices. We minimize waste generation, strengthen recycling practices, and embrace circular economy principles to significantly reduce landfill disposals. We maintain stringent monitoring and control measures for hazardous chemical usage, reinforcing our commitment to operational safety, regulatory compliance, and environmental responsibility.

## Water Conservation

Water is a vital resource for both our operations and the communities around us. We are committed to responsible water stewardship through sustainable management practices focused on conservation, reuse, and efficient utilization. By promoting responsible discharge and safeguarding water quality, we aim to preserve this essential resource and support long-term environmental resilience.

2025-26

Highlights

126.40

KL/Day

Average  
Water Consumption

54

Ltrs/Day

Per Employee  
Water Consumption

## Recognitions and Outreach in Sustainability

- MSI (My Sustainability Index) Awards 2025 by TVSM – Gold Award
- ACMA Excellence Awards 2025 - Certificate of Merit – Progressive for Excellence in ESG
- ESG Compliant Automotive Manufacturer, Most Outstanding Performance, Platinum 5 Star by WSO
- Biodiversity Conservation within Industrial Premises 2nd place by TN Government Krishnagiri Dt.
- Environmental Excellence Award from Honda Power Products for best carbon reduction activity
- Outstanding Commitment to Sustainability Award by TVS Motor in collaboration with SKF Bearings for our INEL

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Employees

# DEVELOPING TALENT FOR TOMORROW.

At INEL, we know that our people are the foundation of our sustainable growth, operational excellence, and innovation. During the year, we remained focused on strengthening talent, enhancing employee engagement, building leadership readiness, and creating a safe, inclusive, and growth-oriented workplace.



## 2025-26

### Highlights

Workforce Composition

Category	Total Headcount			
	Male	Women	Total	Women %
Supervisors and Managers	354	43	397	11%
Union Employees	161	40	201	20%
Associates	1,333	267	1,600	17%
Contract	312	91	403	23%
<b>Total</b>	<b>2,160</b>	<b>441</b>	<b>2,601</b>	<b>17%</b>

Associate Employees Skill Mix

Category	Skill Level				
	L1	L2	L3	L4	Total
Hosur	51	166	186	400	803
Puducherry	16	72	157	162	407
Rewari	49	57	153	131	390
<b>Total</b>	<b>116</b>	<b>295</b>	<b>496</b>	<b>693</b>	<b>1,600</b>

## HR Policy Framework

Our HR policies are guiding principles, uniformly applicable across the organization, that foster a transparent, fair, and inclusive work environment. Clear communication and awareness of these policies reinforce understanding, encourage compliance, and contribute to a more positive workplace culture.

We recognize that employee expectations evolve continuously, particularly among the workforce's newer generations. We remain responsive and people-centric by regularly engaging with employees,

gathering feedback, and making data-driven enhancements to our policies and practices.

One such initiative was introduced in response to employee feedback on our Leave Policy, particularly concerns about Loss of Pay (LOP) for any leave taken during probation. To address this concern and minimize LOP occurrences, we introduced supportive measures to support employee well-being and flexibility. These included work-from-home provisions for medical reasons and special consideration for reimbursing medical expenses beyond standard insurance coverage.

We are committed to creating a supportive experience for employees throughout their journey with the organization. New joiners are provided with comprehensive onboarding support to ensure a smooth transition and a positive employee experience from day one.

Our Code of Conduct and Business Ethics reinforce the importance of integrity, mutual respect, and professionalism in the workplace. We are committed to equal-opportunity employment and recruit talent from across the country, irrespective of ethnicity or background, fostering a diverse and inclusive workforce.

## Talent Acquisition and Retention

During the year, we continued to strengthen our talent acquisition framework to support business growth and operational requirements. A key focus area was the Employee Referral Scheme, which contributed to 31% of total hires during the year.

The implementation of a digital recruitment platform further streamlined the recruitment process, improving employee participation and overall hiring efficiency.

We also strengthened key functions through targeted hiring across TQM, Medical, New Product Introduction (NPI), Materials, and the Rewari operations.

To improve employee retention and engagement, we undertook several focused initiatives.



### EMPLOYEE CONNECT

Structured one-to-one interactions conducted twice a year to understand employee concerns, aspirations, and support requirements.



### ENGAGEMENT INITIATIVES

Quarterly team outings and engagement activities to strengthen collaboration and team bonding.



### GROWTH AND DEVELOPMENT

Higher education sponsorships, leadership development programs, and project implementation assignments.



### HIGH-PERFORMING CULTURE

A high-performance culture that rewards excellence through competitive, performance-driven compensation, accelerated career growth, and opportunities to lead high-impact assignments for top performers and key talent.



### PERFORMANCE-LINKED COMPENSATION

Competitive and performance-linked compensation measures, including fast-track increments for high performers and key talent.

These initiatives improved retention of critical talent and contributed to a reduction in overall attrition levels.



## Employee Engagement and Culture Building

We continued to strengthen employee engagement through a structured, inclusive approach across the organization.

A Total Employee Involvement (TEI) Program and a Rewards & Recognition framework were introduced during employee orientation, with clear participation expectations from the beginning of the employee lifecycle.

An annual theme-based engagement calendar was launched and executed consistently throughout the year to drive employee participation and involvement.

We focused on inclusive participation across all employee categories, genders, and contract workmen, extending selected engagement initiatives to employees' family members.

Participation in external forums, competitions, and industry platforms, along with recognitions received at such events, increased employee pride and contributed positively to Great Place to Work outcomes.

## Training and Development

We continued investing in capability development to prepare our workforce for evolving industry and technological requirements.

Qualified employees were nominated for higher education programs through corporate sponsorship.

Engineers and technical teams were encouraged to participate in leading industry forums and innovation conferences such as Microchip and SAE India to enhance technical exposure and learning.

Focused training and development interventions were conducted in emerging areas including:

- Application of AI in Manufacturing
- Mechatronics and integrated automotive technologies
- Lean manufacturing and zero-defect quality practices through ACMA-led initiatives

Through ACMA engagement, we continued to strengthen PQCDME (Productivity, Quality, Cost, Delivery, Morale, and Environment) capabilities to support world-class manufacturing practices and continuous improvement initiatives.

# 15,539

Employee Hours Spent in Training

# 1,244

Employees Attended Training

# 68

Training Types Offered

## Performance Management and Leadership Development

In 2025–26, we conducted a comprehensive compensation benchmarking exercise, followed by market correction initiatives and performance-linked compensation revisions. These measures strengthened the organization's high-performance culture and enhanced retention across critical functions, particularly within Research & Development.

Further, effective from 2026–27, INEL values and leadership behaviors will be integrated into the performance assessment framework with defined weightage as part of the overall performance evaluation process.

The Company continued to strengthen its leadership pipeline and succession planning framework. We identified critical positions across the organization and are developing succession plans through competency gap assessments and targeted development plans.

High-potential employees are being groomed through structured leadership interventions, including programs conducted through the Lucas TVS Leadership Institute.



## Diversity, Inclusion and Workplace Safety

We remain committed to fostering a diverse, equitable, and inclusive workplace supported by strong governance and safety practices.

INEL follows a zero-tolerance approach towards harassment and discrimination, particularly concerning women employees. An Internal Committee and a structured escalation mechanism administered through an external agency are in place to ensure impartiality, transparency, and employee confidence.

Continuous awareness and capability-building initiatives were conducted through training, toolbox talks, safety meetings, and leadership programs.

## Employee Health, Safety, and Well-being

### Safety (EHS)

We are committed to building a workplace culture where health, safety, and well-being remain paramount. Our safety framework is supported by structured assessments such as Hazard Identification and Risk Assessment (HIRA), Occupational Control Procedures, and Fire Risk Assessments conducted at regular intervals to identify risks and drive continuous improvement. A dedicated Safety Committee periodically reviews compliance measures and operational practices to ensure alignment with evolving safety standards.

To strengthen safety performance, our Safety Team actively engages with external industry forums and competitions to understand emerging best practices and integrate them into our operations. Regular

safety audits are conducted across facilities, with key observations reviewed weekly by the leadership team during Executive Committee meetings for swift action and sustained accountability.

We build employee preparedness through comprehensive onboarding programs, recurring safety awareness sessions, and emergency response drills covering first aid, firefighting, and evacuation procedures. To support these initiatives, we have an Occupational Health Center, staffed by qualified medical professionals and equipped with round-the-clock emergency response and ambulance facilities.

#### Key initiatives this year include:

- Regular safety training, refresher sessions, and structured induction programs to improve safety competency across all levels
- Reinforcement of Behavior-based Safety (BBS) practices through observations, feedback, and corrective actions
- Daily shopfloor audits, periodic inspections, and compliance

reviews to proactively identify and mitigate risks

- Emergency preparedness initiatives including mock drills, firefighting training, and first-aid programs
- Upgrading Occupational Health Center (OHC) facilities, periodic health check-ups, and ambulance support
- Employee wellness initiatives covering stress management, mental health awareness, and overall well-being
- Safety engagement activities to improve employee participation and reinforce safety culture
- Continuous monitoring and awareness initiatives to ensure PPE compliance across operations
- Regular workplace safety assessments, safety walks, Gemba meetings, and occupational health initiatives to maintain a safe and conducive work environment





## HR Digitization and Technology Adoption

The Company continued to drive HR process digitization to enhance operational efficiency and employee experience.

Zwayam, a digital recruitment platform, was implemented this year to improve hiring visibility, turnaround timelines, AI-driven candidate screening, and paperless recruitment processes.

The Full & Final Settlement process was also digitized to enable faster and more efficient settlement processing for exiting employees.

## HR Priorities for 2026–27

Going forward, we will continue to focus on building a high-performance, agile, and future-ready workforce aligned with our long-term growth aspirations. Our key HR priorities for 2026–27 include:

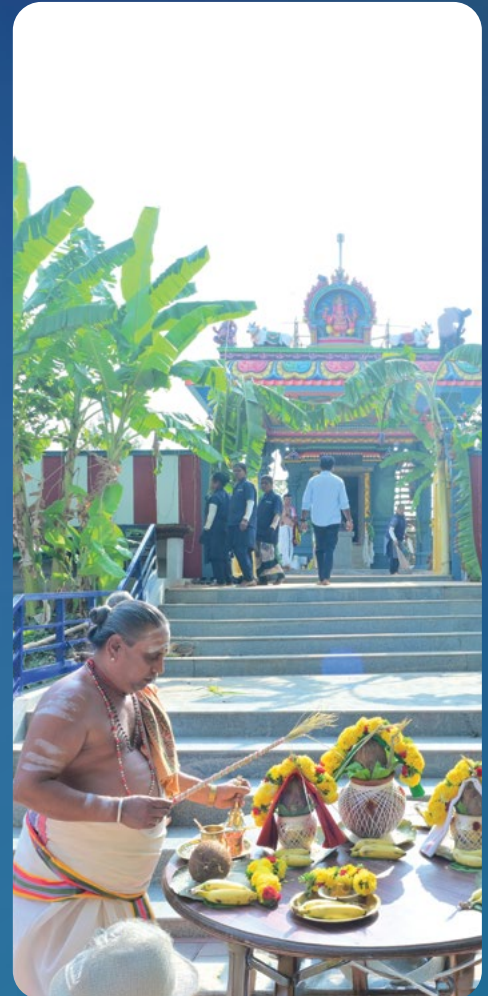
- Strengthening workforce discipline, quality, and productivity
- Building a robust internal talent pipeline through structured talent mapping
- Driving accountability and enabling timely people decisions through a stronger performance culture
- Improving regional diversity and increasing women's representation in our workforce
- Accelerating digitization and enabling data-driven HR processes
- Enhancing employee experience and strengthening our employer brand positioning

Through these focused initiatives, we aim to further elevate organizational capability, employee engagement, and long-term leadership sustainability.

## India's Top 100 Great Mid-Size Workplaces 2026 – Ranked #69

INEL was recognised among India's Top 100 Great Mid-Size Workplaces 2026, securing the #69 position. This achievement underscores our commitment to nurturing a workplace culture that empowers our people, encourages collaboration and drives sustainable organisational success.





**Kumbabhishekam  
Ceremony at the  
Maha Ganapathy  
Temple, INEL  
Factory, Hosur.**





# FOUNDER'S DAY 2026.

Founder's Day 2026 was celebrated at the Hosur facility on 24<sup>th</sup> April, reflecting INEL's legacy, innovation, and commitment to people excellence. The event was graced by Mr. Ram Kuppuswamy, Chief Operating Officer, Hero MotoCorp Ltd. The theme, 'All About Hosur,' honored the region's heritage and its contribution to INEL's journey through engaging presentations, cultural performances, and a nostalgic tribute to the Founder. The celebration featured the Innovation Awards, recognizing outstanding product and process improvements, and the Service Awards, honouring long-serving employees. Inspiring addresses from the Chief Guest and Managing Director reinforced INEL's vision for sustained growth, capability building, and future success.







Communities

# ADVANCING SOCIAL PROGRESS.

We see our responsibility extending beyond products and solutions to contribute to a future where people, businesses, and the environment can progress together. Our efforts focus on enabling positive change through initiatives that support education and livelihoods, encourage inclusion, and promote environmental responsibility. By working closely with our communities and stakeholders, we aim to create opportunities that inspire self-reliance, resilience, and long-term development.



Installation of a Cotton Bag Vending Machine at the Hosur Vegetable Market to Promote Sustainable Alternatives.



Inauguration and handover of three newly constructed houses at Sarandapalli, Hosur, to beneficiary families.

₹ **129.48**

**Lakhs**

Total CSR Contribution for 2025-26

## CSR Expenditure

₹ **108.11**

Hosur

₹ **14.75**

Rewari

₹ **6.62**

Puducherry

Governance

# COMMITMENT TO RESPONSIBLE GROWTH.

**Strong governance remains the foundation of sustainable and responsible growth. As we continue to evolve within a dynamic mobility landscape, we remain focused on fostering a culture built on integrity, transparency, accountability, and ethical decision-making**

Our governance framework extends beyond regulatory compliance. It is designed to reinforce organizational resilience, support informed and agile leadership, and enable long-term value creation for all stakeholders. Guided by these principles, we foster a system that promotes responsible oversight, balanced decision-making, and continuous improvement across all areas of the business.

Our Board of Directors comprises a balanced mix of executive and non-executive members, whose diverse expertise and independent perspectives contribute to effective governance. Their oversight spans strategy, risk management, internal

controls, and organizational performance, helping steer the Company with a forward-looking, responsible approach.

Rooted in strong ethical values and fairness, our leadership philosophy emphasizes accountability, financial discipline, and principled conduct in every aspect of operations. We are committed to upholding high standards of corporate governance

while nurturing a culture of openness, trust, and respect across the organization.

In every engagement with employees, customers, investors, partners, regulators, and the wider community, we strive to create sustainable value through transparency, collaboration, and responsible business practices.





BOD

# GUIDED BY EXPERIENCE, DRIVEN BY EXCELLENCE.



**Mr. T. K. Balaji**  
Chairman



**Mr. Arvind Balaji**  
Managing Director



**Mr. Anant Jaivant Talaulicar**  
Independent Director



**Ms. Priyamvada Balaji**  
Non-Executive Director



**Mr. Heramb  
Ravindra Hajarnavis**  
Independent Director



**Ms. Gangapriya Chakraverti**  
Independent Director



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



## Mr. T. K. Balaji

Chairman

Mr. T.K. Balaji is the Chairman of the ₹ 8,000 Crores (USD 900 Million) Lucas TVS Group of Companies, engaged in cutting-edge technology products in the field of Mechatronics (through Lucas TVS Limited & India Nippon Electricals Limited), common rail diesel fuel injection technology (through Delphi-TVSTechnologies Limited) and India's oldest leader in Aftermarket distribution

and service of these products (through Lucas Indian Service Limited).

Under his vision and leadership, Lucas TVS became a fully Indian owned company and diversified into many high technology areas. These include next generation auto electrical systems, actuation motors, ignition systems, fuel injection systems and sensors of various types. Lucas TVS is now venturing into manufacturing Next-Generation Li-Ion Cells and batteries. A state-of-the-art Battery pack has been set up near Chennai, which is producing 1GWh of Li-Ion batteries for 2-wheelers.

Mr. Balaji was one of the early pioneers to adapt the Japanese quality and manufacturing systems in the 80s. 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 had served as a Member of 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 Degree in Mechanical Engineering from Madras University where he secured first rank and is also a gold medallist alumni of Indian Institute of Management, Ahmedabad.



## Mr. Arvind Balaji

Managing Director

Mr. Arvind Balaji holds a B.E. in Mechanical Engineering from Birla Institute of Technology and Science, an M.S. in Manufacturing Systems Engineering from Stanford University, and an MBA in Finance from the Wharton School, Pennsylvania.

He was employed as a Staff and Senior Consultant at Oracle Consulting Group of Oracle Corporation between 1998 and 2000. This was followed by a stint as Summer Associate at Credit Suisse First Boston Technology Group in San Francisco in 2001, where he gained 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 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 Lucas

TVS Limited, Chennai, in April 2008 and Managing Director in August 2022. He was appointed as Managing Director of INEL in 2008, and is the past President of ACMA.



### **Mr. Anant Jaivant Talaulicar**

Independent Director

Mr. Anant Jaivant Talaulica (DIN 00031051) was appointed as Independent Director on 6<sup>th</sup> April, 2019. He has a B.E. in Mechanical Engineering from Mysore University, a Master's degree in Engineering from the University of Michigan and an MBA from Tulane

University. 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 time, 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 worked in various roles during 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

Ms. Priyamvada Balaji (DIN 00730712) was appointed as a Non-Executive Director on the Board of the Company on 29<sup>th</sup> January, 2018. She holds a

Postgraduate 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 since 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).



## Mr. Heramb Ravindra Hajarnavis

Independent Director

Mr. Heramb Ravindra Hajarnavis, (DIN 01680435), was appointed as an Independent Director of the Company w.e.f. 10<sup>th</sup> August 2022. He earned his S. B. from the Massachusetts Institute of Technology (MIT) and his MBA from

Harvard Business School (HBS) and was awarded an Aspen Institute Fellowship in 2008.

He is the founder and Managing Partner of SeaLink Capital Partners (SCP), an investment firm focused on high potential companies and cross-border opportunities between the United States 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. In addition to serving as a Senior Advisor to select companies, he also currently serves as an Independent Director on the Board of Sundram Fasteners Limited, as a Director on the Board of JM Financial Asset Management Limited, as a Nominee Director on the Board of Sekhmet Technologies Private Limited and as an External Investment Committee member for British International Investment (BII).



## Ms. Gangapriya Chakraverti

Independent Director

Ms. Gangapriya Chakraverti brings over three decades of experience across corporate leadership, human resources, business transformation, consulting and organisational development. Her career spans leadership roles with the Murugappa Group and Ford Motor Company's Business Services organization, as well as business development and consulting roles with Mercer Consulting. Her areas of expertise include leadership and organizational development, change management, and organisational culture.

In her current role as Managing Director, Ford Business Services, and previously

as Director - Human Resources, she has played a significant role in leading people strategy, organisational transformation and change management. She has supported the evolution of Ford Business Services into a global, multi-functional innovation hub, scaling from approximately 4,000 to more than 12,000 associates. Under her leadership, the organisation has advanced innovation and digital transformation while strengthening employee engagement and workplace culture. Ford Business Services has been recognized by the Great Place to Work Institute and acknowledged for employee-oriented practices and policies by organizations including NASSCOM, Working Mothers Media and the National HRD Network.

Ms. Chakraverti serves as an Independent Director on the Board of a technology-driven start-up incubated at the IIT Madras Research Park.

She is a strong advocate for diversity, equity and inclusion, with a particular focus on increasing the representation of women in leadership. She mentors and

coaches senior women professionals and actively supports initiatives that enable individuals to realize their full potential. She is also a committed advocate of workplace wellness and its role in employee engagement and organisational effectiveness. As a business and HR leader, she is a regular speaker at national and international conferences and forums.

Ms. Chakraverti was the first woman President of the Chennai Chapter of the National HRD Network from 2019 to 2021 and served on its National Board for two consecutive terms.

She holds a bachelor's degree in Psychology from Women's Christian College, Chennai, and a master's degree in Personnel Management and Industrial Relations from the Tata Institute of Social Sciences, Mumbai, where she was a gold medalist. She is a Professional Certified Coach accredited by the International Coaching Federation. She was awarded the Women of World Awards 2023 by The Hindu in the Business Leadership category.



# AWARDS & ACCOLADES.



Four teams participated in the Maintenance Competition conducted by the ABK-AOTS Chennai Chapter and secured three Rhodium Awards (First Place) and one Platinum Award (Second Place).



The Company received the “Most Outstanding Performance – Platinum 5-Star Award” in the ESG Compliant Automotive Manufacturer category from the World Safety Organization (WSO).



A team from the Puducherry Unit won the Gold Award at the 1st Annual Convention on Quality Concepts conducted by the QCFI Pondicherry Chapter.



### Ranked #69 among India's Top 100 Great Mid-Size Workplaces 2026

A prestigious recognition of INEL's strong workplace culture, employee engagement and commitment to excellence.



Three teams (two from Hosur and one from Puducherry) won Rhodium Awards in the Autonomous Maintenance Competition conducted by the ABK-AOTS Chennai Chapter.



Five teams (two from Hosur and three from Puducherry) secured Rhodium Awards in the Poka Yoke Competition conducted by the ABK-AOTS Chennai Chapter.



### Outstanding Commitment to Sustainability Award – TVS Motor Company

Recognised by TVS Motor Company for our unwavering commitment to sustainable business practices and environmental stewardship.



INEL participated in the ACMA Excellence Awards 2025 across all seven themes and received Certificates of Merit in all seven categories.



# CORPORATE INFORMATION.

## Board of Directors

**T. K. Balaji**  
Chairman

**Arvind Balaji**  
Managing Director

**Anant Jaivant Talaulicar**  
**Heramb Ravindra Hajarnavis**  
**Gangapriya Chakraverti**  
**Priyamvada Balaji**

## President

Ravinder Sharma

## Chief Technology Officer

K. Kanakaraju

## 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

## Audit Committee

**Anant Jaivant Talaulicar**  
Chairman  
**Heramb Ravindra Hajarnavis**  
**Priyamvada Balaji**

## Nomination and Remuneration Committee

**Gangapriya Chakraverti**  
Chairperson  
**T. K. Balaji**  
**Anant Jaivant Talaulicar**

## Risk Management Committee

**Anant Jaivant Talaulicar**  
Chairman  
**Arvind Balaji**  
**Heramb Ravindra Hajarnavis**  
**Ravinder Sharma**

## Stakeholders' Relationship Committee

**Heramb Ravindra Hajarnavis**  
Chairman  
**Arvind Balaji**  
**Gangapriya Chakraverti**

## CSR Committee

**Gangapriya Chakraverti**  
Chairperson  
**Arvind Balaji**  
**Priyamvada Balaji**

## 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,  
Ph: 04347-233432/233438  
Email: inelcorp@inel.co.in

### Puducherry Unit

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

### Rewari Unit

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

## R&D Tech Center

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

# NOTICE TO SHAREHOLDERS

**NOTICE is hereby given that the 41<sup>st</sup> Annual General Meeting of the Shareholders of INDIA NIPPON ELECTRICALS LIMITED ("the Company") will be held on Thursday, 30<sup>th</sup> July 2026 at 10:00 A.M. (I.S.T.) through Video Conferencing (V.C.)/Other Audio-Visual Means (O.A.V.M.) to transact the following businesses:**

## ORDINARY BUSINESS

**1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March, 2026**

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 31<sup>st</sup> March, 2026 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 31<sup>st</sup> March, 2026 together with the Auditors report, be and are hereby considered and adopted."

**2. To confirm the Interim Dividend for the year 2025-26**

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

**"RESOLVED THAT** the interim dividend of ₹ 15.50 declared and paid for every equity share of face value of ₹ 5 each (dividend at the rate of 310% on the face value) on 2,26,21,424 equity shares, by the Board of Directors of the Company as per Resolution passed on 13<sup>th</sup> February 2026, absorbing a total sum of ₹ 3,506.32 Lakhs, be and is hereby noted and confirmed as the final dividend for the year ended 31<sup>st</sup> March 2026."

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

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

**"RESOLVED THAT** pursuant to the provisions of Section 152 and 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, Mr. T K Balaji (DIN:

00002010), who retires by rotation, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

## SPECIAL BUSINESS

**4. To ratify the remuneration payable to Mr. K Suryanarayanan, the Cost Auditor of the Company for the financial year ending 31<sup>st</sup> March, 2027.**

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 31<sup>st</sup> March, 2027."

**5. Re-appointment of Ms. Gangapriya Chakraverti (DIN:00378385) as an Independent Director of the Company**

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

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 ("the Act"), the Companies (Appointment and Qualifications of Directors) Rules, 2014 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force], Ms. Gangapriya Chakraverti (DIN: 00378385), who was appointed as an Independent Director of the Company at the 37<sup>th</sup> Annual General Meeting of the Company held on 21<sup>st</sup> September, 2022 and who holds office of Independent Director up to 09<sup>th</sup> August, 2026 and who is eligible for being re-appointed as an Independent



## NOTICE TO SHAREHOLDERS (CONTD.)

Director and in respect of whom the Company has received a Notice in writing from a Member under Section 160 of the Act, proposing her re-appointment to the office of Director, be re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of 5 (five) consecutive years commencing from 10<sup>th</sup> August, 2026 to 09<sup>th</sup> August, 2031 (both days inclusive)."

**RESOLVED FURTHER THAT** pursuant to the provisions of Sections 149, 197 and other applicable provisions of the Act read with the Rules made thereunder and Regulation 17(6) of the SEBI Listing Regulations, Ms. Gangapriya Chakraverti, be paid such fees and remuneration and profit-related commission as the Board may approve from time to time and subject to such limits prescribed from time to time.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (including any committee thereof) be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary, expedient and desirable for the purpose of giving effect to this Resolution."

### 6. **Re-appointment of Mr. Heramb Ravindra Hajarnavis (DIN: 01680435) as an Independent Director of the Company**

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

"**RESOLVED THAT** pursuant to the provisions of sections 149, 150, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 ("the Act"), the Companies (Appointment and Qualifications of Directors) Rules, 2014 and Securities

and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force], Mr. Heramb Ravindra Hajarnavis (DIN: 01680435), who was appointed as an Independent Director of the Company at the 37<sup>th</sup> Annual General Meeting of the Company held on 21<sup>st</sup> September, 2022 and who holds office of Independent Director up to 09<sup>th</sup> August, 2026 and who is eligible for being re-appointed as an Independent Director and in respect of whom the Company has received a Notice in writing from a Member under Section 160 of the Act, proposing his re-appointment to the office of Director, be re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of 5 (five) consecutive years commencing from 10<sup>th</sup> August, 2026 to 09<sup>th</sup> August, 2031 (both days inclusive)."

**RESOLVED FURTHER THAT** pursuant to the provisions of Sections 149, 197 and other applicable provisions of the Act read with the Rules made thereunder and Regulation 17(6) of the SEBI Listing Regulations, Mr. Heramb Ravindra Hajarnavis, be paid such fees and remuneration and profit-related commission as the Board may approve from time to time and subject to such limits prescribed from time to time.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (including any committee thereof) be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary, expedient and desirable for the purpose of giving effect to this Resolution."

**By Order of the Board**

**S Logitha**

Company Secretary & Compliance Officer  
Membership No. A29260

Place: Chennai

Date: 28<sup>th</sup> May, 2026

### **Registered Office:**

No.11 & 13, Patullos Road, Chennai - 600002,

Tamil Nadu, India. • Tel: 044-28460073

Email: [logitha.s@inel.co.in](mailto:logitha.s@inel.co.in); [investors@inel.co.in](mailto:investors@inel.co.in)

Website: [www.indianippon.com](http://www.indianippon.com)

CIN: L31901TN1984PLC011021

## NOTICE TO SHAREHOLDERS (CONTD.)

### IMPORTANT NOTES TO SHAREHOLDERS:

- 1) The Ministry of Corporate Affairs ("MCA") permitted holding of the AGM through VC/OAVM, without physical presence of the Members at a common venue. Accordingly, in compliance with the MCA Circulars, AGM of the Company is being held through VC/OAVM. [General Circular Nos. 14/2020 dated 08<sup>th</sup> April, 2020 and 17/2020 dated 13<sup>th</sup> April, 2020, in relation to "Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013", General Circular Nos. 20/2020 dated 05<sup>th</sup> May, 2020 and subsequent circulars issued in this regard, the latest being 03/2025 dated 22<sup>nd</sup> September, 2025, collectively referred to as "MCA Circulars"] and the Securities and Exchange Board of India ("SEBI") vide its Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12<sup>th</sup> May, 2020 read with Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2024/133 dated 03<sup>rd</sup> October, 2024 and other circulars issued in this regard ("SEBI Circulars") (collectively referred to as the "Circulars"), have permitted companies to conduct their Annual General Meetings ("AGM") through Video Conferencing ("VC") or Other Audio-Visual Means ("OAVM"), without the physical presence of Members at a common venue. Accordingly, 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 41<sup>st</sup> AGM of the Company is being conducted through VC/OAVM.
- 2) The Company has enabled the Members to participate and vote at the 41<sup>st</sup> AGM through VC/OAVM facility provided by Central Depository Services (India) Limited (CDSL). The instructions for participation by Members in the AGM through 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](mailto: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](mailto:prabhakar@bpcorpadvisors.com) with a copy marked to [helpdesk.evoting@cdslindia.com](mailto: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 37<sup>th</sup> (Thirty Seventh) Annual General Meeting ("AGM") of the Members held on 21<sup>st</sup> 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



## NOTICE TO SHAREHOLDERS (CONTD.)

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.
  - 13) In compliance with the aforesaid Circulars of MCA & SEBI, the Notice of the AGM along with the Annual Report 2025-26 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories as on 03<sup>rd</sup> July, 2026. Members may note that the Notice and Annual Report 2025-26 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](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively, and on the website of CDSL viz, [www.cdslindia.com](http://www.cdslindia.com). The physical copies of the Annual Report of Financial Year 2025-26 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 41<sup>st</sup> 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 03<sup>rd</sup> July, 2026, such person may write to the Company/ Cameo by e-mail at [investors@inel.co.in](mailto:investors@inel.co.in)/[investor@cameoindia.com](http://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 23<sup>rd</sup> July, 2026 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., 23<sup>rd</sup> July, 2026, should treat this Notice for information purpose only.
  - 15) The Register of Members and Share Transfer Books of the Company will remain closed from 24<sup>th</sup> July, 2026 to 30<sup>th</sup> July, 2026 (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 (Hindu), containing the following information:
    - Convening of AGM through V.C./O.A.V.M. in compliance with the provisions of the Act.
    - Date and time of the A.G.M.
    - Availability of Notice of the Meeting on the website of the Company, the Stock Exchanges viz., BSE Ltd, National Stock Exchange of India Ltd 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 23<sup>rd</sup> July, 2026 for determining the eligibility to vote by remote eVoting or in the AGM.
  - 18) The details required under Regulation 36(3) of the Listing Regulations and Secretarial Standards on General Meetings (SS-2) issued by the Institute

## 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 28<sup>th</sup> May 2026 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 favor or against, if any, to the Chairman or a person authorized 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](http://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.30<sup>th</sup> July 2026.
- 23) The following documents will be available for inspection by the Members electronically during the 41<sup>st</sup> 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.

Additionally, such documents shall be made available for inspection at the Registered Office of the Company during business hours on all working days except Saturdays and Sundays up to the date of the AGM.

- 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/investors/investor-communications> 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 25<sup>th</sup> 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/investors/investor-communications> 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

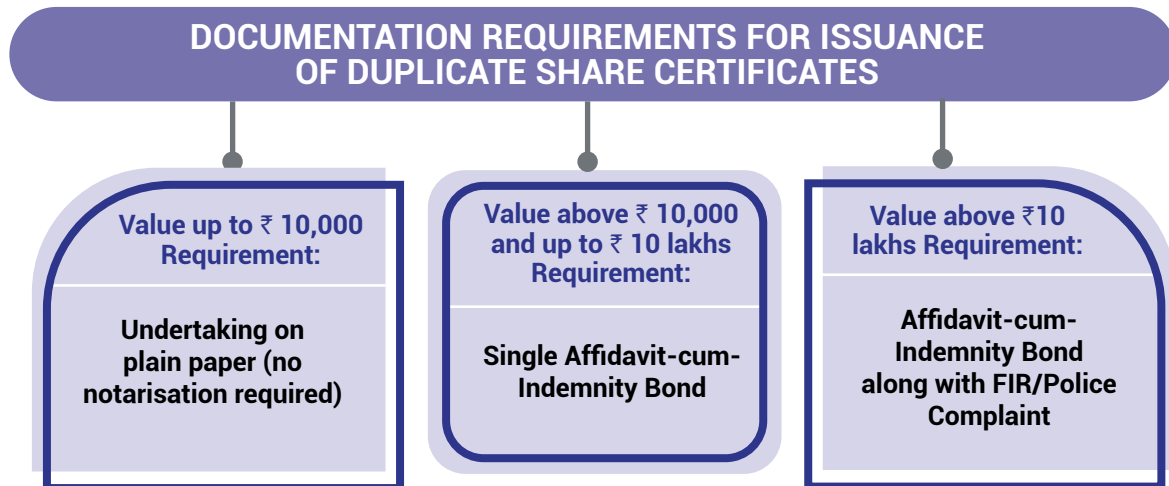


## NOTICE TO SHAREHOLDERS (CONTD.)

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>.

- 28) **Special window for re-lodgement of physical share transfer requests:** Members who had submitted transfer deeds for physical shares before 01<sup>st</sup> April, 2019, and whose requests were rejected, returned, or remained unprocessed due to deficiencies, have been provided a special re-lodgement window till 04<sup>th</sup> February, 2027, to re-lodge the transfer requests. Transfers would be approved if all the requisite documents are in place. Transfer under this window will be credited only in dematerialised form and will carry a one year lock-in period from the date of transfer registration. Members can contact the Company or the RTA for assistance in this regard. The Company has communicated the opening of this special window through newspaper advertisements and stock exchanges.
- 29) **Simplification of Procedure for Issuance of Duplicate Share Certificates:**

SEBI has simplified the process for issuing duplicate share certificates. The documentation requirements have been standardised as below:



Members are informed that with effect from 02<sup>nd</sup> April, 2026, SEBI has dispensed with the requirement of issuance of a Letter of Confirmation (LOC) by the Company/RTA while processing investor service requests. Accordingly, securities will be credited directly to the shareholder's demat account upon submission of valid demat account details along with the latest Client Master List. The Members must provide a Client Master List, not older than 2 months, attested by their DP, for getting the securities credited directly in their demat account

## NOTICE TO SHAREHOLDERS (CONTD.)

### 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 28<sup>th</sup> May 2026.**

#### ITEM NO: 04

At the meeting held 28<sup>th</sup> May 2026, 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 31<sup>st</sup> March, 2027. 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

Approval of re-appointment of Ms. Gangapriya Chakraverti (DIN:00378385) as a Non-Executive Independent Director of the Company for the second term of five consecutive years commencing from 10<sup>th</sup> August, 2026, to 09<sup>th</sup> August, 2031.

Ms. Gangapriya Chakraverti is a Non-Executive Independent Director of the Company. She is also the Chairperson of Corporate Social Responsibility Committee and Nomination and Remuneration Committee of the Company and is a member of Stakeholders Relationship Committee. She joined the Board of India Nippon Electricals Limited on 10<sup>th</sup> August, 2022.

She was appointed as a Non-Executive and Independent Director for a consecutive term of 4 years from 10<sup>th</sup> August, 2022 to 09<sup>th</sup> August, 2026, not liable to retire by rotation and her appointment was approved by the Shareholders at the Annual General Meeting held on 21<sup>st</sup> September, 2022.

Ms. Gangapriya Chakraverti is proposed to be re-appointed as a Non-Executive Independent Director for the second

term of five consecutive years, commencing from 10<sup>th</sup> August, 2026 to 09<sup>th</sup> August, 2031, on such remuneration by way of fees and other remuneration such as commission, if any, as may be payable, reimbursement of expenses for participation in the meetings of the Board and/or committees as determined by the Board on recommendation of the Nomination and Remuneration Committee from time to time.

The Company has received from Ms. Gangapriya Chakraverti, a declaration to the effect that she meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013 and as per Regulation 34(3) read with Schedule V to the Listing Regulations that she is not debarred or disqualified from being appointed or continuing as Director of the Company by the Securities and Exchange Board of India/Ministry of Corporate Affairs or any such statutory authority.

She has registered her name on the databank portal with the Indian Institute of Corporate Affairs (Institute) [[www.iica.nic.in](http://www.iica.nic.in)] pursuant to the Companies (Appointment and Qualification of Directors) Rules, 2014, which came into effect from 01<sup>st</sup> December, 2019.

The proposed resolution seeks the approval of members by way of special resolution for her re-appointment as an Independent Director pursuant to Section 149(10) and other applicable provisions of the Companies Act, 2013 read with the Rules made thereunder and the Listing Regulations. She will not be liable to retire by rotation.

Ms. Gangapriya Chakraverti has the following skills and capabilities required for the role as an Independent Director, as have been identified by the Board of Directors of the Company: -

Leadership experience– Experience in leading well-governed large organisations, with an understanding of organisational systems and processes complex business and regulatory environment, strategic planning and risk management, understanding of emerging local and global trends and management of accountability and performance.

In the opinion of the Board of Directors, Ms. Gangapriya Chakraverti, the Independent Director proposed to be re-appointed, fulfils the conditions specified in the Act, the Rules made thereunder and the Listing Regulations and she is independent of the management.



## NOTICE TO SHAREHOLDERS (CONTD.)

Except Ms. Gangapriya Chakraverti and her relatives, none of the Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested in the resolution. The Board recommends the Special Resolution set out in Item No. 5 for approval of the Members.

<b>S No.</b>	<b>Category</b>	<b>Particulars</b>
1.	Name of the Director	Ms. Gangapriya Chakraverti
2.	Designation/category of the Director	Non-Executive Independent Director
3.	Date of Birth & Age	18 <sup>th</sup> January, 1968 & 58 years
4.	Nationality	Indian
5.	Qualification	<ul style="list-style-type: none"> <li>• Bachelor's Degree in Psychology, WCC, Chennai</li> <li>• PGDPM&amp;IR from Tata Institute of Social Sciences, Mumbai</li> <li>• Holds an Associate Certified Coach certification from the International Coaching Federation and</li> <li>• Is a Certified Diversity Professional from the Diversity Training University International, San Francisco.</li> </ul>
6.	Profile	<p>Ms. Gangapriya Chakraverti brings over three decades of experience across corporate leadership, human resources, business transformation, consulting and organisational development. Her career spans leadership roles with the Murugappa Group and Ford Motor Company's Business Services organisation, as well as business development and consulting roles with Mercer Consulting. Her areas of expertise include leadership and organizational development, change management, and organisational culture.</p> <p>In her current role as Managing Director, Ford Business Services, and previously as Director - Human Resources, she has played a significant role in leading people strategy, organisational transformation and change management. She has supported the evolution of Ford Business Services into a global, multi-functional innovation hub, scaling from approximately 4,000 to more than 12,000 associates. Under her leadership, the organisation has advanced innovation and digital transformation while strengthening employee engagement and workplace culture. Ford Business Services has been recognised by the Great Place to Work Institute and acknowledged for employee-oriented practices and policies by organisations including NASSCOM, Working Mothers Media and the National HRD Network.</p> <p>Ms. Chakraverti serves as an Independent Director on the Board of a technology-driven start-up incubated at the IIT Madras Research Park.</p> <p>She is a strong advocate for diversity, equity and inclusion, with a particular focus on increasing the representation of women in leadership. She mentors and coaches senior women professionals and actively supports initiatives that enable individuals to realise their full potential. She is also a committed advocate of workplace wellness and its role in employee engagement and organisational effectiveness. As a business and HR leader, she is a regular speaker at national and international conferences and forums.</p> <p>Ms. Chakraverti was the first woman President of the Chennai Chapter of the National HRD Network from 2019 to 2021 and served on its National Board for two consecutive terms.</p> <p>She holds a bachelor's degree in Psychology from Women's Christian College, Chennai, and a master's degree in Personnel Management and Industrial Relations from the Tata Institute of Social Sciences, Mumbai, where she was a gold medallist. She is a Professional Certified Coach accredited by the International Coaching Federation. She was awarded the Women of World Awards 2023 by The Hindu in the Business Leadership category.</p>

NOTICE TO SHAREHOLDERS (CONTD.)

S No.	Category	Particulars
7.	Expertise in specific functional areas	<ul style="list-style-type: none"> <li>• Environmental and Social Sustainability;</li> <li>• Financial Literacy;</li> <li>• General Management;</li> <li>• Human Resource;</li> <li>• Industry Knowledge;</li> </ul>
8.	Date of first appointment to the Board	10 <sup>th</sup> August, 2022
9.	Terms and Conditions of appointment/reappointment	As per the resolution specified in item no. 5 of this Notice read with the explanatory statement thereto.
10.	Remuneration last drawn for the 2025-26	₹ 3,55,000/- (Sitting Fees) and ₹ 17,50,000/- (Commission)
11.	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.
12.	No. of Shares held	Nil
13.	Inter-se relationship with other Directors and Key Managerial Personnel of the Company	Not related to any Director/Key Managerial Personnel of the Company or its subsidiaries or associate companies.
14.	No of Board Meetings attended/held during the year 2025-26	4 Out of 5 Board meetings
15.	Name(s) of other entities in which holding of directorship	<ol style="list-style-type: none"> <li>1. Ford Motor Private Limited</li> <li>2. Auto Motive Power Mobility Private Limited</li> <li>3. Solinas Integrity Private Limited</li> </ol>
16.	Listed entities from which the Director has resigned in the past three years	Nil
17.	Chairpersonship/Membership in committees of other Entities	Nil

**ITEM NO: 06**

Approval of re-appointment of Mr. Heramb Ravindra Hajarnavis (DIN: 01680435) as a Non-Executive Independent Director of the Company for the second term of five consecutive years commencing from 10<sup>th</sup> August, 2026, to 09<sup>th</sup> August, 2031.

Mr. Heramb R Hajarnavis is a Non-Executive Independent Director of the Company. He is also the member of Audit Committee, Risk Management Committee and Chairman of Stakeholders Relationship Committee of the Company. He joined the Board of India Nippon Electricals Limited on 10<sup>th</sup> August, 2022. He was appointed as a Non-Executive and Independent Director for a consecutive term of 4 years from 10<sup>th</sup> August, 2022 to 09<sup>th</sup> August, 2026, not liable to retire by rotation and his appointment was approved by the Shareholders at the Annual General Meeting held on 21<sup>st</sup> September, 2022.

Mr. Heramb R Hajarnavis is proposed to be re-appointed as a Non-Executive Independent Director for the second term of five consecutive years, commencing from 10<sup>th</sup> August, 2026, to 09<sup>th</sup> August, 2031, on such remuneration by way of fees and other remuneration such as commission, if any, as may be payable, reimbursement of expenses for participation in the meetings of the Board and/or committees as determined by the Board on recommendation of the Nomination and Remuneration Committee from time to time.



## NOTICE TO SHAREHOLDERS (CONTD.)

The Company has received from Mr. Heramb R Hajarnavis, a declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013 and as per Regulation 34(3) read with Schedule V to the Listing Regulations that he is not debarred or disqualified from being appointed or continuing as Director of the Company by the Securities and Exchange Board of India/Ministry of Corporate Affairs or any such statutory authority.

He has registered his name on the databank portal with the Indian Institute of Corporate Affairs (Institute) [[www.iica.nic.in](http://www.iica.nic.in)] pursuant to the Companies (Appointment and Qualification of Directors) Rules, 2014, which came into effect from 01<sup>st</sup> December, 2019. However, he is exempted from passing the online self-assessment test, having served as a Director/Key Managerial Personnel for a period of not less than three years in a listed company or in an unlisted public company having a paid up capital of not less than ₹ 10 Crores.

The proposed resolution seeks the approval of members by way of special resolution for his re-appointment as an Independent Director pursuant to Section 149(10) and other applicable provisions of the Companies Act, 2013 read with the Rules made thereunder and the Listing Regulations. He will not be liable to retire by rotation.

Mr. Heramb R Hajarnavis has the following skills and capabilities required for the role as an Independent Director, as have been identified by the Board of Directors of the Company:-

- a. Leadership experience– Experience in leading well-governed large organisations, with an understanding of organisational systems and processes, complex business and regulatory environment, strategic planning and risk management, understanding of emerging local and global trends and management of accountability and performance.
- b. Finance and Accounting Experience – Leadership experience in handling financial management along with an understanding of accounting and financial statements.

In the opinion of the Board of Directors, Mr. Heramb R Hajarnavis, the Independent Director proposed to be re-appointed, fulfils the conditions specified in the Act, the Rules made thereunder and the Listing Regulations and he is independent of the management.

## NOTICE TO SHAREHOLDERS (CONTD.)

Except Mr. Heramb Ravindra Hajarnavis and his relatives, none of the Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested in the resolution. The Board recommends the Special Resolution set out in Item No. 6 for approval of the Members.

S No.	Category	Particulars
1.	Name of the Director	Mr. Heramb R Hajarnavis (DIN: 01680435)
2.	Designation/category of the Director	Non-Executive Independent Director
3.	Date of Birth & Age	13 <sup>th</sup> September, 1974 & 51 years
4.	Nationality	Indian
5.	Qualification	SB (Bachelor of Science), Massachusetts Institute of Technology, Cambridge, USA MBA, Harvard Business School, USA
6.	Profile	<p>Mr. Heramb Ravindra Hajarnavis, (DIN 01680435), was 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 his MBA from Harvard Business School (HBS) and was awarded an Aspen Institute Fellowship in 2008.</p> <p>He is the founder and Managing Partner of Sealink Capital Partners (SCP), an investment firm focused on high potential companies and cross-border opportunities between the United States 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 &amp; 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.</p> <p>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. In addition to serving as a Senior Advisor to select companies, he also currently serves as an Independent Director on the Board of Sundram Fasteners Limited, as a Director on the Board of JM Financial Asset Management Limited, as a Nominee Director on the Board of Sekhmet Technologies Private Limited and as an External Investment Committee member for British International Investment (BII).</p>
7.	Expertise in specific functional area	<ul style="list-style-type: none"> <li>• Financial Literacy;</li> <li>• General Management;</li> <li>• Innovation, Technology and Digitization;</li> <li>• Risk Management; and</li> <li>• Strategic Expertise.</li> </ul>
8.	Date of first appointment to the Board	10 <sup>th</sup> August, 2022
9.	Terms and Conditions of appointment/reappointment	As per the resolution specified in item no. 6 of this Notice read with the explanatory statement thereto.
10.	Remuneration last drawn for the 2025-26	₹ 5,35,000/- (Sitting Fees) and ₹ 20,00,000/- (Commission)
11.	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.



## NOTICE TO SHAREHOLDERS (CONTD.)

S No.	Category	Particulars
12.	No. of Shares held	Nil
13.	Inter-se relationship with other Directors and Key Managerial Personnel of the Company	Not related to any Director/Key Managerial Personnel of the Company or its subsidiaries or associate companies.
14.	No of Board Meetings attended/held during the year 2025-26	5 out of 5 Board meetings
15.	Name(s) of other entities in which holding of directorship	1. Sundram Fasteners Limited 2. JM Financial Asset Management Limited 3. Sekhmet Technologies Private Limited
16.	Listed entities from which the Director has resigned in the past three years	Nil
17.	Chairpersonship/Membership in committees of other Entities	<b>Sundram Fasteners Limited</b> Audit committee - Member Nomination and Remuneration Committee - Chairperson

### ANNEXURE TO THE NOTICE

#### Particulars of the Directors seeking re-appointment/continuation at the 41<sup>st</sup> Annual General Meeting pursuant to regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements), 2015:

ITEM NO.3- Mr. T K Balaji (DIN: 00002010) was born on 12<sup>th</sup> July 1948. He is a Bachelor of Engineering, secured first rank from Madras University and is also a Master of Business Administration from IIM Ahmedabad with a Gold medal for outstanding scholastic performance. Mr. T K Balaji was a member of Development Council for Automobiles & Allied Industries, Government of India. He was the past President of Automotive Component Manufacturers Association of India (ACMA). He had served on the CII National Council for a number of years. He was conferred a Special Award by the FIE Foundation of Maharashtra in March 1995 in recognition of his contribution to the development of automotive component industry.

Mr. T K Balaji, Chairman retires by rotation and being eligible, offers himself for re-appointment at the AGM to be held on 30<sup>th</sup> July, 2026. He is interested in the resolution relating to his re-appointment as Director besides Mr. Arvind Balaji, Managing Director and Ms. Priyamvada Balaji, Director being his relatives. Other directors or key managerial personnel or their respective relatives are not interested in this resolution. The ordinary resolution regarding reappointment of Mr. T K Balaji is recommended for the approval of the Members.

S No.	Category	Particulars
1.	Name of the Director	Mr. T K Balaji (DIN: 00002010)
2.	Designation/category of the Director	Non-Executive (Non-Independent) Director
3.	Date of Birth & Age	12 <sup>th</sup> July, 1948 & 77 years
4.	Nationality	Indian
5.	Profile/Qualification	Bachelor of Engineering from Madras University and Master of Business Administration from IIM Ahmedabad.
6.	Expertise in specific functional areas	A robust skill set that includes Marketing, Customer Service, Strategy and Leadership.
7.	Date of first appointment to the Board	28/07/1986
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 2025-26	₹ 2,65,000/- (Sitting Fees) and ₹ 11,00,000/- (Commission)

## NOTICE TO SHAREHOLDERS (CONTD.)

S No.	Category	Particulars
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	1,694 Equity Shares
12.	Inter-se relationship with other Directors and Key Managerial Personnel of the Company	Father of Mr. Arvind Balaji, Managing Director and Ms. Priyamvada Balaji, Non- Executive Director
13.	No of Board Meetings attended/held during the year 2025-26	5 Out of 5 Board meetings
14.	Name(s) of other entities in which holding of directorship	<ol style="list-style-type: none"> <li>1. SB TVS Industrial Ventures Private Limited</li> <li>2. TVS Indeon Limited</li> <li>3. T.V. Sundaram Iyengar &amp; Sons Private Limited</li> <li>4. Lucas Indian Service Limited</li> <li>5. Lucas TVS Limited</li> <li>6. Delphi-TVS Technologies Limited</li> <li>7. TVS Automotive Systems Limited</li> <li>8. Harita Trade &amp; Services Private Limited</li> <li>9. Cheema TVS Industrial Ventures Private Limited</li> <li>10. Punarvasu Swasthi Private Limited</li> <li>11. Hastham Swasthi Private Limited</li> </ol>
15.	Listed entities from which the Director has resigned in the past three years	Nil
16.	Chairpersonship/Membership in committees of other Entities	Nil

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

1. The Ministry of Corporate Affairs has, vide General Circular No. 03/2025 dated 22<sup>nd</sup> September, 2025, clarified that companies may continue to conduct their Annual General Meetings (AGMs) through Video Conferencing (VC) or Other Audio-Visual Means (OAVM) in accordance with the applicable circulars issued by the Ministry from time to time. 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 08<sup>th</sup> April, 2020, 13<sup>th</sup> April, 2020 and 05<sup>th</sup> May, 2020, the Company is providing the facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-voting agency. The facility of casting votes by a member using remote e-voting, as well as the e-voting system on the date of the AGM, will be provided by CDSL.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.



## NOTICE TO SHAREHOLDERS (CONTD.)

4. 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 08<sup>th</sup> 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 13<sup>th</sup> 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 website of the Stock Exchange i.e. National Stock Exchange of India Limited at [www.nseindia.com](http://www.nseindia.com). 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](http://www.evotingindia.com).

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

- (i) The voting period **begins on Monday, 27<sup>th</sup> July 2026 at 9.00 A.M. and ends on Wednesday, 29<sup>th</sup> July 2026 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., **Thursday, 23<sup>rd</sup> July 2026**, 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 09<sup>th</sup> 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 09<sup>th</sup> 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.

NOTICE TO SHAREHOLDERS (CONTD.)

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

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with <b>CDSL Depository</b>	<ol style="list-style-type: none"> <li>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 website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; MY Easi New (Token) Tab.</li> <li>2) After successful login the Easi/Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; Myeasi Tab and then click on registration option.</li> <li>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 <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
Individual Shareholders holding securities in demat mode with <b>NSDL Depository</b>	<ol style="list-style-type: none"> <li>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: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> 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 &amp; voting during the meeting.</li> <li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for IDeAS" Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/either">https://www.evoting.nsdl.com/either</a> 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 hold 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 &amp; voting during the meeting.</li> <li>4) For OTP based login you can click on <a href="https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp">https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp</a>. 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 &amp; voting during the meeting.</li> </ol>



## NOTICE TO SHAREHOLDERS (CONTD.)

Type of shareholders	Login Method
Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants (DP)</b>	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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

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

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no.: 1800 21 09911.
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.com">evoting@nsdl.com</a> 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](http://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](http://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.

## NOTICE TO SHAREHOLDERS (CONTD.)

- (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](http://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](mailto:evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
  - It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favor of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
  - Alternatively Non Individual shareholders are required to send mandatorily the relevant Board Resolution/Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [investors@inel.co.in](mailto:investors@inel.co.in). and/or [prabhakar@bpcorpadvisors.com](mailto: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.



## NOTICE TO SHAREHOLDERS (CONTD.)

2. The link to attend meeting through VC/AOVM, will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote 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 41<sup>st</sup> AGM.
4. Shareholders are encouraged to join the Meeting through Laptops/iPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending in their request by e.mail to [investors@inel.co.in](mailto:investors@inel.co.in)/[investor@cameoindia.com](mailto:investor@cameoindia.com) on or before 23<sup>rd</sup> July 2026 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 23<sup>rd</sup> July 2026 mentioning their name, demat account number/folio number, email id, mobile number at [investors@inel.co.in](mailto:investors@inel.co.in)/[investor@cameoindia.com](mailto: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), AADHAR (self-attested scanned copy of Aadhar Card) by email to [investors@inel.co.in](mailto:investors@inel.co.in)/RTA at [investor@cameoindia.com](mailto: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](mailto: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, 25<sup>th</sup> Floor, Marathon Futurax, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call toll free no. 1800 21 09911.

# BOARD'S REPORT

Dear Members,

The Board of Directors are pleased to present the 41<sup>st</sup> Annual Report of India Nippon Electricals Limited ("the Company") along with the audited financial statements (Standalone and Consolidated) for the financial year ended 31<sup>st</sup> March, 2026.

## 1. FINANCIAL HIGHLIGHTS

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	Year ended 31 <sup>st</sup> March, 2026	Year ended 31 <sup>st</sup> March, 2025	Year ended 31 <sup>st</sup> March, 2026	Year ended 31 <sup>st</sup> March, 2025
Total Income	1,09,908	87,462	1,09,911	87,494
<b>Profit before depreciation, exceptional items and taxes</b>	<b>14,872</b>	<b>12,324</b>	<b>14,863</b>	<b>12,349</b>
Less: Depreciation	1792	2,056	1792	2,056
<b>Profit before tax and exceptional items</b>	<b>13,080</b>	<b>10,268</b>	<b>13,071</b>	<b>10,293</b>
Exceptional items	1,521	0	1,521	0
<b>Profit before tax</b>	<b>14,601</b>	<b>10,268</b>	<b>14,592</b>	<b>10,293</b>
Tax	3,475	2,065	3,475	2,065
<b>Profit after tax</b>	<b>11,126</b>	<b>8,203</b>	<b>11,117</b>	<b>8,228</b>
Add: Balance in statement of profit and loss including general reserve	55,023	49,648	55,023	49,648
Total Comprehensive income available for Appropriation	66,149	57,851	66,140	57,876
<b>Appropriations:</b>				
Dividend and Dividend Distribution tax	(3,506)	(2,828)	(3,506)	(2,828)
Surplus carried forward	62,643	55,023	62,634	55,048

## 2. FINANCIAL AND OPERATIONAL PERFORMANCE

The Company delivered a strong financial performance during FY 2025-26, significantly outperforming broader industry growth despite a challenging macroeconomic and geopolitical environment. This growth was primarily driven by increased business from existing customers, sustained leadership in ISG products, and the Company's ability to successfully defend its market position amid competitive pressures.

The Company also benefited from favorable GST reforms and rationalization measures during the year, which supported demand momentum and enhanced operational efficiency. An improved sales mix, with a higher contribution from exports and aftermarket (AFM) sales, further strengthened revenue quality and profitability.

Profit After Tax (PAT) increased 35.6% to ₹ 11,126 Lakhs during the year. Total revenue grew by 26% year-on-year to ₹ 106,848 Lakhs, driven by robust product demand and strong customer relationships. EBITDA improved from ₹ 12,363 Lakhs to ₹ 14,924 Lakhs, supported by material cost optimization initiatives, a favorable product mix, and increased contributions from export and aftermarket businesses.

During the year, the Company absorbed the additional gratuity liability arising from the implementation of the new labour code and incurred market development expenses for future product lines, including sensors. However, a sharp increase in commodity prices during the fourth quarter exerted pressure on margins. The Company is actively pursuing appropriate compensation mechanisms with customers through



## BOARD'S REPORT (CONTD.)

price revisions and by mitigating commodity price volatility through indexing arrangements for currently non-indexed commodities.

Geopolitical developments in West Asia contributed to inflationary pressures and supply chain constraints, particularly in the availability of certain raw materials. Additionally, freight cost escalations and continued depreciation of the Indian Rupee may exert pressure on margins in the near term. The Company remains focused on cost optimization, operational efficiency, and strategic pricing actions to mitigate these challenges and sustain its growth momentum.

### 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 CONTROL 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 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 2025-26, a number of CSR projects/ programs were undertaken and based on the recommendation of the CSR Committee, the Board had approved an amount of ₹ 130.25 Lakhs i.e., 2% of the average qualifying net profits of the last three financial years on CSR activities. After setting off the previous year's excess spent of ₹ 8.98 Lakhs against CSR projects, the balance ₹ 121.26 Lakhs were required to be spent towards CSR projects against which the Company had spent ₹ 129.48 Lakhs which is ₹ 8.21 Lakhs in excess of the CSR obligation for the year which shall be carried forward to the FY 2026-27.

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/investors/disclos-underreg-46-of-sebi-lodr/Policies>

### 5. SUBSIDIARY COMPANY AND THE CONSOLIDATED FINANCIAL STATEMENTS:

#### a) Subsidiary Company: PT Automotive Systems Indonesia (PTASI)

The Subsidiary Company PT Automotive Systems Indonesia has completed winding up process and has received the liquidation proceeds on 24<sup>th</sup> June 2025. Financial position of the subsidiary is provided in Form AOC-1 as required under Section 129 (3) of the Companies Act 2013.

## BOARD'S REPORT (CONTD.)

### 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/investors/subsidiary-company-financials> 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 2025-26, a remuneration of ₹ 475 Lakhs, including commission of ₹ 210 Lakhs, subject to applicable taxes, was approved for Mr. Arvind Balaji, Managing Director, by the Board of Directors at their meeting held on 28<sup>th</sup> May 2026. 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 19<sup>th</sup> September 2025. 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 13<sup>th</sup> February 2026, declared an interim dividend of ₹ 15.50 per equity share of face value ₹ 5 each, representing a dividend rate of 310 % 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 ₹ 3506.32 Lakhs for the year ended 31<sup>st</sup> March, 2026.

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 and during the year under review, the Dividend Distribution Policy was amended on 30<sup>th</sup> May 2025. The amended policy has been placed on the website of the Company and can be accessed at the link: <https://indianippon.com/investors/disclos-underreg-46-of-sebi-lodr/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 31<sup>st</sup> March 2026.

## 9. FAMILIARISATION PROGRAMME

Pursuant to the provisions of Regulation 25(7) of the SEBI Listing Regulations read with Schedule IV of the Act Company has in place a Familiarization Program for its Independent Directors to acquaint them with the Company, their roles and responsibilities, the business model, operational aspects and governance framework of the Company. The familiarisation programme for Independent Directors in terms of provisions of Regulation 46(2)(i) of the Listing Regulations is uploaded on the website of the Company 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



## BOARD'S REPORT (CONTD.)

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 11<sup>th</sup> July 2023, the Business Responsibility and Sustainability Report ('BRSR') for 2025-26 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](mailto:investors@inel.co.in)

### 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/investors/disclos-underreg-46-of-sebi-lodr/Annual%20Return>. 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. The policy can be accessed at <https://indianippon.com/investors/disclos-underreg-46-of-sebi-lodr/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 forms an integral part of this Annual Report and also 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,

## BOARD'S REPORT (CONTD.)

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 2025-26.

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 31<sup>st</sup> March, 2026:

- 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 appointments or re-appointments of Independent Directors during the year 2025-26. 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	06 <sup>th</sup> April, 2019	06 <sup>th</sup> April, 2023	5 years
Mr Heramb R Hajarnavis	10 <sup>th</sup> August, 2022	-	4 years
Ms Gangapriya Chakraverti	10 <sup>th</sup> August 2022	-	4 years

The first term of appointment of Mr. Heramb R Hajarnavis and Ms. Gangapriya Chakraverti as Independent Directors is scheduled to conclude on 09<sup>th</sup> August 2026. Based on the recommendation of the Nomination and Remuneration Committee and the approval of the Board of Directors, their re-appointment as Independent Directors for a second term of five consecutive years is being proposed for the approval of the Members at the ensuing Annual General Meeting.

#### Retirement by rotation and subsequent re-appointment:

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

Based on performance evaluation and recommendation of the Nomination and Remuneration Committee, the Board of Directors recommends his re-appointment as a Non-Executive Director of the Company, liable to retire by rotation. The appropriate resolution for the reappointment of Mr. T K Balaji is being placed for the approval of the shareholders of the Company at the ensuing AGM. Details with respect to his experience, attributes, skills, disclosure of relationship between directors inter-se, directorships held in other companies and committee memberships, etc., as stipulated under Regulation 36 of the Listing Regulations and Secretarial Standard on General Meetings issued by ICSI, have been disclosed in the



## BOARD'S REPORT (CONTD.)

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 Jaivant Talaulicar, Mr. Heramb R Hajarnavis and Ms. Gangapriya Chakraverti are the Independent Directors of the Company, as on the date of this report.

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

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

In the opinion of the Board, the Independent Directors possess the requisite expertise, integrity and experience and are persons of high integrity and repute. They

fulfil 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 highlighting that none of the Directors of the Company are debarred or disqualified is given under the Corporate Governance Section of this report.

During the year under review, the Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, commission and reimbursement of expenses, if any.

## 18. MEETINGS OF THE BOARD

During the year under review, 5 meetings of the Board of Directors were held on 30<sup>th</sup> May 2025, 13<sup>th</sup> August 2025, 14<sup>th</sup> November 2025, 13<sup>th</sup> February 2026 and 30<sup>th</sup> March 2026. The maximum interval between any two Board meetings did not exceed 120 days, as prescribed by the Act and the Listing Regulations. The necessary quorum was present for all the meetings. The details on attendance by the Directors during Financial year 2025-26 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

## BOARD'S REPORT (CONTD.)

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 separate meeting of independent directors for 2025-26 was held pursuant to Schedule IV to the Companies Act, 2013 & Regulations 17 & 25 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 on 30<sup>th</sup> March 2026.

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

The overall outcome of the Board evaluation process was positive, and the Directors expressed satisfaction with the performance and effectiveness of the Board, its Committees and Individual Directors.

## 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/investors/disclos-underreg-46-of-sebi-lodr/policies>



## BOARD'S REPORT (CONTD.)

### 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 32<sup>nd</sup> Annual General Meeting held on 24<sup>th</sup> August, 2017 and were re-appointed for a second term of 5 years from the conclusion of the Annual General Meeting held on 21<sup>st</sup> 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 06<sup>th</sup> 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 financial year 2025-26. 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 2025-26. The Cost Audit Report for the financial year 2025-26 does not contain any qualification, reservation, or adverse remark. The Board at its meeting held on 28<sup>th</sup> May 2026, approved re-appointment of Mr. K Suryanarayanan as cost auditor for the financial year 2026-27 at a remuneration of ₹ 3.80 Lakhs. The ratification of his remuneration shall be included as an item in the 41<sup>st</sup> 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

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 40<sup>th</sup> AGM till the conclusion of 45<sup>th</sup> AGM (Audit period covering the financial years from 2025-26 to 2029-30). As per amendments to SEBI (LODR) Regulations, 2015 the appointment was approved by the Shareholders of the Company at their meeting held on 19<sup>th</sup> September 2025.

The Report of the Secretarial Auditor for the FY 2025-26 is attached herewith as Annexure to this Report. There are no qualifications, observations or adverse remarks, or disclaimer in the said report.

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 2025-26. The reports and findings of the Internal Auditors are periodically reviewed by the Audit Committee.

Pursuant to Section 138 of the Act read with Rule 13 of the Companies (Accounts) Rules, 2014, the Board of Directors, based on the recommendation of the Audit Committee, have appointed M/s. PKF Sridhar & Santhanam LLP as Internal Auditors of the Company for 2026-27.

### 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 ₹8.35 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.

## BOARD'S REPORT (CONTD.)

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, 7196 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 standalone financial statements of the Company.

### 24. RELATED PARTY TRANSACTIONS

All transactions with related parties during the financial year 2025-26 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 periodically and a statement giving details of all related party transactions

is placed before the Audit Committee for their review/ approval on a quarterly basis.

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

The Company's Policy on dealing with and materiality of related party transactions is available on its website at <https://indianippon.com/investors/disclos-underreg-46-of-sebi-lodr/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 financial year 2025-26. 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 behaviour. In line with the policy, any actual or potential violation, howsoever insignificant or perceived as such, would be a matter of serious concern for the Company. The role of the employees in pointing out such violations of the policy of the Company, cannot be undermined.

Pursuant to Section 177(9) of the Act, a vigil mechanism was established for directors and employees to report to the management instances of unethical behaviour, actual or suspected, fraud or violation of the Company's code of conduct or ethics policy. The Vigil Mechanism provides a mechanism for employees of the Company to approach the Chairperson of the Audit Committee of the Company for redressal. No person has been denied access to the Chairperson of the Audit Committee. Details of the Vigil Mechanism and Whistle Blower Policy is available at the link: <https://indianippon.com/investors/disclos-underreg-46-of-sebi-lodr/policies>



## BOARD'S REPORT (CONTD.)

### 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: 1
- b) Number of complaints disposed off during the year: 1
- c) Number of cases pending for more than ninety days: 0

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

### 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:

- 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 2025-26, there was no change in the authorised, 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.

## BOARD'S REPORT (CONTD.)

### 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 or any proceedings 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.

Place: Chennai  
Date: 28<sup>th</sup> May, 2026

### 33. ACKNOWLEDGEMENTS

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

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

**For and on behalf of the Board of Directors**

**T.K. Balaji**  
Chairman  
DIN: 00002010



# ANNEXURE TO BOARD'S REPORT

## 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:

1. The power consumed per Standard Unit of Production continued to be closely monitored as part of the Company's energy conservation initiatives, achieving the targeted level of 0.54 EU through the implementation of several energy-saving measures, including:
2. Replacement of the existing 30 KW hydraulic riveting press with a new energy-efficient hydro-pneumatic riveting press for Cup & Boss rotor riveting operations, reducing power consumption to only 3 KW.
3. Installation of approximately six thyristor controllers in potting curing ovens used for Ignition Coil manufacturing and Rotor H-line curing operations to optimize energy usage.
4. Installation of Variable Frequency Drive (VFD) controllers in STP blower motors to reduce energy consumption.
5. Installation of around eight solar light balls in the canteen dining hall to utilize solar energy and minimize the use of electrical lighting during daytime.
6. Replacement of the 1.5 TR panel air cooler in the DC-DC Converter EOL testing machine with a 120-watt high-speed centrifugal fan, resulting in reduced energy consumption.
7. Introduction of a high energy-efficient Rotor Cup washing machine in the E-line, achieving nearly 40% lower energy consumption through a compact hot water tank design and an optimized heating system.
8. Installation of a new dual-spindle EOL testing machine in the Rotor H-line, improving operational efficiency and

output while reducing energy consumption by approximately 30% compared to the conventional single-spindle machine.

#### b) Future plans for energy conservation

The Company remains committed to improving energy efficiency and reducing its environmental footprint through the adoption of advanced technologies and energy conservation initiatives. During the year, the Company undertook and planned several measures aimed at optimizing energy consumption and enhancing operational efficiency, including:

- Implementation of Equalizer 4.0 Central Control System: The Company is introducing the Equalizer 4.0 Central Control System for managing air compressor utilization through AI-enabled software. This system is expected to optimize compressor efficiency and contribute to an estimated reduction of approximately 5% in overall energy consumption.
- Upgradation to High-Efficiency Motors: The existing IE2 and IE3 induction motors installed in hydraulic riveting presses are being replaced with high-energy-efficiency IE4-class induction motors. This initiative is expected to result in significant electrical energy savings and improved operational performance.
- Introduction of Heat Pump Technology: The Company is implementing heat pump technology in bin washing machines to improve energy efficiency and reduce overall energy consumption in the washing process.

The Company will continue to explore and implement innovative technologies and best practices to enhance energy conservation and sustainable operations.

## ANNEXURE TO BOARD'S REPORT (CONTD.)

### 2. Technology absorption, adaptation and innovation

2025–26 was a year of significant technological advancements and innovation initiatives for INEL particularly in the Electric Vehicle (EV) segment.

#### EV Applications

- **DC-DC Converters:** The Company expanded its technological capabilities in DC-DC converters through the development of high-power Non-Isolated DC-DC Converters and Isolated DC-DC Converters designed for high-voltage EV applications. These developments enhance the Company's product portfolio and strengthen its position in the growing electric mobility market.
- **Motor and Controller:** The Company successfully completed the validation and vehicle trials of its patented ferrite-based motor and controller, demonstrating high efficiency and reliable performance. Further development activities are underway on a Field-Oriented Control (FOC)-based controller to enhance motor control precision and overall system efficiency.

Place: Chennai  
Date: 28<sup>th</sup> May, 2026

#### Software:

The Company upgraded its controller software by incorporating Unified Diagnostic Services (UDS)-based CAN communication and advanced diagnostic features, aligning its products with contemporary automotive controller standards.

Expenditure on R&D	₹ in Lakhs
Capital	341
Revenue	2536
Total	2877
% on Net turnover	2.69%

### 3. Foreign exchange outgo and earnings:

#### Export activities:

Exports during the year ended 31<sup>st</sup> March, 2026 amounted to ₹ 8,727 Lakhs as against ₹ 3,363 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 ₹ 8,039 and ₹ 7807.77 Lakhs respectively

**For and on behalf of the Board of Directors**

**T.K. Balaji**  
Chairman  
DIN: 00002010



# ANNEXURES TO BOARD'S REPORT

## PARTICULARS OF EMPLOYEES

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

1. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company and the percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer and Company Secretary for the financial year 2025-26:

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	37.50	1:1.59
2.	Mr. Arvind Balaji	Managing Director	23.70	1:68.67
3.	Ms. Priyamvada Balaji	Non-Executive Director	30.00	1:2.07
4.	Mr. Anant Talaulicar	Independent Director	35.00	1:3.90
5.	Mr. Heramb Hajarnavis	Independent Director	33.33	1:2.89
6.	Ms. Gangapriya Chakraverti	Independent Director	9.38	1:2.53
7.	Mr Elango Srinivasan	Chief Financial Officer	9.35	1:13.17
8.	Ms. S Logitha*	Company Secretary	-	-

2. Percentage increase in Median Remuneration of employees: 4.29
3. A) Average percentile increase in the salaries of employees other than managerial personnel: 9.7%  
B) Percentile increase in managerial remuneration: 21.1%  
C) There has been an increase in managerial remuneration in line with the overall performance of the Company and in line with Industry standards to attract and retain the best talent
4. The total number of permanent employees on the rolls of the Company as on 31<sup>st</sup> March 2026: 598
5. Remuneration of Managerial Personnel is determined by the Nomination and Remuneration Committee and the Board as per the performance criteria which includes achievements of individual as well as the Company's performance.
6. It is hereby affirmed that the remuneration paid during the year is as per the remuneration policy of the Company

**\*Note:** Remuneration for Ms. S Logitha, Company Secretary is being paid by the Holding Company

**For and on behalf of the Board of Directors**

Place: Chennai  
Date: 28<sup>th</sup> May, 2026

**T.K. Balaji**  
Chairman  
DIN: 00002010

# ANNEXURES TO BOARD'S 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 31<sup>st</sup> March, 2026, 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: 28<sup>th</sup> May, 2026



# ANNEXURES TO BOARD'S REPORT FORM 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	01 <sup>st</sup> April 2025 to 24 <sup>th</sup> June 2025	
3.	The date since when the Subsidiary was acquired	01 <sup>st</sup> 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:	
		₹ Re1 = IDR 171.67 (Balance Sheet) ₹ Re1 = IDR 189.66 (Profit and Loss)	
		<b>Amount in Indonesian Rupiah</b>	<b>Equivalent amount in Indian Rupees</b>
		<b>As on 24<sup>th</sup> June, 2025</b>	
5.	Share Capital	24,694,328,700	120,838,266
6.	Reserves and Surplus	(16,54,28,83,512)	(7,78,59,641)
7.	Total Assets	8,156,445,188	43,004,988
8.	Total Liabilities	8,156,445,188	43,004,988
9.	Investments	-NIL-	-NIL-
10.	Turnover	-NIL-	-NIL-
11.	Profit before taxation	(147,844,936)	(861,238)
12.	Provision for taxation	-NIL-	-NIL-
13.	Profit after taxation	(147,844,936)	(861,238)
14.	Proposed Dividend	-NIL-	-NIL-
15.	Extent of shareholding (in percentage)	99.97%	

The Subsidiary Company has completed the winding up process and has received the liquidation proceeds on 24<sup>th</sup> June 2025.

**For and on behalf of the Board of Directors**

**TK Balaji**

Chairman  
DIN:00002010

**Elango Srinivasan**

Chief Financial Officer

**Arvind Balaji**

Managing Director  
DIN:00557711

**S Logitha**

Company Secretary  
Membership number: A29260

Place: Chennai

Date: 28<sup>th</sup> May, 2026

# ANNEXURES TO BOARD'S 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]

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 2025-26, 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**

Place: Chennai  
Date: 28<sup>th</sup> May, 2026

**T.K. Balaji**  
Chairman  
DIN: 00002010



# ANNEXURES TO BOARD'S 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 31<sup>st</sup> March 2026.

Place: Chennai  
Date: 28<sup>th</sup> May, 2026

**Arvind Balaji**  
Managing Director  
DIN: 00557711

# ANNEXURES TO BOARD'S REPORT

## ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES FOR FINANCIAL YEAR 2025-26

[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:

S 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.	Ms. Gangapriya Chakraverti	Non-Executive, Independent Director	3	3
2.	Mr. Arvind Balaji	Managing Director	3	3
3.	Ms. Priyamvada Balaji	Non-Executive, Non-Independent	3	2

Ms. 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/investors/disclos-underreg-46-of-sebi-lodr/policies>.

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

5. (a) Average net profit of the Company as per Section 135(5): ₹ 6512.5 Lakhs
- (b) Two percent of the average net profit of the Company as per section 135(5): ₹ 130.25 Lakhs
- (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil
- (d) Amount required to be set off for the financial year, if any: ₹ 8.98 Lakhs
- (e) Total CSR obligation for the financial year [(b)+(c)-(d)]: ₹ 121.26 Lakhs
6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): ₹ 129.48 Lakhs
- (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)]: ₹ 129.48 Lakhs



ANNEXURES TO BOARD'S REPORT (CONTD.)

(e) CSR amount spent or unspent for the Financial Year.

Total amount spent for the Financial Year (₹)	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
129.48 Lakhs	Nil				

(f) Excess amount for set off, if any:

S No	Particulars	Amount (in ₹)
(i)	Two percent of average net profit of the Company as per Section 135(5)	₹ 130.25 Lakhs
(ii)	Total amount spent for the Financial Year (including amount of ₹ 8.98 Lakhs spent in the previous financial year)	₹ 138.46 Lakhs
(iii)	Excess amount spent for the financial year [(ii)-(i)]	₹ 8.21 Lakhs
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	₹ 8.21 Lakhs

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

S No	Preceding Financial year	Amount transferred to unspent CSR Account under sub-section (6) of Section 135 (₹)	Balance Amount in Unspent CSR Account under subsection (6) of section 135 (in ₹)	Amount spent in the Financial Year	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)	Deficiencies, 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: Yes

S No	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin code of the property asset(s)	Date of creation	Amount of CSR spent (Rs.)	Details of entity/ Authority/ beneficiary of the registered owner		
					CSR Registration Number, if Applicable	Name	Registered Address
1.	RO Plant installation and provision of medical equipment for Primary Community Health Centre, Sooramangalam, Puducherry.  <b>Complete Address:</b> Primary Health Centre Sooramangalam, Hospital Street, Sooramangalam, Puducherry - 605106	605106	20 <sup>th</sup> April, 2025	2,82,435	NA	Community Health Centre	Primary Health Centre Sooramangalam, Hospital Street, Sooramangalam, Puducherry - 605106

ANNEXURES TO BOARD'S REPORT (CONTD.)

S No	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin code of the property asset(s)	Date of creation	Amount of CSR spent (Rs.)	Details of entity/ Authority/ beneficiary of the registered owner		
					CSR Registration Number, if Applicable	Name	Registered Address
2.	Construction of houses for Three Families of Irulas Community, Sarandapalli, Hosur  <b>Complete Address:</b> Sarandapalli Village, Denkanikottai, Krishnagiri - 635107	635107	22 <sup>nd</sup> July, 2025	8,18,700	NA	Sarandapalli Village, Hosur	NA
3.	Construction of drainage system & installation of streetlights for Irulas community, Sarandapalli, Hosur.  <b>Complete Address:</b> Sarandapalli Village, Denkanikottai, Krishnagiri - 635107	635107	22 <sup>nd</sup> July, 2025	12,50,030	NA	Sarandapalli Village, Hosur	NA
4.	20 stone benches for Dining and a 500-liter RO water system  <b>Complete address:</b> Government Polytechnic College, Krishnagiri District, Uthangarai, Tamil Nadu 635207	635207	28 <sup>th</sup> August, 2025	13,68,195	NA	Government Polytechnic College, Uthangarai, Krishnagiri	Government Polytechnic College, Krishnagiri District, Uthangarai, Tamil Nadu 635207
5.	5 laptops were provided to support lab work  <b>Complete address:</b> Sri Moogambigai Polytechnic College, Hosur Main Road, Palacode, Tamil Nadu 636808	636808	28 <sup>th</sup> August, 2025		NA	Sri Moogambigai Polytechnic College, Dharmapuri	Sri Moogambigai Polytechnic College, Hosur Main Road, Palacode, Tamil Nadu 636808

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: 28<sup>th</sup> May, 2026



## 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](http://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 31<sup>st</sup> March, 2026 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	28 <sup>th</sup> July, 1986
2	Mr. Arvind Balaji	00557711	25 <sup>th</sup> October, 2008
3	Ms. Thirumalaikumara Balaji Priyamvada	00730712	29 <sup>th</sup> January, 2018
4	Mr. Anant Jaivant Talaulicar	00031051	06 <sup>th</sup> April, 2019
5	Ms. Gangapriya Chakraverti	00378385	10 <sup>th</sup> August, 2022
6	Mr. Heramb Ravindra Hajarnavis	01680435	10 <sup>th</sup> 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: F011114H000527916

Place: Chennai

Date: 28<sup>th</sup> May, 2026

# REPORT ON CORPORATE GOVERNANCE

## 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

The Company's approach to Corporate Governance is built on a strong foundation of fairness, ethics, transparency, and accountability. Over the years, the Company has followed governance practices that reflect the highest standards of professionalism, integrity, honesty, and ethical conduct, many of which were adopted even before they became statutory requirements.

The Company believes that Corporate Governance is not merely a compliance requirement but an integral part of its values and business culture. It helps maintain a balance between business objectives and social responsibilities while ensuring transparency, accountability, ethical conduct, and protection of the interests of all stakeholders.

Corporate Governance at the Company encompasses responsible oversight of business strategies, financial discipline, ethical business conduct, and equitable treatment of stakeholders, including regulators, employees, customers, suppliers, investors, and society. The Company remains committed to enhancing long-term shareholder value through transparent and responsible business practices, without compromising on integrity, regulatory compliance, or social commitments. In all its interactions, the Company adheres to established principles of fairness, propriety, and justice, while fostering a culture of openness and trust.

## 2. BOARD OF DIRECTORS

The Board of the Company comprises an optimum mix of Executive and Non-Executive Directors, ensuring compliance with statutory requirements while bringing together diverse experience, skills, and expertise. The Board provides leadership and strategic direction to the Company and is committed to upholding the Company's values, promoting ethical business practices, supporting sustainable growth, and encouraging innovation. Independent Directors play an important role in strengthening Corporate Governance and ensuring fair and balanced decision-making. With their knowledge and experience across various fields, they provide independent views on matters relating to strategy, risk management, internal 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 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 2025-26.

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.



## REPORT ON CORPORATE GOVERNANCE (CONTD.)

### 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 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 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 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 Talaulicar, Priyamvada Balaji, Heramb Ravindra Hajarnavis, Gangapriya Chakraverti.
Technology	Relevant knowledge of IT governance and systems including privacy, data management and security.	Arvind Balaji, Anant Talaulicar, Priyamvada Balaji, Gangapriya Chakraverti, 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 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 fulfil 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 a tentative 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 2025-26.

The Board met 5 times during FY 2025-26 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

REPORT ON CORPORATE GOVERNANCE (CONTD.)

Date of Board meeting/ Directors attended	30 <sup>th</sup> May, 2025	13 <sup>th</sup> August, 2025	14 <sup>th</sup> November, 2025	13 <sup>th</sup> February, 2026	30 <sup>th</sup> March, 2026	Percentage of Attendance
Mr. T.K. Balaji DIN: 00002010 Non-executive Chairman	✓	✓	✓	✓	✓	100%
Mr. Arvind Balaji DIN: 00557711 Managing Director	✓	✓	✓	✓	✓	100%
Ms. Priyamvada Balaji DIN: 00730712 Non-Executive Director	✓	✓	✓	✓	✓	100%
Mr. Anant J Talaulicar DIN: 00031051 Independent Director	✓	✓	✓	✓	✓	100%
Mr. Heramb R Hajarnavis DIN: 01680435 Independent Director	✓	✓	✓	✓	✓	100%
Ms. Gangapriya Chakraverti DIN: 00378385 Independent Director	✓	✓	✓	×	✓	80%

Name	Attendance Particulars		Number of other directorships and committee memberships/ chairmanships as on 31 <sup>st</sup> March 2026		
	Board meeting	Last AGM	Other Directorship*	Other Committee Memberships**	Other Committee Chairmanships**
<b>Non-Executive Directors</b>					
Mr. T K Balaji DIN: 00002010	5	No	11	-	-
Ms. Priyamvada Balaji DIN: 00730712	5	Yes	15	1	0
<b>Managing Director</b>					
Mr. Arvind Balaji DIN: 00557711	5	Yes	12	3	0
<b>Independent Directors</b>					
Mr. Anant J Talaulicar DIN: 00031051	5	Yes	10	6	0
Mr. Heramb R Hajarnavis Hajarnavis DIN: 01680435	5	Yes	3	1	0
Ms. Gangapriya Chakraverti DIN: 00378385	4	Yes	2	-	-

\*includes private companies.

\*\*Memberships and Chairmanships of the Audit Committee and Stakeholders Relationship Committee of Public Limited Companies are only considered.



## REPORT ON CORPORATE GOVERNANCE (CONTD.)

### **Names of listed entities wherein Directors are holding position of Director & the category of Directorship as on 31<sup>st</sup> March, 2026:**

<b>Name of the director</b>	<b>Name of the other listed Company</b>	<b>Category of Directorship</b>
T K Balaji	-	-
Arvind Balaji	Schaeffler India Limited	Independent Director
Anant J 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 R Hajarnavis	Sundaram Fasteners Limited	Independent director
Priyamvada Balaji	-	-

None of the non-executive directors holds directorships in more than seven listed entities and serves as an Independent Director in more than seven listed entities.

#### **2.4. Disclosure of relationships between directors inter-se**

Mr. TK Balaji, Mr Arvind Balaji and Ms. 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 31<sup>st</sup> March, 2026.

#### **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 operation. In this regard, the Company regularly communicates with all Independent Directors to provide a detailed understanding of the activities of the Company including specific projects either at the meeting of the Board of Directors or otherwise. The process is designed to build an understanding of the Company's business and the markets to equip the Directors to perform their role on the Board effectively. Independent Directors are also taken through various business situations, the nature of the industry, the business model, various regulatory developments, etc., by way of presentations and discussions. The details 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

## REPORT ON CORPORATE GOVERNANCE (CONTD.)

### 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 financial year 2025-26 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
		29 <sup>th</sup> May, 2025	12 <sup>th</sup> August, 2025	13 <sup>th</sup> November, 2025	13 <sup>th</sup> February, 2026	30 <sup>th</sup> March, 2026	
Anant J Talaulicar	Chairman	✓	✓	✓	✓	✓	100%
Heramb R Hajarnais	Member	✓	✓	✓	✓	✓	100%
Priyamvada Balaji	Member	✗	✓	✓	✓	✓	80%

**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 the management 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
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 40<sup>th</sup> AGM of the Company for the financial year ended 31<sup>st</sup> March 2025 held on 19<sup>th</sup> September 2025. All the decisions and recommendations made by the Committee during the year were unanimously approved by the members of the Committee.



## REPORT ON CORPORATE GOVERNANCE (CONTD.)

### 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 financial year 2025-26 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 30 <sup>th</sup> May, 2025	Date of Meeting 13 <sup>th</sup> August, 2025	Date of Meeting 13 <sup>th</sup> February, 2026	% of Attendance
Gangapriya Chakraverti	Chairman	✓	✓	×	66.67%
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 40<sup>th</sup> AGM of the Company for the financial year ended 31<sup>st</sup> March, 2025 held on 19<sup>th</sup> September, 2025. All the decisions and recommendations made by the Committee during the year were unanimously approved by the members of the Committee.

## REPORT ON CORPORATE GOVERNANCE (CONTD.)

### Senior Management Personnel

The details of the Senior Management Personnel of the Company as on 31<sup>st</sup> March 2026 are provided below:

Name	Designation
Ravinder Sharma	President
R Umashankar	Fellow – Technical Center*
K Kanakaraju	Chief Technology Officer*
Elango Srinivasan	Chief Financial Officer (KMP)
S Logitha	Company Secretary & Compliance Officer (KMP)

\*Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors, at its meeting held on 13<sup>th</sup> February, 2026, approved the re-designation of Mr. R. Umashankar as Fellow – Technical Center and Mr. K. Kanakaraju as Chief Technology Officer.

### 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/investors/disclos-underreg-46-of-sebi-lodr/Policies>

### Separate meeting of independent directors:

A separate meeting of Independent Directors for FY 2025-26 was held on 30<sup>th</sup> March 2026 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, composition and terms of reference of which are in conformity with the said provisions. The Committee has 3 members consisting of 2 independent directors (Mr. Heramb Hajarnavis as Chairperson of the Committee and Ms. Gangapriya Chakraverti as a Member of the Committee) and the Managing Director Mr. Arvind Balaji as a member

The composition along with the details of the meetings held during the financial year 2025-26 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 13 <sup>th</sup> November 2025	% of Attendance
Heramb R Hajarnavis	Chairman	✓	100%
Arvind Balaji	Member	✓	100%
Gangapriya Chakraverti	Member	✓	100%

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.



## REPORT ON CORPORATE GOVERNANCE (CONTD.)

- 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**

Mrs. S Logitha, Company Secretary and Compliance officer is the Secretary to SRC.

The Chairperson of SRC attended the 40<sup>th</sup> AGM of the Company for the year ended 31<sup>st</sup> March, 2025 held on 19<sup>th</sup> September, 2025. 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	1
No. of complaints not resolved to the satisfaction of shareholders	Nil
No. of pending complaints as on 31 <sup>st</sup> March, 2026	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/investors/disclos-underreg-46-of-sebi-lodr/Policies> . The web link is also provided in a separate section of this report under policies:

- An annual action plan for the year 2026-27
- The CSR Policy.

## REPORT ON CORPORATE GOVERNANCE (CONTD.)

The composition along with the details of the meetings held during the financial year 2025-26 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 29 <sup>th</sup> May, 2025	Date of Meeting 12 <sup>th</sup> August, 2025	Date of Meeting 13 <sup>th</sup> November, 2025	% of Attendance
Gangapriya Chakraverti	Chairman	✓	✓	✓	100%
Arvind Balaji	Member	✓	✓	✓	100%
Priyamvada Balaji	Member	✗	✓	✓	66.67%

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, presently, comprises of 4 Members out of which 3 are Directors. The composition along with the details of the meetings held during the financial year 2025-26 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
		29 <sup>th</sup> May, 2025	12 <sup>th</sup> August, 2025	13 <sup>th</sup> November, 2025	10 <sup>th</sup> February, 2026	
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

The Risk Management Policy can be accessed at <https://indianippon.com/investors/disclos-underreg-46-of-sebi-lodr/Policies>

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



## REPORT ON CORPORATE GOVERNANCE (CONTD.)

### 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 Financial Year 2025-26, a remuneration of ₹475 Lakhs including commission of ₹210 Lakhs, subject to tax, as applicable was approved by the Board of directors for Mr. Arvind Balaji, Managing Director at their meeting held on 28<sup>th</sup> May, 2026 as recommended by the Nomination and Remuneration Committee within the limits as approved by the Shareholders at the annual general meeting held on 21<sup>st</sup> September, 2022 and 19<sup>th</sup> September, 2025.

					₹ in Lakhs
Name of the Director	Designation	Salary	Commission	Perquisite	Total
Mr. Arvind Balaji	Managing Director	162	210	103	475

The broad terms of agreement of appointment of Mr. Arvind Balaji, Managing Director are as under:

Period of Agreement: 5 years with effect from 01<sup>st</sup> April, 2022

Salary: In the salary range of ₹10 Lakhs to ₹15 Lakhs 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://indian-nippon.s3.ap-south1.amazonaws.com/investor/disclosure+under+reg46/Annual+Reports/2021-22+Notice+to+Shareholders.pdf>

Commission: Such percentage of net profits of the Company as per Sec 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 27<sup>th</sup> August, 2018.

For the year 2025-26, the Board approved the payment of commission to Non-executive Directors at the meeting held on 28<sup>th</sup> May, 2026 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://indian\\_nippon.s3.apsouth1.amazonaws.com/investor/disclosure+under+reg46/Policies/N+%26+R+Policy.pdf](https://indian_nippon.s3.apsouth1.amazonaws.com/investor/disclosure+under+reg46/Policies/N+%26+R+Policy.pdf)

## REPORT ON CORPORATE GOVERNANCE (CONTD.)

Commission payable to Non-Executive Directors is given below:

Name of Director	Commission (₹ in Lakhs)
Mr. T.K. Balaji	11.00
Ms. Priyamvada Balaji	14.30
Mr. Anant J Talaulicar	27.00
Mr. Heramb R Hajarnavis	20.00
Ms. Gangapriya Chakraverti	17.50
<b>Total</b>	<b>89.80</b>

### b) Sitting fees:

Remuneration by way of Sitting Fee for attending Board/Committee Meetings for the year 2025-26 is tabulated hereunder (in actuals).

Name of the Director	Board	Audit Committee	Nomination and Remuneration Committee	Stakeholder Relationship Committee	Corporate Social Responsibility Committee	Risk Management Committee	ID	Total
Mr. T.K. Balaji	1,75,000	-	90,000	-	-	-	-	<b>2,65,000</b>
Mr. Arvind Balaji	-	-	-	-	-	-	-	-
Ms. Priyamvada Balaji	1,75,000	1,40,000	-	-	60,000	-	-	<b>3,75,000</b>
Mr. Anant J Talaulicar	1,75,000	1,75,000	90,000	-	-	1,20,000	35,000	<b>5,95,000</b>
Mr. Heramb R Hajarnavis	1,75,000	1,75,000	-	30,000	-	1,20,000	35,000	<b>5,35,000</b>
Mrs. Gangapriya Chakraverti	1,40,000	-	60,000	30,000	90,000	-	35,000	<b>3,55,000</b>

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
38 <sup>th</sup> AGM	2023	Video Conference/Other Audio-Visual Means	20 <sup>th</sup> September 2023	10:00 AM
39 <sup>th</sup> AGM	2024	Video Conference/Other Audio-Visual Means	18 <sup>th</sup> September 2024	10:00 AM
40 <sup>th</sup> AGM	2025	Video Conference/Other Audio-Visual Means	19 <sup>th</sup> September 2025	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 2022-23	• Alteration of Articles of Association of the Company.
AGM 2023-24	No special resolutions
AGM 2024-25	• 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



## REPORT ON CORPORATE GOVERNANCE (CONTD.)

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

### **Postal Ballot:**

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

No item of business in relation to matters specified in Listing Regulations and or Section 110 of the Companies Act, 2013 which requires voting by postal ballot is included in the notice convening the AGM of the Company for the Financial Year 2025-26.

## **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/investors/disclos-underreg-46-of-sebi-lodr/Newspaper%20Publication>

### **Website**

The Company has dedicated "Investors" section on its website viz. <https://indianippon.com/investors> 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 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 2025-26, 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 2025-26, the Company has not entered into any materially significant related party transactions that may have potential conflict with the interests of the Company at large. The Policy on dealing with and materiality of related party transactions is available on its website at <https://indianippon.com/investors/disclos-underreg-46-of-sebi-lodr/Policies>

### **Prohibition of insider trading and code of corporate disclosure practices:**

As prescribed under SEBI (PIT) Regulations, 2015, the Company has a Code of Conduct to Regulate, Monitor and Report trading by its Designated Persons and their Immediate Relatives

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

## REPORT ON CORPORATE GOVERNANCE (CONTD.)

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 organisation 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 <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](mailto: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://indian-nippon.s3.ap-south-1.amazonaws.com/investor/disclosure+under+reg46/Policies/Whistle+Blower+Policy+and+Vigil+Mechanism.pdf>. During the year under review, 2 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.

### 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.



## REPORT ON CORPORATE GOVERNANCE (CONTD.)

**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) 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://indian-nippon.s3.ap-south-1.amazonaws.com/investor/disclosure+under+reg46/Policies/Material+Subsidiary+Policy+website+version.pdf>

However, the Company does not have any material Subsidiary. The Subsidiary Company – PT Automotive Systems Indonesia has completed winding up process and has received the liquidation proceeds on 24th June, 2025.

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, 2026:

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	29,163	2,838,279	NIL	NIL	NIL	NIL	NIL

## REPORT ON CORPORATE GOVERNANCE (CONTD.)

### 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 the Financial Year 2025-26 is Rs 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 Financial Year 2025-26.

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.

The details relating to the number of complaints received and disposed off during the financial year 2025-26 are as under:

Particulars	Number of Complaints
Filed during the financial year	1
Disposed off during the year	1
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://indian-nippon.s3.ap-south-1.amazonaws.com/investor/disclosure+under+reg46/Policies+Code+of+Conduct+and+Business+Ethics.pdf>

All members of the Board and Senior Management Personnel have confirmed compliance with the Code for the year ended 31<sup>st</sup> March 2026. 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 in that could result in conflict of interest of the Company.

### 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/investors/disclos-underreg-46-of-sebi-lodr/Policies>

### 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.



## REPORT ON CORPORATE GOVERNANCE (CONTD.)

Name of Policy	Weblink
Policy for determining 'materiality' for disclosure of events/information to Stock Exchanges	<a href="https://indian-nippon.s3.ap-south-1.amazonaws.com/investor/disclosure+under+reg46/Policies/Policy+for+Determination+of+Materiality.pdf">https://indian-nippon.s3.ap-south-1.amazonaws.com/investor/disclosure+under+reg46/Policies/Policy+for+Determination+of+Materiality.pdf</a>
Policy for preservation and Archival of documents	<a href="https://indian-nippon.s3.ap-south-1.amazonaws.com/investor/disclosure+under+reg46/Policies/Archival+Policy.pdf">https://indian-nippon.s3.ap-south-1.amazonaws.com/investor/disclosure+under+reg46/Policies/Archival+Policy.pdf</a>
Nomination and Remuneration Policy	<a href="https://indian-nippon.s3.ap-south-1.amazonaws.com/investor/disclosure+under+reg46/Policies/N+%26+R+Policy.pdf">https://indian-nippon.s3.ap-south-1.amazonaws.com/investor/disclosure+under+reg46/Policies/N+%26+R+Policy.pdf</a>
Code of Conduct and Business Ethics	<a href="https://indian-nippon.s3.ap-south-1.amazonaws.com/investor/disclosure+under+reg46/Policies/Code+of+Conduct+and+Business+Ethics.pdf">https://indian-nippon.s3.ap-south-1.amazonaws.com/investor/disclosure+under+reg46/Policies/Code+of+Conduct+and+Business+Ethics.pdf</a>
Corporate Social Responsibility Policy	<a href="https://indian-nippon.s3.ap-south-1.amazonaws.com/investor/disclosure+under+reg46/Policies/CSR+Policy.pdf">https://indian-nippon.s3.ap-south-1.amazonaws.com/investor/disclosure+under+reg46/Policies/CSR+Policy.pdf</a>
Code of Conduct to Regulate, Monitor and Report trading by Designated Persons and their Immediate Relatives	<a href="https://indian-nippon.s3.ap-south-1.amazonaws.com/investor/disclosure+under+reg46/Policies/Code+of+Conduct+to+Regulate%2C+Monitor+and+Report+Insider+Trading.pdf">https://indian-nippon.s3.ap-south-1.amazonaws.com/investor/disclosure+under+reg46/Policies/Code+of+Conduct+to+Regulate%2C+Monitor+and+Report+Insider+Trading.pdf</a>
Material Subsidiary Policy	<a href="https://indian-nippon.s3.ap-south-1.amazonaws.com/investor/disclosure+under+reg46/Policies/Material+Subsidiary+Policy+website+version.pdf">https://indian-nippon.s3.ap-south-1.amazonaws.com/investor/disclosure+under+reg46/Policies/Material+Subsidiary+Policy+website+version.pdf</a>
Related Party Transaction Policy	<a href="https://indian-nippon.s3.ap-south-1.amazonaws.com/investor/disclosure+under+reg46/Policies/RPT+Policy+website+version.pdf">https://indian-nippon.s3.ap-south-1.amazonaws.com/investor/disclosure+under+reg46/Policies/RPT+Policy+website+version.pdf</a>
Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information	<a href="https://indian-nippon.s3.ap-south-1.amazonaws.com/investor/disclosure+under+reg46/Policies/Code+of+Fair+Disclosure.pdf">https://indian-nippon.s3.ap-south-1.amazonaws.com/investor/disclosure+under+reg46/Policies/Code+of+Fair+Disclosure.pdf</a>
Whistle-Blower Policy & Vigil Mechanism	<a href="https://indian-nippon.s3.ap-south-1.amazonaws.com/investor/disclosure+under+reg46/Policies/Whistle+Blower+Policy+and+Vigil+Mechanism.pdf">https://indian-nippon.s3.ap-south-1.amazonaws.com/investor/disclosure+under+reg46/Policies/Whistle+Blower+Policy+and+Vigil+Mechanism.pdf</a>
Risk Management Policy	<a href="https://indian-nippon.s3.ap-south-1.amazonaws.com/investor/disclosure+under+reg46/Policies/Risk+Management.pdf">https://indian-nippon.s3.ap-south-1.amazonaws.com/investor/disclosure+under+reg46/Policies/Risk+Management.pdf</a>
Dividend Distribution Policy	<a href="https://indian-nippon.s3.ap-south-1.amazonaws.com/investor/disclosure+under+reg46/Policies/Dividend+Distribution+Policy.pdf">https://indian-nippon.s3.ap-south-1.amazonaws.com/investor/disclosure+under+reg46/Policies/Dividend+Distribution+Policy.pdf</a>

### 13. GENERAL INFORMATION FOR MEMBERS:

Annual General Meeting	The 41 <sup>st</sup> AGM of the Company is scheduled to be held on July 30, 2026 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	01 <sup>st</sup> April to 31 <sup>st</sup> March
Interim Dividend for FY 2025-26 @ Rs 15.50 per equity share	Declared by Board: 13 <sup>th</sup> February, 2026. Record Date: 20 <sup>th</sup> February, 2026 Payment date: 10 <sup>th</sup> March, 2026
Book closure period for the purpose of AGM	24 <sup>th</sup> July 2026 to 30 <sup>th</sup> July 2026 (both days inclusive)

## REPORT ON CORPORATE GOVERNANCE (CONTD.)

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 2025-26 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, 5 <sup>th</sup> Floor, Plot no C 1, G Block, IFB Centre, 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](mailto: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.

### Special Window for lodgment of share transfer request:

Pursuant to the SEBI Circular dated 30<sup>th</sup> January, 2026, the Company has enabled a special window to facilitate lodgment of transfer requests executed before 01<sup>st</sup> April, 2019 but were either not lodged for transfer or were lodged and subsequently rejected, returned or not attended due to deficiency in the documents. Eligible Shareholders are encouraged to submit the requisite documents to the Company/RTA before 04<sup>th</sup> February, 2027. Securities transferred through this mechanism shall be credited only in demat form and will remain under a one-year lock in, during which they cannot be transferred, lien marked or pledged.

A newspaper advertisement has been published in this regard which can be accessed on the website of the Company at [www.indianippon.com/investors](http://www.indianippon.com/investors)

**Simplification of Procedure for Issuance of Duplicate Share Certificates:** SEBI has simplified the process for issuing duplicate share certificates. The documentation requirements have been standardised as below:

Members are informed that with effect from April 2, 2026, SEBI has dispensed with the requirement of issuance of a Letter of Confirmation (LOC) by the Company/RTA while processing investor service requests. Accordingly, securities will be credited directly to the shareholder's demat account upon submission of valid demat account details along with the latest Client Master List. The Members must provide a Client Master List, not older than 2 months, attested by their DP, for getting the securities credited directly in their demat account.



## REPORT ON CORPORATE GOVERNANCE (CONTD.)

### Distribution of Equity Shareholding as on 31<sup>st</sup> March 2026 (Pan Based)

Category (No of shares)	No. of shareholders	% of total	Shareholding	% of total
1-10	7,909	34.3959	36,006	0.1592
11-50	6,414	27.8942	1,85,846	0.8215
51-100	2,752	11.9683	2,28,276	1.0091
101-500	3,577	15.5562	9,04,087	3.9966
501-5,000	2,200	9.5677	32,27,298	14.2666
5,001-10,000	81	0.3523	5,66,598	2.5047
10,001-50,000	53	0.2305	9,88,009	4.3676
50,001-1,00,000	6	0.0261	4,56,196	2.0167
1,00,001 & above	2	0.0087	1,60,29,108	70.8581
<b>Total</b>	<b>22994</b>	<b>100.0000</b>	<b>2,26,21,424</b>	<b>100.0000</b>

### Pattern of Equity shareholding as on 31<sup>st</sup> March 2026

Members	No. of shares held	% of total shares held
Promoter & Promoter group	1,59,18,722	70.37
Foreign Portfolio Investor	93,736	0.41
HUF	2,68,822	1.19
Bodies Corporate	3,05,863	1.35
IEPF Authority	1,21,734	0.54
Individuals	56,48,337	24.97
NRIs	1,93,296	0.85
Others (LLP, Clearing members & Unclaimed Suspense Account)	70,914	0.31
<b>Total</b>	<b>2,26,21,424</b>	<b>100.00</b>

### Dematerialization of Shares and Liquidity

As on 31<sup>st</sup> March 2026, out of the total 2,26,21,424 shares of the Company, 2,24,97,627 shares were held in dematerialized form and 1,23,797 shares were held in physical mode.

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

Particulars	Physical mode	Dematerialized mode	Total
<b>A) Promoter holding</b>			
M/s Lucas Indian Service Limited	-	1,59,07,374	1,59,07,374
Ms. Sheela Balaji	-	3,712	3,712
<b>B) Promoter group holding</b>			
Mr. T K Balaji	-	1694	1694
Ms. Vatsala Raghu	-	142	142
Mr. Sowmyan Ramakrishnan	-	4308	4308
Mr. V A Raghu	-	8	8
Ms. Mala Ramakrishnan	-	742	742
Ms. Vijaya Mohanram	-	742	742
<b>Total Promoter and Promoter group holding</b>		<b>1,59,18,722</b>	<b>1,59,18,722</b>

## REPORT ON CORPORATE GOVERNANCE (CONTD.)

Particulars	Physical mode	Dematerialized mode	Total
<b>C) Public holding</b>	<b>1,23,797</b>	<b>65,78,905</b>	<b>67,02,702</b>
<b>Total</b>	<b>1,23,797</b>	<b>2,24,97,627</b>	<b>2,26,21,424</b>
Total (In %)	0.55%	99.45%	100.00%

As on 31<sup>st</sup> March, 2026, the total number of members holding shares in physical mode has reduced from 136 members holding 1,56,793 shares at the beginning of the year to 109 members holding 123797 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 (In Rs)	Date of transfer to IEPF
2017-18(II Interim)	08 <sup>th</sup> May, 2018	4,81,026	23 <sup>rd</sup> June, 2025
2018-19 (I Interim)	09 <sup>th</sup> February, 2019	3,54,282	27 <sup>th</sup> March, 2026
2018-19(II Interim)	06 <sup>th</sup> April, 2019	4,54,276	25 <sup>th</sup> May, 2026

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
2017-18 (I Interim)	6530	18 <sup>th</sup> April, 2025
2017-18 (II Interim)	666	10 <sup>th</sup> July, 2025
2018-19 (I Interim)	10552	30 <sup>th</sup> April, 2026

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.



## REPORT ON CORPORATE GOVERNANCE (CONTD.)

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](mailto:investors@inel.co.in)

### Request to Investors

Members who have not encashed their dividend warrants in respect of unpaid dividend declared for the year 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 31 <sup>st</sup> March, 2026 (₹)
2018-19 2 <sup>nd</sup> Interim	06 <sup>th</sup> April, 2019	80	13 <sup>th</sup> May, 2019	11 <sup>th</sup> June, 2026	4,54,276.00
2019-20 1 <sup>st</sup> Interim	10 <sup>th</sup> February, 2020	60	18 <sup>th</sup> March, 2020	16 <sup>th</sup> April, 2027	3,29,610.00
2019-20 2 <sup>nd</sup> Interim	16 <sup>th</sup> March, 2020	75	22 <sup>nd</sup> April, 2020	21 <sup>st</sup> May, 2027	4,37,820.00
2020-21 Interim	26 <sup>th</sup> March, 2021	120	02 <sup>nd</sup> May, 2021	31 <sup>st</sup> May, 2028	5,17,930.00
2021-22 Interim	10 <sup>th</sup> February, 2022	125	19 <sup>th</sup> March, 2022	17 <sup>th</sup> April, 2029	5,15,165.50
2022-23 Interim	14 <sup>th</sup> February, 2023	185	23 <sup>rd</sup> March, 2023	21 <sup>st</sup> April, 2030	6,16,290.25
2023-24 Interim	13 <sup>th</sup> February, 2024	205	21 <sup>st</sup> March, 2024	19 <sup>th</sup> April, 2031	7,13,579.50
2024-25 Interim	13 <sup>th</sup> February, 2025	250	21 <sup>st</sup> March, 2025	19 <sup>th</sup> April, 2032	16,02,117.5
2025-26 Interim	13 <sup>th</sup> February, 2026	310	17 <sup>th</sup> March 2026	15 <sup>th</sup> April, 2033	20,55,489.50

(\*) Interim Dividend for 2025-26 has been paid on 10<sup>th</sup> March, 2026

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

## REPORT ON CORPORATE GOVERNANCE (CONTD.)

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

Disclosure in respect of equity shares transferred in the Company's unclaimed suspense account pursuant to the requirement of Regulation 34(3) and Schedule V Part F of the Listing 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 1 <sup>st</sup> April, 2025	14	17058
Shareholders who approached the Company for transfer of shares from suspense account during the year	1	1856
Shareholders to whom shares were transferred from the suspense account during the year	0	0
Unclaimed shares transferred to IEPF during the year	0	0
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on 31 <sup>st</sup> March, 2026	14	17058

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 Location:

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:

India Nippon Electricals Limited  
No.11 & 13, Patullos Road, Chennai 600002.  
Ph. (44) 28460063/73.  
For investors complaints:  
[investors@inel.co.in](mailto: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/investors/group-restructuring/Group%20Restructuring>.



**CERTIFICATE OF COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE**  
**[Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]**

To

The Members

**INDIA NIPPON ELECTRICALS LIMITED**

No. 11 & 13, (Old No. 6 & 7) Patullos Road,  
Chennai - 600002

We, S.A.E & Associates LLP, Company Secretaries have examined the compliance of conditions of Corporate Governance by India Nippon Electricals Limited ("the Company"), having CIN L31901TN1984PLC011021 and registered office at No. 11 & 13, (Old No. 6 & 7) Patullos Road, Chennai - 600002, for the financial year ended on March 31, 2026 as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR).

**MANAGEMENT'S RESPONSIBILITY:**

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

**AUDITOR'S RESPONSIBILITY:**

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

**OPINION:**

- To the best of our information and based on our examination of the relevant records and the explanations given to us and the representations provided by the directors and the management, we certify that the Company has complied with the conditions of corporate governance as stipulated in Regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the LODR, during the financial year ended March 31, 2026.
- 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: F011114H000527927

Place: Chennai  
Date: May 28, 2026

**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2026**

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 31<sup>st</sup> March, 2026 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 31<sup>st</sup> March, 2026 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
  - Ms. Priyamvada Balaji, Non-Executive Non-Independent Director retired by rotation at the annual general meeting held on 19th September, 2025 and was re-appointed

There 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 a 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: F011114H000527905

Place: Chennai  
Date: May 28, 2026

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: May 28, 2026

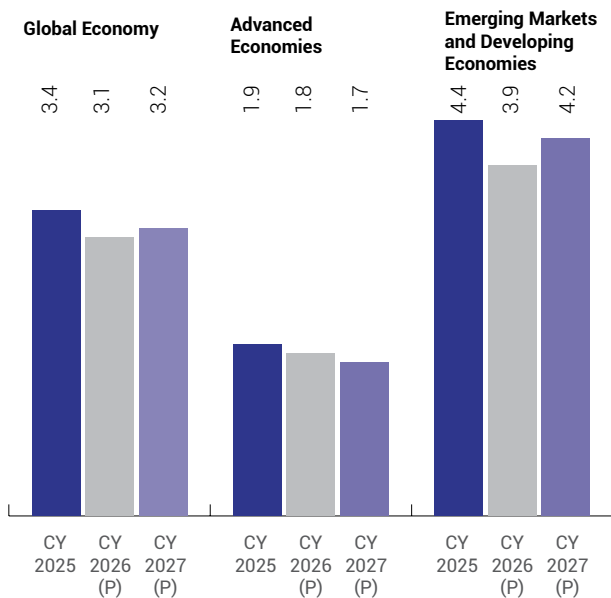


# MANAGEMENT DISCUSSION & ANALYSIS

## GLOBAL ECONOMY

The global economic landscape for 2026 is marked by heightened uncertainty even as headline growth remains relatively steady. The IMF's World Economic Outlook Update (April 2026) projects global growth at 3.1% in 2026, moderating slightly to 3.2% in 2027. This is broadly in line with the estimated 3.4% growth recorded in 2025. Despite this steady headline trajectory, rising geopolitical tensions, particularly in the Middle East, have introduced significant downside risks.

### GDP Growth Projections (in %)



P: Projected

(Source: <https://www.imf.org/en/publications/weo/issues/2026/04/14/world-economic-outlook-april-2026>)

Energy prices are a key transmission channel. Supply disruptions have pushed crude oil prices higher in the short term, with gradual normalization expected if supply stabilizes. However, the outlook remains highly sensitive to the duration and severity of these disruptions. Sustained shocks could keep energy costs elevated, intensify inflation, and weigh significantly on global output.

Inflation remains at the center of policy debate. Rising energy costs have led central banks to reassess near-term forecasts with caution, given past underestimations of inflation persistence. This raises the possibility of delayed easing or even tighter policy if inflation proves more entrenched. Financial markets have already reacted: equity prices have declined, credit conditions have tightened, and interest rate

expectations have shifted. These developments add further drag on economies with weak domestic demand.

(Source: <https://www.spglobal.com/market-intelligence/en/news-insights/research/2026/03/global-economic-outlook-march-2026>)

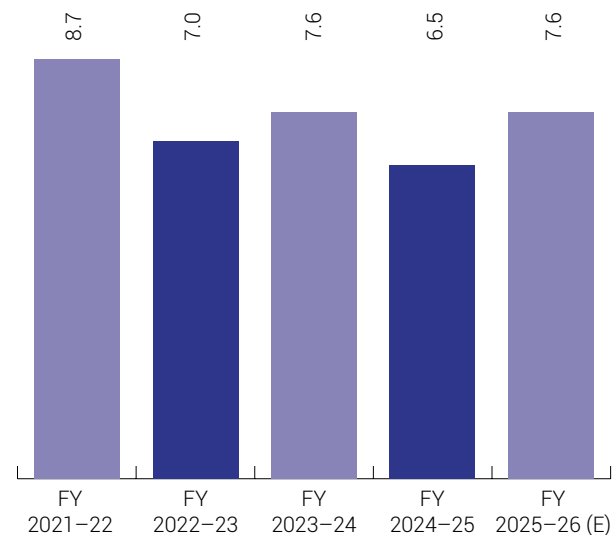
## Outlook

The 2026–27 global outlook points to moderate but fragile growth. Geopolitical tensions in the Middle East are driving higher energy prices, elevated inflation, and tighter financial conditions, creating stagflationary pressures across major economies.

Growth is expected to remain uneven: energy-importing regions and fiscally constrained economies are more vulnerable, while commodity exporters may see partial gains. Central banks must navigate a balance between controlling inflation and supporting growth. Any prolonged energy market disruption could further weaken output, increase recession risks, and amplify global economic volatility.

## INDIAN ECONOMY

The Indian economy continues to exhibit strong resilience, with real GDP projected to grow by 7.6% in 2025–26, per the National Statistics Office's Second Advance Estimates. The economy remains supported by rising productivity and a policy focus on inclusive, stable development, aligned with the long-term Viksit Bharat 2047 vision.



E: Estimated

(Source: <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2233792&reg=3&lang=1>)

## MANAGEMENT DISCUSSION & ANALYSIS (CONTD.)

Infrastructure remains central to India's growth story. The Indian government has maintained a strong capital expenditure focus across railways, waterways, logistics, and urban development. Allocations in these sectors have risen to ₹ 12.2 Lakh Crores from ₹ 11.2 Lakh Crores in 2025–26. This investment is set to improve connectivity, streamline supply chains, and generate broad multiplier effects across allied industries, supporting sustained long-term growth.

### Outlook

Growth for 2026–27 is expected to moderate slightly to 6.6%–6.9%, reflecting external pressures from geopolitical tensions in West Asia and global energy market volatility. However, India's macroeconomic fundamentals remain sound, supported by tax rationalization. Expanding trade engagements with key partners, including the UK, EU, and the US, are likely to support export competitiveness. At the same time, the expanding digital economy and a resilient services sector continue to provide buffers against global shocks. Both these factors position India well to sustain a medium-term growth trajectory of around 7% through 2028, balancing external uncertainties with strong domestic drivers.

### GLOBAL AUTOMOTIVE INDUSTRY

The global automotive industry in 2026 is undergoing strategic recalibration. The earlier push toward full electrification is giving way to a more pragmatic, multi-pathway approach. While the long-term zero-emission ambition remains intact, manufacturers are recalibrating near-term strategies in response to moderating demand for Battery Electric Vehicles (BEVs) in Western markets. Elevated vehicle prices and persistent charging infrastructure gaps have driven a renewed emphasis on hybrid and advanced internal combustion engine (ICE) technologies. The transition reflects a growing 'hybrid-first' mindset among legacy automakers, who are combining next-generation combustion technologies with thermal efficiencies.

Global light vehicle sales in 2026 are projected at approximately 91.8 Million units, indicating a phase of subdued growth following the post-pandemic recovery surge. This plateau is shaped by a confluence of macroeconomic pressures, including elevated interest rates and persistently high vehicle pricing. It is further influenced by the gradual withdrawal of EV subsidies across key markets. The Asia–Pacific region continues to anchor global

demand, accounting for nearly half of total sales. In China, domestic demand is shifting toward Plug-in Hybrid Electric Vehicles (PHEVs) and Extended Range Electric Vehicles (EREVs). However, competitively priced EV exports remain strong. India has solidified its position as a reliable growth engine, driven by a cost-efficient, localized supply chain built around affordability and scalability.

On the manufacturing side, AI has moved from experimental to operational. Generative AI-driven production copilots are optimizing assembly line performance and enabling real-time predictive maintenance. Gigacasting continues to gain traction, though widespread adoption is being weighed against aftermarket repairability considerations. Meanwhile, cybersecurity compliance under frameworks such as UNR155 has become an operational requirement across vehicle fleets.

(Source: <https://www.spglobal.com/automotive-insights/en/blogs/2026/01/five-predictions-2026-automotive-industry-outlook#:~:text=Global%20light%20vehicle%20sales%20enter,at%20around%2091.8%20million%20units>)

### GLOBAL TWO-WHEELER INDUSTRY

The global two-wheeler market was valued at USD 118.27 Billion in 2025 and is projected to reach USD 201.33 Billion by 2034, expanding from USD 123.89 Billion in 2026 at a CAGR of 6.26%. Asia-Pacific dominates, accounting for 70.09% of the global market share in 2025.

Growth is primarily driven by rising demand for efficient urban mobility amid increasing traffic congestion, particularly in densely populated regions. Two-wheelers offer a practical and cost-effective transportation solution, enabling easier navigation through congested roads and convenient parking. Lower purchase and maintenance costs, along with superior fuel efficiency, make them an attractive option across price-sensitive markets. A key structural trend is the gradual development of EV charging infrastructure, which is expected to unlock significant growth opportunities for electric two-wheelers.

In response, manufacturers, both emerging and established, are accelerating their electrification strategies. As charging infrastructure improves and ecosystem support strengthens, the electric two-wheeler segment is poised to witness meaningful acceleration, reinforcing its role as a critical growth lever for the industry.

(Source: <https://www.fortunebusinessinsights.com/two-wheeler-market-106884>)



## MANAGEMENT DISCUSSION & ANALYSIS (CONTD.)

### INDIAN AUTOMOTIVE INDUSTRY

India's automotive sector entered a transformative phase in 2025–26, propelled by two catalysts: GST 2.0 and the India–EU Free Trade Agreement (FTA). These structural reforms have reduced cost barriers, accelerated global integration, and helped drive retail vehicle sales to a record ~2.97 crore units, a 13.3% year-on-year surge.

(Source: <https://www.autocarpro.in/news/weekly-news-wrap-record-fy26-sales-set-tone-jlr-price-cut-toyota-vinfast-product-plans-tvs-production-131971>)

### DOMESTIC SALES TREND FOR AUTOMOBILES

(Nos.)

Category	2020–21	2021–22	2022–23	2023–24	2024–25	2025–26
Passenger Vehicles	27,11,457	30,69,523	38,90,114	42,18,746	43,01,848	55,39,115
Commercial Vehicles	5,68,559	7,16,566	9,62,468	9,67,878	9,56,671	11,70,150
Three-Wheelers	2,19,146	2,61,385	4,88,768	6,91,749	7,41,420	13,00,805
Two-Wheelers	1,51,20,783	1,35,70,008	1,58,62,087	1,79,74,365	1,96,07,332	2,66,91,916

(Source: <https://www.siam.in/>)

### GST 2.0: Unlocking Mass-Market Demand

The rollout of GST 2.0 in September 2025 became a major trigger for domestic automotive demand. It replaced the earlier multilayered tax system with simplified slabs of 5%, 18%, and 40%, reducing complexity and improving affordability.

- **Entry Segment Expansion:** GST on small petrol/CNG cars ( $\leq 1200\text{cc}$ ) and motorcycles ( $\leq 350\text{cc}$ ) dropped from 28% to 18%, improving accessibility for first-time buyers and price-sensitive consumers.
- **Hybrid Adoption Upswing:** Hybrid vehicles moved into the 18% slab, accelerating adoption. Various companies saw a strong uptick in hybrid sales, as buyers increasingly preferred fuel-efficient options over fully electric vehicles.
- **Premium Segmentation:** GST on luxury SUVs and large-engine vehicles rose to 40%. This sharpened the mass-market versus premium divide, and incentivized local assembly of high-end vehicles to manage costs.

(Source: <https://cleartax.in/s/gst-impact-automobile-industry#:~:text=Small%20cars%20now%20taxed%20at,vehicles%20moderately%20simplified%20in%20pricing.>)

### India–EU FTA: Elevating Global Integration

The India–EU Free Trade Agreement, concluded in January 2026, marked a pivotal shift in India's trade engagement with Europe.

- **Tariff Rationalization:** Import duties on European fully built vehicles will reduce from 110% to 10% within an annual quota of 2,50,000 units. This move will significantly enhance the price competitiveness of European luxury car brands.
- **Supply Chain Synergies:** The agreement removes tariffs on 99.5% of traded goods, including auto components. Indian Tier-1 suppliers can export parts to European manufacturers without duty barriers, while European firms gain easier access to advanced components for use in India. This strengthens cross-border production linkages and supports a more integrated 'glocal' manufacturing model.
- **EV Strategy Protection:** Phased EV tariff reductions will ensure that domestic manufacturers retain a strategic advantage while scaling indigenous capabilities.

(Source: [https://ec.europa.eu/commission/presscorner/detail/en/ip\\_26\\_184#:~:text=India%20will%20grant%20the%20EU,after%20five%20to%20ten%20years](https://ec.europa.eu/commission/presscorner/detail/en/ip_26_184#:~:text=India%20will%20grant%20the%20EU,after%20five%20to%20ten%20years), (Source: <https://www.autocarpro.in/analysis/india-eu-fta-what-we-know-so-far-130863#:~:text=On%2027%20January%202026%2C%20the,mother%20of%20all%20deals>)

By 2026, the Indian passenger vehicle market is projected at USD 45 Billion, with SUVs commanding an over 53% share. Despite intermittent challenges such as geopolitical volatility impacting fuel prices, tax rationalization and trade liberalization have enhanced both demand visibility and supply-side competitiveness.

## MANAGEMENT DISCUSSION & ANALYSIS (CONTD.)

### INDIAN TWO-WHEELER MARKET

India's two-wheeler market was valued at USD 28.84 Billion in 2025. It is projected to reach USD 38.68 Billion by 2031 from USD 30.29 Billion in 2026, at a steady CAGR of 5.02%. Growth is being driven by policy support for electrification, recovering export demand, and expanding digital retail channels. Meanwhile, rising disposable incomes and the increasing need for agile, cost-effective mobility in densely populated urban centers are sustaining domestic demand.

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

Demand is shifting toward feature-rich, technology-enabled vehicles with advanced connectivity, safety systems, and app-based integrations. Manufacturers are responding with smarter, high-specification models. The industry is also undergoing a broader digital transformation aimed at redefining the customer journey. Smart dealerships, omnichannel sales models, and integrated digital platforms are reshaping how customers discover, purchase, and service vehicles. From virtual showrooms and online booking to predictive maintenance and connected after-sales support, digitalization is a key differentiator in an increasingly competitive market.

Last-mile delivery and logistics fleets continue to reinforce volume growth, positioning two-wheelers as a critical component of India's mobility ecosystem. Despite the momentum toward electrification, ICE vehicles still dominate, accounting for 88.15% of the market in 2025, supported by widespread fuel infrastructure and lower upfront costs.

Electric two-wheelers are gaining ground, projected at a 7.02% CAGR through 2026–2031. Subsidized pricing, battery-as-a-service offerings, and declining renewable energy costs are driving this growth. For commercial users, particularly fleet operators covering 80–100 km daily, total cost of ownership parity is already visible. Break-even timelines of 18–24 months are further accelerating adoption.

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

### INTERNAL COMBUSTION ENGINE MARKET

India's ICE market is projected to reach USD 8.3 Billion by 2031, expanding at a CAGR of 7.6% between 2025 and 2031. Despite the gradual shift toward electrification,

demand remains steady, particularly in the passenger vehicle segment.

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

### KEY GROWTH DRIVERS

#### Increasing Demand for Vehicles

Rising populations and expanding middle-class incomes are sustaining demand for both two-wheelers and four-wheelers. This trend is especially pronounced in developing markets such as India, where mobility and economic advancement are closely linked. Rapid urbanization and ongoing infrastructure development are amplifying transportation needs across key sectors including logistics, last-mile delivery, and personal mobility.

#### ICE 2.0 – The Combustion Resurgence

Internal combustion engine technology is entering a renewed innovation phase. Rather than declining, modern ICE and hybrid powertrains are strengthening their relevance, emerging as key beneficiaries of recent tax reforms. They offer a practical, cost-efficient solution for long-distance travel and rural mobility, where EV charging infrastructure is still developing.

#### India as a Global Export Hub

The 2025–26 period marked a significant milestone in India's automotive export story. Passenger vehicle exports surged to nearly 9,00,000 units, up 16% year-on-year, signaling rising global confidence in India's automotive capabilities. Two-wheeler exports led the way, reaching an impressive 5.1 Million units. Indian motorcycles now command a strong presence across international markets, particularly in Africa, Southeast Asia, and Latin America, valued for their affordability, durability, and fuel efficiency.

#### Regulatory Evolution

Regulation has evolved from a compliance requirement to a value driver. The Bharat New Car Assessment Program has reshaped consumer priorities: over 75% of buyers considered safety ratings a top purchase criterion by early 2026. Manufacturers have responded by standardizing advanced safety features such as six airbags and electronic stability control across a wider range of models. As a result, the industry is witnessing higher selling prices and improved margins driven by premium safety positioning.



## MANAGEMENT DISCUSSION & ANALYSIS (CONTD.)

### HYBRID VEHICLE ENGINE MARKET

India's hybrid vehicle market is a central force in the country's evolving mobility landscape. The market is projected to reach USD 0.68 Billion in 2026, accelerating toward USD 1.5 Billion by 2029, at a robust CAGR exceeding 24%. GST 2.0 and the India–EU Free Trade Agreement (2026) have reshaped pricing dynamics. These reforms have reduced the cost burden on electrified powertrains, narrowing the gap between conventional petrol vehicles and hybrids. As a result, premium European hybrid SUVs have become 20–30% more accessible, while domestically produced hybrids are positioned in the high-demand ₹ 15–25 Lakhs segment.

(Source: <https://www.autocarindia.com/car-news/india-eu-fta-agreement-import-duties-slashed-to-10-percent-on-european-cars-438906#:~:text=India%20and%20the%20European%20Union,2%2C50%2C000%20vehicles%20a%20year.>)

In the Indian two-wheeler market during 2025, the hybrid vehicle segment primarily comprised mass-market mild-hybrid models equipped with Smart Motor Generator (SMG) technology. Against the backdrop of a domestic two-wheeler market exceeding 21.7 Million units, the mild-hybrid segment remained a niche category, with estimated annual sales of approximately 0.25 Million to 0.35 Million units, accounting for nearly 1.5% of the overall market.

### ELECTRIC VEHICLE MARKET

India's EV market has moved beyond early adoption into high-volume execution. The sector is on track to reach USD 110.7 Billion by 2029, driven by deeper structural shifts rather than incentive-led demand alone.

A defining feature of this evolution is the localization of intelligence. Indian manufacturers have shifted focus from only assembling vehicles to producing high-value components such as battery cells, power electronics, and motor control systems. This shift is reflected in market performance: passenger EV sales grew 77% in 2025, crossing 1.76 Lakh units and lifting segment penetration to 4.0%. Overall EV adoption across categories reached a record 8.5% by the end of 2025–26.

(Source: <https://www.evfy.in/blogs/indias-ev-sales-rise-over-77-percent-in-2025-fada#:~:text=India's%20passenger%20EV%20sales%20increased,Q.>)

Policy direction has also matured. The Union Budget 2026–27 pivots from demand-side subsidies to strengthening long-

term manufacturing capability. The PM E-DRIVE program, succeeding FAME (Faster Adoption and Manufacturing of Hybrid and Electric Vehicles), has been allocated ₹ 1,500 crore for 2026–27. This focuses on public transport electrification and charging infrastructure as subsidies for smaller vehicle segments phase out. In parallel, the government has significantly increased its commitment to the domestic industry. The PLI scheme for automobiles and auto components received an outlay of ₹ 5,939.87 Crores to support advanced EV platforms and localized production.

(Source: <https://www.evfy.in/blogs/union-budget-fy27-allocates-rs-1500-cr-for-pm-e-drive-scheme#:~:text=Budget%20FY27%20Allocates%20Rs%201%2C500,and%20three%2Dwheelers%20near%20expiry.>)

Sustainability is embedded at the core. Removal of basic customs duty on lithium-ion battery scrap and black mass enables domestic recycling of critical materials like lithium and cobalt. Aligned with the broader National Manufacturing Mission, these developments position India both as a fast-growing EV market and a globally competitive production hub.

### CHALLENGES FACED BY THE EV INDUSTRY

#### Affordability and Residual Value Pressures

While technology has advanced, EVs carry a 20–30% upfront price premium over ICE vehicles, limiting mass adoption. Beyond cost, consumer hesitation is growing around residual value. Buyers remain cautious about battery degradation over a 5–7-year cycle, leading to concerns about resale performance.

#### Charging Infrastructure

India's charging network has expanded rapidly, but consistency remains a challenge. Non-functional stations, fragmented payment systems, and a lack of interoperability across networks are common pain points. For most apartment residents, installing private chargers is hindered by inadequate electrical infrastructure or regulatory friction within housing societies, limiting access to home charging.

#### Supply Chain Dependence and Recycling Gaps

Despite progress under localization initiatives, the EV ecosystem still relies heavily on imports, with 85–90% dependency on foreign sources for battery cells and specialized equipment. Further, India's battery recycling ecosystem is still underdeveloped. While policy frameworks such as Extended Producer Responsibility

## MANAGEMENT DISCUSSION & ANALYSIS (CONTD.)

(EPR) are emerging, a fully integrated, closed-loop system is still absent, restricting sustainability and sustained resource security.

### Grid Readiness and Policy Transition

The growing concentration of EV charging is beginning to strain urban power infrastructure. Without timely upgrades to distribution networks and the adoption of smart grid technologies, peak demand could cause localized disruptions. Simultaneously, the shift toward the PM E-DRIVE framework and phasing out of consumer subsidies is pushing manufacturers to achieve cost parity through innovation rather than policy support.

### Consumer Perception: Safety and Range Confidence

Past battery-related incidents have had a lasting impact on public trust. Stricter safety standards and testing protocols are in place but perception recovery takes time.

Range anxiety persists, particularly for inter-city travel, where charging infrastructure still lacks the reliability and convenience of traditional fuel networks.

### INDIAN AUTO COMPONENT INDUSTRY

India's auto component industry is operating at an unprecedented scale. In 2025–26, the sector was valued at approximately USD 85.8 Billion, supported by a steady 8–10% year-on-year growth rate.

(Source: <https://www.motorindiaonline.in/auto-component-industry-grows-6-8-in-h1-fy26-acma/#:~:text=The%20aftermarket%20delivered%20a%20stronger,penetration%20of%20organised%20service%20channels.>)

A key structural shift is the accelerating pivot toward export-led growth and deeper global supply chain integration. Indian component manufacturers are increasingly recognized as dependable alternatives to traditional sourcing hubs. Exports reached nearly USD 12.1 Billion in the first half of 2025–26, with the US and Germany as core markets. To sustain this, the industry has committed a capital investment of ~₹ 30,000 Crores (USD 3.6 Billion) during 2025–26, focused on expanding capacity and localizing advanced technologies.

(Source: <https://www.motorindiaonline.in/auto-component-industry-grows-6-8-in-h1-fy26-acma/#:~:text=On%20the%20trade%20front%2C%20auto,150%20million%20in%20H1%20FY25.&text=ACMA%20noted%20that%20export%20growth,Mr>)

At the same time, premiumization is redefining product development and manufacturing priorities. Rising consumer preference for larger, feature-rich vehicles, particularly SUVs and premium two-wheelers, is driving demand for higher-value, technology-intensive components. The shift toward software-defined vehicles is evident: connected mobility features in new passenger vehicle launches rose 35%. In parallel, compliance with stricter regulatory frameworks such as Bharat Stage VI (BS-VI) and the growing adoption of advanced driver assistance systems (ADAS) are accelerating the industry's transformation.

(Source: <https://www.technavio.com/report/india-auto-component-market-industry-analysis#:~:text=This%20trend%20has%20shortened%20vehicle.in%20new%20passenger%20car%20variants.>)

### SWOT ANALYSIS

#### Strengths

- **Strong Demand Fundamentals:** Rising incomes, a growing middle class, and rapid urbanization, especially in emerging markets like India, are driving sustained, scalable vehicle demand.
- **Mature and Competitive Ecosystem:** A well-established mix of domestic and global manufacturers fosters healthy competition, continuous innovation, and strong consumer confidence.
- **Strong FDI Inflows and Emerging Global Manufacturing Hub:** The automobile sector has attracted over ₹ 3.23 Lakh Crores (USD 37.85 Billion) in FDI between April 2000 and March 2025, accounting for roughly 5% of India's total inflows. This underscores India's growing stature as a preferred global hub for automotive manufacturing, R&D, and supply chain integration.
- **Acceleration of Advanced Technologies:** Rapid uptake of EVs, connected mobility, and autonomous systems positions the industry at the forefront of next-generation transportation.
- **Supportive Policy Environment:** Government initiatives across electrification, infrastructure development, and domestic manufacturing are enabling long-term growth and sustained investment.
- **Broad Market Coverage and Adaptability:** The ability to serve segments from two-wheelers to commercial and specialized vehicles enhances market resilience and expands revenue opportunities.



## MANAGEMENT DISCUSSION & ANALYSIS (CONTD.)

### WEAKNESSES

- **Cost and Operational Pressures:** Rising input costs, fuel price volatility, and ongoing supply chain disruptions continue to strain margins and operational efficiency across the value chain.
- **Uneven Pace of Technological Adoption:** Legacy players in certain segments have been slower to adopt electrification, digital integration, and advanced mobility technologies, weakening their competitive positioning as consumer expectations evolve.
- **Limited Premium Positioning in Select Segments:** Gaps in features, design sophistication, and brand perception are limiting appeal in urban and higher-income markets.
- **EV Infrastructure Constraints:** Insufficient charging networks and battery-swapping infrastructure remain key bottlenecks to large-scale EV adoption.
- **Battery Localization Deficit:** Despite strong EV momentum, domestic manufacturing of lithium-ion cells remains underdeveloped and heavily import-dependent, creating cost vulnerabilities and supply chain risks that could impact long-term EV economics.
- **Low Vehicle Penetration and Affordability Barriers:** At ~38 vehicles per 1,000 people, structural affordability constraints and limited access to financing continue to restrict mass-market expansion, especially in entry-level four-wheelers.

### OPPORTUNITIES

- **EV Market Acceleration:** The rapid shift toward sustainable mobility, backed by rising environmental awareness and government incentives, is catalyzing rapid EV ecosystem growth. This creates strong openings for investment, innovation, and partnerships.
- **Export-led Growth:** India is increasingly positioned as a competitive global manufacturing hub. As international markets diversify supply chains in search of cost efficiency and reliability, India's auto component sector and vehicle exports are well-positioned to capture a significant share.
- **Technology-led Differentiation:** The convergence of ADAS, autonomous driving capabilities, and connected vehicle platforms is redefining mobility. These advancements unlock high-margin revenue

streams while enabling OEMs to build future-ready product portfolios.

- **Rural Demand Expansion:** Rising rural incomes, improving infrastructure, and improved financing access are unlocking latent demand. Affordable two-wheelers and compact passenger vehicles are well-positioned to drive volume growth in rural and semi-urban markets.
- **Next-generation Mobility Models:** Shared ecosystems, subscription-based ownership, and fleet-led demand are reshaping traditional paradigms. These models present new avenues for recurring revenue, customer lifecycle engagement, and asset optimization.

### THREATS

- **Disruptive Competition:** A new wave of technology-led entrants, including agile domestic startups and well-capitalized global players, is redefining industry boundaries. Incumbents that lag on digital transformation and innovation risk rapid loss of market relevance.
- **Regulatory and Policy Volatility:** Frequent shifts in emission norms, subsidy regimes, and regulatory frameworks introduce structural uncertainty. This volatility can constrain long-term capital allocation and dampen investor confidence.
- **Macroeconomic Headwinds:** Global economic fragility, geopolitical disruptions, and currency volatility continue to pressure demand, input costs, and supply chain stability. This creates an increasingly complex operating environment for manufacturers.
- **Rising Consumer Expectations:** Demand for sustainability, advanced safety, and seamless digital integration requires accelerated innovation. Companies that cannot keep pace face heightened risk of obsolescence.
- **Capital-intensive Transformation:** Electrification, connected mobility, and software-defined vehicles demand significant and sustained capital investment. Players lacking scale, localization capabilities, or financial resilience may struggle to remain competitive.
- **Semiconductor and Critical Mineral Dependencies:** Increasing reliance on semiconductors and battery-grade critical minerals, concentrated within limited global geographies, exposes the industry to supply-side vulnerabilities. While Indian OEMs

## MANAGEMENT DISCUSSION & ANALYSIS (CONTD.)

demonstrated relative resilience during the pandemic, the shift toward electrified and software-driven architectures materially amplifies this risk.

### INDUSTRY OUTLOOK

The sector is progressing along a dual-track trajectory. EV penetration neared 10% of total sales by late 2025, with electric two-wheelers exceeding 1.4 Million units. However, the ICE segment continues to anchor the market, particularly across commercial and long-haul transportation.

Innovation within the ICE ecosystem has moved beyond performance metrics toward sustainability-driven engineering. Advanced fuel-injection systems, hybridization, and efficiency-enhancing technologies are keeping ICE platforms relevant amid tightening emission standards. Policy interventions such as GST 2.0 have further enhanced the affordability of cleaner vehicle technologies.

The commercial vehicle segment is witnessing a cyclical recovery in 2026, driven by replacement demand and the rapid expansion of e-commerce logistics. Light commercial vehicles (LCVs) are emerging as a high-growth category, pivotal for last-mile delivery and supply chain optimization.

### COMPANY OVERVIEW

Since its inception in 1984, India Nippon Electricals Limited ('INEL' or 'the Company') has evolved into a distinguished player in automotive mechatronics, recognized for its precision engineering and dependable solutions. INEL offers a comprehensive range of high-performance, differentiated products for both domestic and international markets. Strengthened aftermarket services and a growing export footprint have enabled entry into global markets, including North America, Europe, and ASEAN. Strategic alliances with major OEMs have further elevated the Company's global positioning and opened avenues for deeper market penetration.

INEL's adaptability is reflected in its robust financial and operational performance. The Company recorded its highest-ever turnover of ₹ 1,068 Crores in 2025-26, marking a healthy year-on-year growth of 26%. It retains a leadership position in the highly competitive two-wheeler segment, while its aftermarket business registered a notable growth of 20%, highlighting its customer-centric approach and commitment to quality.

The Company's manufacturing backbone comprises three strategically located facilities in Hosur (Tamil Nadu),

Puducherry, and Rewari (Haryana), all certified under ISO 14001:2015 and ISO 45001:2018 standards. Complementing its manufacturing strength is a deep commitment to innovation, supported by a state-of-the-art R&D center recognized by the Department of Scientific and Industrial Research (DSIR).

At the forefront of INEL's innovation ecosystem is the INEL Tech Center, dedicated to next-generation mobility solutions. Alongside established product lines such as flywheel magnetos, ignition coils, regulator rectifiers, and CDI/TCI units, the Company is actively developing cutting-edge technologies. These include EFI systems, ISG controllers, motor control units for electric vehicles, DC-DC converters, smart displays, and advanced sensor solutions. Staffed by over 100 engineers, the Tech Center manages end-to-end product development, from concept through commercialization, in alignment with IATF TS16949 standards.

### OPERATIONAL OVERVIEW

India Nippon Electricals entered 2025-26 with a clear intent to outpace industry growth, backed by a shift in both product mix and business strategy. While the broader auto component space is expected to grow steadily, the Company has aligned itself with faster-growing pockets, particularly the premium motorcycle segment. The 150cc-plus category saw stronger demand, and the Company's established presence and higher value-added offerings position it to benefit disproportionately.

Central to this evolution is a transition from a traditional component supplier to an integrated, system-level solutions provider. This raises the value per vehicle and strengthens customer stickiness, as OEMs prefer suppliers who can deliver complete, optimized systems. Margin expansion followed this shift in mix. Electronics-led products inherently command better realizations compared to commoditized components.

Exports have gradually become a meaningful contributor. INEL has expanded its presence across geographies and applications, including non-automotive use cases such as stationary engines and outdoor equipment. Despite temporary disruptions due to global uncertainties, demand traction returned, and the long-term outlook remains constructive. The aftermarket segment, though currently small, is scaling quickly. Investments in distribution, partnerships, and brand building are beginning to yield



## MANAGEMENT DISCUSSION & ANALYSIS (CONTD.)

results. This business provides a steady, less cyclical revenue stream than OEM demand and carries superior margins, making it an important lever for future profitability.

On technology, the Company is preparing for the gradual transition toward EVs while continuing to leverage the significant runway remaining in ICE. The approach is balanced rather than binary, supporting ICE platforms while developing EV-related products such as DC-DC converters, sensors, and controllers. This ensures readiness without overexposure to near-term uncertainty in EV adoption rates.

### FINANCIAL OVERVIEW

#### Standalone Financial Snapshot

(in ₹ Lakhs)

Particulars	2025-26	2024-25
Gross Sales	1,06,440	84,055
Net Sales	1,05,292	83,194
Operating Profit	10,072	7,328
Depreciation	1,792	2,056
Profit After Tax (PAT)	11,126	8,203

#### Details of Key Standalone Financial Ratios

(in ₹ Lakhs)

Particulars	2025-26	2024-25
Debtors' Turnover Ratio	5.68	5.43
Inventory Turnover Ratio	9.06	8.12
Current Ratio (x)	2.51	2.38
Operating Profit Margin	9.4%	8.7%
Net Profit Margin	13.7%	12.2%
Return on Net Worth	14.5%	12.3%

### RISKS AND MITIGATION STRATEGIES

Risk	Impact	Mitigation
Economic Risk	Economic fluctuations may affect day-to-day operations and impede growth and expansion plans.	The Company continuously assesses the business environment and implements appropriate strategies to mitigate potential operational and growth disruptions.
Geopolitical Risk	Tensions between the US and China have heightened rare earth supply chain risks. Maritime disruptions in the Red Sea driven by West Asia conflicts have intensified logistical delays and increased input costs, creating a highly challenging operating environment.	Despite continued geopolitical uncertainties, fluctuations in commodity prices, and anticipated impacts arising from labor code reforms, the Company remains resilient. Through a strong focus on execution excellence and disciplined cost optimization initiatives, including Value Analysis and Value Engineering (VAVE), along with increased adoption of ferrite magnets as an alternative to rare earth materials, the Company continues to strengthen operational efficiency, optimize costs, and sustain competitiveness.

## MANAGEMENT DISCUSSION & ANALYSIS (CONTD.)

Risk	Impact	Mitigation
Input Cost Volatility Risk	Fluctuating prices of silver and electronic components can increase production costs and pressure profit margins.	The Company uses long-term supplier agreements, VAVE, strategic inventory management, and continuous cost monitoring to stabilize input costs.
Competition Risk	Intense competition may pressure market share, margins, and return on capital employed, potentially affecting overall profitability and long-term growth.	The Company mitigates competitive pressures by capitalizing on its technological capabilities, strategic alliances, strong customer relationships, and a focus on innovation to sustain its market position.
Customer Risk	High dependence on a limited number of key customers can create vulnerabilities if these relationships change. In addition, limited awareness and proactive pursuit of emerging business opportunities could constrain growth prospects. A relatively low export footprint elevates exposure to geopolitical risks, potentially affecting operations and profitability.	Expanding market reach through direct sales and strategic partnerships, alongside the exploration of export opportunities, remains a key priority. The Company has also progressively reduced its dependency on key customers over the years, thereby strengthening business diversification and enhancing revenue stability.
Technology Risk	Rapid technological change necessitates continuous innovation and adaptability. Heightened EV competition from both established players as well as startups underscores the importance of differentiation and strong strategic positioning. Additionally, there is a significant risk of product obsolescence, as evolving technologies require ongoing upgrades and enhancements to sustain market relevance and customer interest.	The Company intends to pursue strategic technology partnerships in specialized areas to accelerate innovation and capitalize on its relationships with OEMs to identify new opportunities. Ongoing R&D investment will drive advanced, sustainable, and future-ready solutions.
IT and Cyber Risk	Existing measures to protect confidential and sensitive information from internal and external threats are currently inadequate.	The Company has completed a Security Incident and Event Management audit and implemented corrective measures. An Information Security Management System surveillance audit has also been successfully completed. Cybersecurity awareness programs are conducted regularly to enhance employee vigilance and audit trails have been established across all critical business applications. No security breaches or system outages were reported during the year.
Supplier Risk	Heavy reliance on single-source vendors and limited geographic diversification among import suppliers creates supply chain risk. While lead times for electronic components have improved, automotive parts continue to face longer lead times.	Strategic sourcing initiatives are being implemented to mitigate risks associated with high-risk vendors. The Company is also focused on expanding indexation coverage for commodities not currently included in customer settlements, enabling more effective and comprehensive cost management.



## MANAGEMENT DISCUSSION & ANALYSIS (CONTD.)

Risk	Impact	Mitigation
People Risk	Challenges in attracting and retaining top talent may impact long-term growth. Additionally, a misalignment between the organizational structure and strategic objectives could affect operational efficiency.	The Company is strengthening its employer branding efforts. It is also enhancing training and development programs to build leadership capabilities, with a focused approach on defining key result areas to drive performance and improve employee retention.
Regulatory Risk	The automotive industry operates under stringent safety and environmental regulations. Non-compliance may result in substantial penalties, reputational damage, and potential legal consequences.	INEL has established a robust compliance framework, supported by a software-driven system that continuously monitors and evaluates regulatory requirements. Ongoing engagement with regulators ensures that the Company stays informed of any changes in policies and can ensure ongoing compliance.

### HUMAN RESOURCES

At INEL, employees form the foundation of long-term growth and operational excellence. The organization is committed to nurturing an inclusive, supportive, and dynamic workplace where its people can grow personally and professionally. Strategic HR initiatives focus on attracting, developing, and retaining talent, while promoting a culture of continuous learning, collaboration, and performance excellence. Ongoing investments in training and development programs and career progression opportunities reflect the Company's commitment to building a skilled, future-ready workforce. As of 31<sup>st</sup> March, 2026, the Company's employee base stood at 2,601.

### CORPORATE SOCIAL RESPONSIBILITY

INEL remains committed to fostering a sustainable future while generating meaningful economic value. Guided by an active CSR Committee, the Company maintains a structured CSR policy aligned with the vision of its Board of Directors. During 2025–26, INEL contributed ₹ 129.48 Lakhs toward impactful CSR initiatives focused on key areas such as education, rural development, healthcare, and sanitation. Through these efforts, the Company aims to drive long-term positive change in the communities it serves, reinforcing its position as a responsible and purpose-driven contributor to inclusive development.

### INTERNAL CONTROLS SYSTEMS AND THEIR ADEQUACY

The Company has implemented a comprehensive internal control framework encompassing business processes, operations, financial reporting, fraud prevention, and

regulatory compliance. INEL's audit function provides reasonable assurance on the effectiveness and efficiency of operations, protection of assets, accuracy of financial reporting, and adherence to applicable laws. An integrated ERP system enables real-time monitoring, analysis, control, and compliance across business functions. Regular internal audits and inspections are conducted to ensure that responsibilities are carried out effectively. The Audit Committee periodically evaluates the performance of both statutory and internal auditors. It also reviews the adequacy and effectiveness of the internal control systems and recommends improvements in line with evolving business requirements.

### CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis section that describe the Company's objectives, expectations, or predictions may be considered forward-looking statements under applicable laws and regulations. These statements are based on certain assumptions and expectations regarding future events. However, the Company does not guarantee that these assumptions or expectations will prove to be accurate or be realized. The Company undertakes no obligation to publicly update, amend, or revise any forward-looking statements in light of new information, future developments, or other events.

Accordingly, actual results and performance may differ materially from those expressed or implied in such statements. Readers are advised to review this discussion alongside the audited consolidated financial statements and the accompanying notes 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

www.indianippon.com

#### Question 9

##### Financial year for which reporting is being done

April 01, 2025 – March 31, 2026

#### 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

Contact: 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).

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.	91%

**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.	Electronic Ignition Magnetos	29304	81
2.	Static Converters	29304	9
3.	Automobile lighting spares	29304	0.1
4.	Electronic Ignition Magnetos - Others	29304	1
5.	Sensor	29304	0.90
6.	Ignition Coil	29304	8

**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?**

8%

**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.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (CONTD.)

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)
<b>Employees</b>								
1.	Permanent (D)	397	354	89.17	43	10.83	0	0
2.	Other than Permanent (E)	0	0	0	0	0	0	0
3.	<b>Total employees (D + E)</b>	397	354	89.17	43	10.83	0	0
<b>Workers</b>								
4.	Permanent (D)	201	161	80.1	40	19.90	0	0
5.	Other than Permanent (G)	2213	1855	83.82	358	16.177	0	0
6.	<b>Total workers (F + G)</b>	2414	2016	83.51	398	16.48	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)
<b>Differently Abled Employees</b>								
1.	Permanent (D)	1	0	0	1	100	0	0
2.	Other than Permanent (E)	0	0	0	0	0	0	0
3.	<b>Total differently abled employees (D + E)</b>	1	0	0	1	100	0	0
<b>Differently Abled Workers</b>								
4.	Permanent (D)	0	0	0	0	0	0	0
5.	Other than Permanent (G)	0	0	0	0	0	0	0
6.	<b>Total differently abled workers (F + G)</b>	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	2025-26 (Turnover rate in current FY)				2024-25 (Turnover rate in previous FY)				2023-24 (Turnover rate in the year prior to the previous FY)			
	Male	Female	Other	Total	Male	Female	Other	Total	Male	Female	Other	Total
Permanent Employee (%)	18.72	12.72	0	15.68	18.26	12.12	0	15.19	13.29	15.69	0	13.47
Permanent Workers (%)	0	0	0	0	0	0	0	0	0	0	0	0



BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (CONTD.)

**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 ₹)

10,684,870,070

(iii) Net worth (in ₹)

821,32,06,931

**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	2025-26 (Current Financial Year)			2024-25 (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	<a href="https://indian-nippon.s3.ap-south-1.amazonaws.com/investor/disclosure+under+reg46/Policies/Whistle+Blower+Policy+and+Vigil+Mechanism.pdf">https://indian-nippon.s3.ap-south-1.amazonaws.com/investor/disclosure+under+reg46/Policies/Whistle+Blower+Policy+and+Vigil+Mechanism.pdf</a>	0	0		0	0		
Investors (Other than shareholder)	Yes	<a href="https://indian-nippon.s3.ap-south-1.amazonaws.com/investor/disclosure+under+reg46/Policies/Whistle+Blower+Policy+and+Vigil+Mechanism.pdf">https://indian-nippon.s3.ap-south-1.amazonaws.com/investor/disclosure+under+reg46/Policies/Whistle+Blower+Policy+and+Vigil+Mechanism.pdf</a>	0	0		0	0		

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (CONTD.)

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No)	If yes, then provide web- link for grievance redress policy	2025-26 (Current Financial Year)			2024-25 (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	Whistle+Blower+Policy+and+Vigil+Mechanism.pdf	1	0		0	0		
Employees and Workers	Yes	<a href="https://indian-nippon.s3.ap-south-1.amazonaws.com/investor/disclosure+under+reg46/Policies/Whistle+Blower+Policy+and+Vigil+Mechanism.pdf">https://indian-nippon.s3.ap-south-1.amazonaws.com/investor/disclosure+under+reg46/Policies/Whistle+Blower+Policy+and+Vigil+Mechanism.pdf</a>	1	0		2	0		
Customers	Yes	<a href="https://indian-nippon.s3.ap-south-1.amazonaws.com/investor/disclosure+under+reg46/Policies/Whistle+Blower+Policy+and+Vigil+Mechanism.pdf">https://indian-nippon.s3.ap-south-1.amazonaws.com/investor/disclosure+under+reg46/Policies/Whistle+Blower+Policy+and+Vigil+Mechanism.pdf</a>	0	0		0	0		
Value Chain Partners	Yes	<a href="https://indian-nippon.s3.ap-south-1.amazonaws.com/investor/disclosure+under+reg46/Policies/Whistle+Blower+Policy+and+Vigil+Mechanism.pdf">https://indian-nippon.s3.ap-south-1.amazonaws.com/investor/disclosure+under+reg46/Policies/Whistle+Blower+Policy+and+Vigil+Mechanism.pdf</a>	0	0		0	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.



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)
2	Employee Well-Being	Opportunity	Improved well-being can lead to better performance and higher quality of work and reduced absenteeism & employee turnover. Positive employee experience can lead to attraction of talent and improve the Company's reputation	NA	Increase in efficiency, assisting in managing the employee cost.
3	Occupation Health and Safety Management	Risk	Safeguarding our workforce is a crucial component of our business strategy.	We have implemented ISO 45001 for Health and Safety Management System and certified for EOHS. A Weekly Safety Audit is carried out zone-wise by the Safety Team and work related hazards are identified. A Safety Committee meeting is conducted every alternate month and the members highlight safety concerns noticed by them. An external agency being engaged once in a year to make a overall safety study.	Zero fatality or loss of asset and adherence to legal compliance.
4	Data Security and Privacy	Risk	Inadequate information security and cyber framework to protect confidential and sensitive information from internal/ external threats.	<ol style="list-style-type: none"> <li>1. SIEM (Security Incident Event Management) study conducted, actions are identified and counter measures are implemented</li> <li>2. An ISMS 27001 surveillance audit is conducted to ensure that no non-conformances are noticed with reference to ISMS standards</li> <li>3. Cybersecurity awareness programmes are conducted through various forums</li> </ol>	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

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)
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
7	Global Geo-political	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
8	Employee Training & Development	Opportunity	Neglecting investment in skills development could lead to a workforce unable to keep pace with technological progress. By nurturing a diverse and highly skilled team, companies can drive innovation, deliver cutting-edge products, and maintain a strong competitive edge.	The Company has identified high-potential employees and partnered with an external consultant to deliver specialized training, nurturing them to become the organization's future leaders.	This opportunity is anticipated to positively influence the Company's revenue through investments in employee training, leading to enhanced quality, innovation, and production.

**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://indian-nippon.s3.ap-south-1.amazonaws.com/investor/disclosure+under+reg46/Policies/Code+of+Conduct+and+Business+Ethics.pdf>



## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (CONTD.)

### Whistle Blower Policy –

<https://indian-nippon.s3.ap-south-1.amazonaws.com/investor/disclosure+under+reg46/Policies/Whistle+Blower+Policy+and+Vigil+Mechanism.pdf>

### CSR Policy -

<https://indian-nippon.s3.ap-south-1.amazonaws.com/investor/disclosure+under+reg46/Policies/CSR+Policy.pdf>

### 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

### 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.								

### 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.								

## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (CONTD.)

### 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 continues to uphold its strong commitment to environmental sustainability by integrating responsible and eco-conscious practices across its operations. Our efforts to reduce carbon emissions are supported by the implementation of environmentally friendly technologies in our manufacturing processes, leading to improved energy efficiency and lower greenhouse gas emissions. In addition, we continue to advance our waste recycling programs, enhance water conservation initiatives across facilities, and contribute to reforestation activities.

Looking ahead, our ESG commitments remain central to our growth strategy. We believe that sustainable development is essential for long-term value creation, and ESG principles continue to shape our business decisions and operational approach. We sincerely appreciate the continued support of our stakeholders and look forward to strengthening our collective efforts toward building a more sustainable future.

#### 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.								



**BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (CONTD.)**

**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
If yes, provide name of the agency.						World Safety Organization's assessment of Company's ESG performance.			ISMS policies and procedures were audited by independent agency by TUV Nord.

**Question 12**

**If answer to question (1) of this section B is "No" i.e. not all Principles are covered by a policy, reasons to be stated**

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 stage where 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 Percentage coverage by training and awareness programmes**

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	-	Nil	-
Key Managerial Personnel	11	Transformative ESG, REES, Intellectual Property, Application of AI in Manufacturing, Finance for Non-financial Professionals, LDP, Autosar, India's Master 2025, Master class on best practice	100

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (CONTD.)

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
Employees other than BoD and KMPs	72	Women @ Hr 2025, GST Compliance, Samanvaya Soft Skills, IATF Awareness Session, Energy, Visual Management, IATF, SMT ESD, Water Management, IPC< Vector Pro, Sustainability, ACMA, Core tools, ERT, POSH LAW, 5S Awareness,	100
Workers	233	Onboarding Training, PDI Operators, Gemba Stator Preparation, Measuring Gauges & Instruments, CNC, ERT, Fire Fighting, Obstetrics & Gynecology, Skill Level Upgradation, POSH, Safety, Environment, Health, Road Safety, Water Management, Testing, Toolbox 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, 2 and 9	Department of Legal metrology, Government of Andhra Pradesh	50000	The Inspector of Legal Metrology, Narasaraopet, issued a Panchanama and Seizure Memo for violation of Section 18(1) of the Legal Metrology Act 2009 read with Rule 6(1) of Legal metrology (Packaged Commodities) Rules 2011, regarding the non-declaration of Manufacturing Date of the commodities packed on the MRP label.	No
	Principle - 1	Joint Commissioner (Appeal) State Tax, Dehradun, Uttarakhand	1000	A penalty of Rs 11,89,648 was initially levied by State Tax Officer, Haridwar for alleged contravention of Section 129 of CGST Act, 2017. The Company filed an appeal to Joint Commissioner (Appeal) State Tax, Uttarakhand. The appellate authority quashed the order passed by State Tax Officer and a nominal amount of Rs 1000/- IGST was levied on the Company under Section 125 of the Act.	No
Compounding fee			Nil		
Settlement			Nil		



BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (CONTD.)

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	

**Question E3**

**Of the instances disclosed in Question 2 above, details of the Appeal/Revision preferred in cases where monetary or non-monetary action has been appealed.**

Case Details	Name of the regulatory/enforcement agencies/judicial institutions
	NA

**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-Corruption and 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 at: <https://indian-nippon.s3.ap-south-1.amazonaws.com/investor/disclosure+under+reg46/Policies/Whistle+Blower+Policy+and+Vigil+Mechanism.pdf>.

**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**

	2025-26 (Current Financial Year)	2024-25 (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	2025-26 (Current Financial Year)		2024-25 (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	

## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (CONTD.)

### 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:

	2025-26 (Current Financial Year)	2024-25 (Previous Financial Year)
Number of days of accounts payables	69	86

### 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	2025-26 (Current Financial Year)	2024-25 (Previous Financial Year)
Concentration of Purchases	a. Purchases from trading houses	6.98	7.48
	b. Number of trading houses where purchases are made from	48	41
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	86.86	85.27
Concentration of Sales	a. Sales to dealer/distributors as % of total sales	10.86	11
	b. Number of dealers/distributors to whom sales are made	95	95
	c. Sales to top 10 dealers/distributors	72.8	74
Share of RPTs	a. Purchases (Purchases with related parties as % of Total Purchases)	0.048	-
	b. Sales (Sales to related parties as % of Total Sales)	5.38	5.92
	c. Loans & advances given to related parties as % of Total loans & advances	-	-
	d. Investments in related parties as % of Total Investments made	49.36	47.15

### 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
8	<ol style="list-style-type: none"> <li>1. Comprehensive Safety Knowledge &amp; Awareness Session</li> <li>2. COPQ</li> <li>3. Energy Efficiency</li> <li>4. Basic Awareness of Statutory &amp; Regulatory Requirements</li> <li>5. Industrial Safety</li> <li>6. Soft Skill</li> <li>7. 8D – Problem Solving methodology</li> <li>8. Zero defects process approach</li> </ol>	60



## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (CONTD.)

### 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.**

	2025-2026 (Current Financial year)	2024-2025 (Previous Financial Year)	Details of improvements in environmental and social impacts
R&D	-	-	-
Capex	-	-	-

### 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?**

69%

### 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.

## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (CONTD.)

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? If not, provide steps taken to address the same.**

Yes.

### 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.
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This is not applicable as our products are assembled with an Engine/Vehicle and the Life Cycle Assessment of the Engine/ Vehicle is dealt by customers

### Question L2

**If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products/services, as identified in the Life Cycle Perspective/Assessments (LCA) or through any other means, briefly describe the same along with action taken to mitigate the same.**

Name of product/Service	Description of the risk/concern	Action Taken
Nil		

### Question L3

**Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).**

Indicate input material	Recycled or re-used input material to total material	
	2025-2026 (Current Financial Year)	2024-2025 (Previous Financial Year)
Nil		

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



BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (CONTD.)

**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	2025-2026 (Current Financial Year)			2024-2025 (Previous Financial Year)		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)						
E-Waste						
Hazardous Waste						

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:

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)
<b>Permanent employees</b>											
Male	354	354	100	354	100	-	-	-	-	-	-
Female	43	43	100	43	100	43	100	-	-	43	100
Other	-	-	-	-	-	-	-	-	-	-	-
Total	397	397	100	397	100	43	10.83	-	-	43	10.83
<b>Other than Permanent employees</b>											
Male	0	0	0	0	0	0	0	0	0	0	0
Female	0	0	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

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (CONTD.)

a. 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)
<b>Permanent workers</b>											
Male	161	161	100	161	100	-	-	-	-	-	-
Female	40	40	100	40	100	40	100	-	-	40	100
Other	-	-	-	-	-	-	-	-	-	-	-
Total	201	201	100	201	100	40	19.9	-	-	40	19.9
<b>Other than Permanent workers</b>											
Male	1855	1855	100	1855	100	-	-	-	-	-	-
Female	358	358	100	358	100	358	100	-	-	358	100
Other	0	0	-	-	-	-	-	-	-	-	-
Total	2213	2213	100	2213	100	358	16.18	-	-	358	16.18

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

	2025-2026 (Current Financial Year)	2024-2025 (Previous Financial Year)
Cost incurred on wellbeing measures as a % of total revenue of the Company	1.52	1.44

Question E2

Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	2025-2026 (Current Financial Year)			2024-2025 (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*	13	100	NA	8	100	NA

\*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.



BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (CONTD.)

**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	<ol style="list-style-type: none"> <li>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.</li> <li>2) Voice of The Employees (VOTE): HR will meet all the employees as per the schedule, understand their issues and provide appropriate solution.</li> <li>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.</li> <li>4) Monthly Gemba Meetings: The HR department addresses the above category of workers every month, understands their concerns and addresses them appropriately</li> <li>5) PoSH: The Committee meets every month, discuss the issues arising out of women employees and resolve them appropriately</li> </ol>
Other than Permanent Workers	Yes	<ol style="list-style-type: none"> <li>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.</li> <li>2) Voice of The Employees (VOTE): HR will meet all the employees as per the schedule, understand their issues and provide appropriate solution.</li> <li>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.</li> <li>4) Monthly Gemba Meetings: The HR department addresses the above category of workers every month, understands their concerns and addresses them appropriately</li> <li>5) PoSH: The Committee meets every month, discuss the issues arising out of women employees and resolve them appropriately</li> </ol>

**BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (CONTD.)**

	Yes/No	If Yes, then give details of the mechanism in brief
Permanent Employees	Yes	<ol style="list-style-type: none"> <li>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.</li> <li>2) Voice of The Employees (VOTE): HR will meet all the employees as per the schedule, understand their issues and provide appropriate solution.</li> <li>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.</li> <li>4) Monthly Gemba Meetings: The HR department addresses the above category of workers every month, understands their concerns and addresses them appropriately</li> <li>5) PoSH: The Committee meets every month, discuss the issues arising out of women employees and resolve them appropriately</li> </ol>
Other than Permanent Employees	Yes	<ol style="list-style-type: none"> <li>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.</li> <li>2) Voice of The Employees (VOTE): HR will meet all the employees as per the schedule, understand their issues and provide appropriate solution.</li> <li>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.</li> <li>4) Monthly Gemba Meetings: The HR department addresses the above category of workers every month, understands their concerns and addresses them appropriately</li> <li>5) PoSH: The Committee meets every month, discuss the issues arising out of women employees and resolve them appropriately</li> </ol>

**Question E7**

**Membership of employees and worker in association(s) or Unions recognized by the listed entity:**

Category	2025-2026 (Current Financial Year)			2024-2025 (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	397	0	0	369	0	0
Male	354	0	0	336	0	0
Female	43	0	0	33	0	0
Other	0	0	0	0	0	0
Total Permanent Workers	201	201	100	208	208	100
Male	161	161	100	168	168	100
Female	40	40	100	40	40	100
Other	0	0	0	0	0	0



BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (CONTD.)

**Question E8**

**Details of training given to employees and workers:**

Category	2025-2026 (Current Financial Year)					2024-2025 (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)
<b>Employees</b>										
Male	354	210	59.322	325	91.808	336	190	56.548	304	90.476
Female	43	42	97.674	39	90.698	33	32	96.97	30	90.909
Other	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>397</b>	<b>252</b>	<b>63.476</b>	<b>364</b>	<b>91.688</b>	<b>369</b>	<b>222</b>	<b>60.163</b>	<b>334</b>	<b>90.515</b>
<b>Workers</b>										
Male	2016	1886	93.552	1861	92.312	1580	1450	91.722	1425	90.19
Female	398	357	89.698	227	57.035	366	325	88.798	185	50.546
Other	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>2414</b>	<b>2243</b>	<b>92.916</b>	<b>2088</b>	<b>86.495</b>	<b>1946</b>	<b>1775</b>	<b>91.213</b>	<b>1610</b>	<b>82.734</b>

**Question E9**

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

Category	2025-2026 (Current Financial Year)			2024-2025 (Previous Financial Year)		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
<b>Employees</b>						
Male	354	354	100	336	336	100
Female	43	43	100	33	33	100
Other	0	0	0	0	0	0
<b>Total</b>	<b>397</b>	<b>397</b>	<b>100</b>	<b>369</b>	<b>369</b>	<b>100</b>
<b>Workers</b>						
Male	2016	161	7.986	1580	168	10.633
Female	398	40	10.050	366	40	10.929
Other	0	0	0	0	0	0
<b>Total</b>	<b>2414</b>	<b>201</b>	<b>8.326</b>	<b>1946</b>	<b>208</b>	<b>10.689</b>

**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.

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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*	2025-2026 (Current Financial Year)	2024-2025 (Previous Financial Year)
Lost Time Injury Frequency Rate (LTIFR) (per one Million-person hours worked)	Employees	0	0
	Workers	0	0
Total recordable workrelated injuries	Employees	0	0
	Workers	0	0
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 on 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.

- Weekly Safety Audits are carried out zone-wise by the Safety Team to identify work-related hazards. All machines are equipped with safety curtains which prevent employees from work-related injuries
- A Safety Committee meeting is conducted every alternate month, and the members highlight safety concerns noticed by them
- External agency being engaged once in a year to prepare an overall safety study
- Employees are rewarded for their safety-related suggestions/improvements
- Periodic health check-ups are conducted as per the applicable guideline.
- Annual health check-ups are 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.,



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**Question E13**

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

	2025-2026 (Current Financial Year)			2024-2025 (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 the 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

**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 checks the GST returns of its value chain partners every month. It also verifies the validity of the PAN before deducting TDS. These checks help ensure that statutory dues are deducted and deposited as per the applicable laws.

## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (CONTD.)

### 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	
	2025-2026 (Current Financial Year)	2024-2025 (Previous Financial Year)	2025-2026 (Current Financial Year)	2024-2025 (Previous Financial Year)
Employees	0	0	0	0
Workers	0	0	0	0

### Question L4

Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/No/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	57
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



BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (CONTD.)

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	<ol style="list-style-type: none"> <li>1. Mail communication, WhatsApp group, workshops online portals, employee surveys</li> <li>2. One-one interaction</li> <li>3. Employee engagement team building</li> <li>4. Townhall meeting</li> <li>5. Notice board</li> </ol>	Others - please specify	Periodically	<ol style="list-style-type: none"> <li>1. Updating employees on Business performance in the form of Business communication meeting</li> <li>2. Employee well being engagement like - yoga sessions, mental well being and stress awareness programs</li> <li>3. Inform important advancements in the Company.</li> <li>4. Help the employees expand their knowledge in the industry.</li> <li>5. Get employee feedback and resolving their issues.</li> </ol>
Workers	No	Other	Notice board, townhall meeting	Others - please specify	Periodically	Getting feedback and resolving the 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	<ol style="list-style-type: none"> <li>1. Annual Report</li> <li>2. Investor presentations</li> <li>3. Corporate website</li> <li>4. Quarterly &amp; Annual results</li> <li>5. Social media/ newspaper publication</li> <li>6. Intimation to stock exchange</li> </ol>	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

## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (CONTD.)

### 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 2025-26 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	2025-2026 (Current Financial Year)			2024-2025 (Previous Financial Year)		
	Total (A)	No. of employees/workers covered (B)	% (B/A)	Total (C)	No. of employees/workers covered (D)	% (D/C)
<b>Employees</b>						
Permanent	397	287	72.292	369	252	68.293
Non- Permanent	0	0	0	0	0	0
Total Employees	397	287	72.292	369	252	68.293
<b>Workers</b>						
Permanent	201	201	100	208	208	100
Non-Permanent	2213	2213	100	1738	1738	100
Total Workers	2414	2414	100	1946	1946	100



## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (CONTD.)

### Question E2

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

Category	2025-2026 (Current Financial Year)					2024-2025 (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)
<b>Employees</b>										
Permanent	397	0	0	397	100	369	0	0	369	100
Male	354	0	0	354	100	336	0	0	336	100
Female	43	0	0	43	100	33	0	0	33	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
<b>Workers</b>										
Permanent	201	0	0	201	100	208	0	0	208	100
Male	161	0	0	161	100	168	0	0	168	100
Female	40	0	0	40	100	40	0	0	40	100
Other	0	0	0	0	0	0	0	0	0	0
Other than Permanent	2213	275	12.427	1938	87.573	1738	234	13.464	1504	86.536
Male	1855	202	10.889	1653	89.11	1412	194	13.739	1218	86.261
Female	358	73	20.391	286	79.888	326	40	12.27	286	87.73
Other	0	0	0	0	0	0	0	0	0	0

### Question E3

Details of remuneration/salary/wages

#### a. Median remuneration/wages:

	Male		Female	
	Number	Median remuneration/salary/wages of respective category	Number	Median remuneration/salary/wages of respective category
Board of Directors (BoD)	4	29,15,000	2	19,55,000
Key Managerial Personnel	2	2,83,17,043	1	Nil
Employees other than BoD and KMP	354	12,01,266	43	7,27,035
Workers	161	8,56,470	40	5,45,773

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

	2025-2026 (Current Financial Year)	2024-2025 (Previous Financial Year)
Gross wages paid to females as % of total wages	10.92	8.04

## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (CONTD.)

### 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

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:

	2025-2026 (Current Financial Year)			2024-2025 (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	1	-	The Compliant was enquired and disposed off.	2	-	Both the complaints were enquired and disposed
Discrimination at workplace	-	-		-	-	
Child Labor	-	-		-	-	
Forced Labor/Involuntary Labor	-	-		-	-	
Wages	-	-		-	-	
Other human rights related issues	-	-		-	-	



BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (CONTD.)

**Question E7**

**Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:**

	<b>2025-2026 (Current Financial Year)</b>	<b>2024-2025 (Previous Financial Year)</b>
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	1	2
Complaints on POSH as a % of female employees/workers	0.23	0.5
Complaints on POSH upheld	1	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](http://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/No/NA**

Yes

**Question E10**

**Assessments for the year:**

	<b>% of your plants and offices that were assessed (by entity or statutory authorities or third parties)</b>
Child labor	100
Forced/involuntary labor	100
Sexual harassment	100
Discrimination at workplace	100
Wages	100

**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.

## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (CONTD.)

### Question L2

#### Details of the scope and coverage of any Human rights due-diligence conducted.

Necessary due-diligence will be carried out in the coming years

### Question L3

#### Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes. We have made one of our facilities in line with the expectations under the Rights of Persons with Disabilities Act. We are making an attempt to create such facilities in other units as well.

### Question L4

#### Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	100
Discrimination at workplace	100
Child Labor	100
Forced Labor/Involuntary labor	100
Wages	100

### 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

#### Whether total energy consumption and energy intensity is applicable to the Company?

Yes.

Parameter	2025-2026 (Current Financial Year)	2024-2025 (Previous Financial Year)	Unit of reporting
<b>For renewable sources</b>			
Total electricity consumption (A)	16,347	14,818	Giga Joule
Total fuel consumption (B)	0	0	-
Energy consumption through other sources (C)	0	0	-
Total energy consumed from renewable sources (A+B+C)	16,347	14,818	Giga Joule
<b>From non-renewable sources</b>			
Total electricity consumption (D)	22,961	21,166	Giga Joule
Total fuel consumption (E)	8,057	5,871	Giga Joule
Energy consumption through other sources (F)			



## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (CONTD.)

Parameter	2025-2026 (Current Financial Year)	2024-2025 (Previous Financial Year)	Unit of reporting
Total energy consumed from nonrenewable sources (D+E+F)	31018	27037	Giga Joule
Total energy consumed (A+B+C+D+E+F)	47,365	41,855	Giga Joule
Energy intensity per rupee of turnover (Total energy consumed/Revenue from operations)	44.37	49.54	Giga Joule/₹ Crores
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.

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	2025-2026 (Current Financial Year)	2024-2025 (Previous Financial Year)
<b>Water withdrawal by source (in kilolitres)</b>		
i) Surface water	0	0
ii) Ground water	27,384	31,012
iii) Third party water	18,428	17,628
iv) Seawater/desalinated water		0
v) Others		0
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	45,812	48,640
Total volume of water consumption (in kilolitres)	45,812	48,640
Water intensity per rupee of turnover (Total water consumption/Revenue from operations)	0.0000043	0.0000057
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

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (CONTD.)

**Question E4**

Provide the following details related to water discharged:

Parameter	2025-2026 (Current Financial Year)	2024-2025 (Previous Financial Year)	Specify the level of treatment for "With treatment" discharge
<b>Water discharge by destination and level of treatment (in kilolitres)</b>			
(i) To Surface water			-
- No treatment	-	-	-
- With treatment	-	-	-
(ii) To Groundwater			-
- No treatment	-	-	-
- With treatment	-	-	-
(iii) To Seawater			-
- No treatment	-	-	-
- With treatment	-	-	-
(iv) Sent to third-parties			-
- No treatment	-	-	-
- With treatment	-	-	-
(v) Others			-
- No treatment	-	-	-
- With 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.

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

Parameter	Please specify the unit	2025-2026 (Current Financial Year)	2024-2025 (Previous Financial Year)
Nox	Tonnes/Year	0.809	0.748
SOx	Tonnes/Year	-	-
Particulate Matter	Tonnes/Year	0.18	0.157
Persistent organic pollutants (POPs)			
Volatile organic compounds (VOC)			
Hazardous air pollutants (HAP)			



## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (CONTD.)

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 conducted once in six months by the following laboratories, as stipulated by the State Pollution Control Boards: Nawal Labs (Hosur), Mettex Laboratory (Puducherry), and Universal Analytical Laboratory (Rewari). The monitoring results consistently comply with the prescribed regulatory standards. Detailed 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:**

Whether greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity is applicable to the Company?

Yes

Parameter	Please specify the unit	2025-2026 (Current Financial Year)	2024-2025 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	tCO <sub>2</sub> e	858.99	912.52
Total Scope 2 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	tCO <sub>2</sub> e	4607.54	3893.01
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions/Revenue from operations)	tCO <sub>2</sub> ePerINR	0.0000005	0.0000006
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 <sub>2</sub> ePerINR	-	-
Total Scope 1 and Scope 2 emission intensity in terms of physical output	tCO <sub>2</sub> ePerUnit		
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	tCO <sub>2</sub> ePerUnit		

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 E8

**Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details. Yes/No/NA**

Yes.

The entity has implemented multiple initiatives aimed at reducing greenhouse gas (GHG) emissions and promoting environmental sustainability. Key initiatives include:

1. Adoption of Cleaner Fuels and Transportation:

Introduction of CNG-based vehicles, reducing carbon emissions compared to conventional fuels. Implementation of BS- VI standard buses for employee transportation to ensure lower emissions. Use of PNG (Piped Natural Gas)-based diesel generators in another production unit, significantly reducing emissions compared to conventional diesel generators.

## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (CONTD.)

### 2. Energy-Efficient and Eco-Friendly Infrastructure:

Replacement of conventional air conditioning systems with energy-efficient 5-star rated AC units in a phased manner. Adoption of R32 eco-friendly refrigerant-based air conditioners, which have lower global warming potential (GWP) compared to traditional refrigerants.

### 3. Green Initiatives and Carbon Sequestration:

Plantation of approximately 2,000 saplings under CSR initiatives in the previous year, contributing to carbon absorption and improved environmental conditions.

### 4. Sustainable Vendor Practices:

Encouragement and requirement for vendors to deploy BS-VI compliant vehicles for employee transportation and logistics support.

### 5. Energy conservation measures.

We have initiated various energy conservation initiatives like introduction of thyristor controller for ovens, replacing the hydraulic power press with high energy efficient pneumatic press, introduction of VFD drives, harvesting solar light energy during day time & etc.

### Question E9

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

Parameter	2025-2026 (Current Financial Year)	2024-2025 (Previous Financial Year)
<b>Total Waste generated (in metric tonnes)</b>		
Plastic waste (A)	47.3	41.90
E-waste (B)	2.78	2.40
Bio-medical waste (C)	0	0.10
Construction and demolition waste (D)	0	0
Battery waste (E)	0	0
Radioactive waste (F)	0	0
Other Hazardous waste. Please specify, if any. (G)	49.76	48.5
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	773.32	708.0
Total (A + B + C + D + E + F + G + H)	873.16	800.9
Waste intensity per rupee of turnover (Total waste generated/ Revenue from operations)	0.83	0.95
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		
<b>For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Recycled	864.9	749.9
(ii) Re-used	0	0
(iii) Other recovery operations	8.26	4.5
Total	873.16	754.4



## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (CONTD.)

Parameter	2025-2026 (Current Financial Year)	2024-2025 (Previous Financial Year)
<b>For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Incineration	8.26	46.5
(ii) Landfilling	0	0
(iii) Other disposal operations	864.9	754.4
Total	873.16	800.9

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.

All Plants certified with ISO 14001 & ISO 45001 and Green Co Rating by CII-GBC is conferred on Hosur Plant.

### 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.
6. Scheduled increase in Recycle Material handling Recycle Bins from Suppliers as well as to Customers thereby control usage of Cartons/Packing Boxes.

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).
5. Offload the Powder coating process to the dedicated source thereby impart better control on consumption & air pollution.

Practices adopted to manage hazardous waste:-

1. Dedicated storage area for hazardous wastes
2. Regular disposal of hazardous waste through authorized recycler

## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (CONTD.)

### 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
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NA.

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
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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
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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:

- Name of the area
- Nature of operations



BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (CONTD.)

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

Parameter	2025-2026 (Current Financial Year)	2024-2025 (Previous Financial Year)
Name of the area	INEL does not have any operations in water-stressed areas.	
Nature of operations		
<b>Water withdrawal by source (in kilolitres)</b>		
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		
<b>Water discharge by destination and level of treatment (in kilolitres)</b>		
i. Into Surface water		
- No Treatment		
- With treatment – please specify level of treatment		
ii. Into Groundwater		
- No Treatment		
- With treatment – please specify level of treatment		
iii. Into Seawater		
- No Treatment		
- With treatment – please specify level of treatment		
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.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (CONTD.)

**Question L2**

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

If Scope 3 emissions & its intensity is applicable? (Y/N)

Parameter	Unit	2025-2026 (Current Financial Year)	2024-2025 (Previous Financial Year)
Total Scope 3 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	tCO <sub>2</sub> e	-	-
Total Scope 3 emissions per rupee of turnover	tCO <sub>2</sub> ePerINR		
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity	tCO <sub>2</sub> ePerUnit		

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:

S. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative	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%	-



## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (CONTD.)

S. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative	Corrective action taken, if any
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.	-
9	Energy Conservation Initiative	Introduced a high energy Rotor cup washing machine which consumes around 40% less energy	Energy Conservation	-
10	Energy Conservation Initiatives	Installed eight solar light balls in the canteen dining hall to utilize solar energy for daytime lighting, thereby reducing electricity consumption and promoting energy efficiency	Energy Conservation	-

### Question L5

**Does the entity have a business continuity and disaster management plan? Give details in 100 words/web link.**

Yes

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 Mock drill is conducted once in six months to make employees aware of what is to be done in an emergency situation, so that people, plants and machinery are protected.

### Question L6

**Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.**

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

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (CONTD.)

**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 the 36 suppliers, and 24 suppliers have obtained ISO 14001 certification. Balance 12 suppliers have submitted plan for certification.

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

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

**Question L8**

**How many Green Credits have been generated or procured:**

S. No	Categories	2025-2026 (Current Financial Year)	2024-2025 (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
- b. **List the top 10 trade and industry chambers/associations (determined based on the total members of such body) the entity is a member of/affiliated to.**

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	

No such orders were received by the Company



BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (CONTD.)

**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
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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
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NA

**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 ₹)
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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.

**Question E4**

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

	2025-2026 (Current Financial Year)	2024-2025 (Previous Financial Year)
Directly sourced from MSMEs/small producers	49.7	53
Directly from within India (Sourced directly from within the district and neighbouring districts)	89	85

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (CONTD.)

**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	2025-2026 (Current Financial Year)	2024-2025 (Previous Financial Year)
i. Rural	31	32
ii. Semi-urban	0	0
iii. Urban	66	65
iv. 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

- Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized/vulnerable groups? (Yes/No/NA)**  
No
- From which marginalized/vulnerable groups do you procure?**  
NA
- What percentage of total procurement (by value) does it constitute?**  
NA

**Question L4**

**Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:**

S. No	Intellectual Property based on traditional knowledge	Owned/Acquired (Yes/No)	Benefit shared (Yes/No)	Basis of calculating benefit share
NA				



**BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (CONTD.)**

**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.	Industry- Institute partnership: Financial Support for meritorious Students pursuing diploma and Infrastructure support at Polytechnic colleges.	700	100
2.	RO plant installation and Toilet Renovation at Government Primary School, Manakuppam	500	100
3.	RO Plant and Medical Equipment for Primary Community Health Centre, Sooramangalam, Puducherry	1,500	100
4.	Construction of running track at Government Senior Secondary School, Masani	500	100
5.	Construction of drainage facility & installation of street lights for irula community, Sarandapalli, Hosur.	120	100
6.	Establishing Green Blue Eco Park & Biodiversity	5000	50
7.	Cotton Bag Vending Machine	1500	60

**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

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.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (CONTD.)

**Question E3**

**Number of consumer complaints in respect of the following:**

	2025-2026 (Current Financial Year)		Remarks	2024-2025 (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

**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.**

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



## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (CONTD.)

### 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 March 31, 2026, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year ended on that date, and notes to the financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2026, its profit and other 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.	<p><b>Fair Valuation of Investments</b></p> <p>The Company has certain investments in equity shares (unquoted equity instruments) with a carrying value as at March 31, 2026 amounting to Rs. 26,412 lakhs. The Company has valued this investment at 'Fair Value through Other Comprehensive Income' in accordance with Indian Accounting Standard 109, Financial Instruments.</p>	<p>Principal audit procedures performed included the following:</p> <ul style="list-style-type: none"> <li>Understanding and evaluation of the design and testing of the operating effectiveness of controls over determination of fair value of unquoted equity instruments.</li> <li>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.</li> <li>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.</li> </ul>



## INDEPENDENT AUDITOR'S REPORT (CONTD.)

Sr. No.	Key Audit Matter	Auditor's Response
	<p>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.</p> <p>(Refer Note 8 to the standalone financial statements)</p>	<ul style="list-style-type: none"> <li>• 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.</li> <li>• Evaluation of competence, capabilities and objectivity of the Management personnel involved in carrying out such valuation.</li> <li>• 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.</li> <li>• Testing the mathematical accuracy of the fair value determined by the Company.</li> <li>• Assessing appropriateness and adequacy of relevant disclosures in the standalone financial statements.</li> </ul>

### 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 standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including Ind AS 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.

## INDEPENDENT AUDITOR'S REPORT (CONTD.)

In preparing the standalone 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 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



## INDEPENDENT AUDITOR'S REPORT (CONTD.)

statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, based on our audit that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - 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 March 31, 2026 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2026 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to standalone financial statements.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,
    - h) In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) 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 45 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, other than as disclosed in the note 49 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.

## INDEPENDENT AUDITOR'S REPORT (CONTD.)

- (b) The Management has represented, that, to the best of its knowledge and belief, other than as disclosed in the note 49 to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The interim dividend declared and paid by the Company during the year is in accordance with section 123 of the Companies Act 2013, as applicable.
- vi. Based on our examination, which included test checks, the Company has used accounting software systems for maintaining its books of account for the financial year ended March 31, 2026 which have the feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software systems. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with and the audit trail has been preserved by the Company as per the statutory requirements for record retention.
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.117366/W-100018)

**R. Prasanna Venkatesh**

Partner

Place: Chennai

Date: May 28, 2026

Membership No. 214045

UDIN: 26214045JKNQGV1634



## ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(REFERRED TO IN PARAGRAPH 1(f) UNDER 'REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS' SECTION OF OUR REPORT OF EVEN DATE)

### **Report on the Internal Financial Controls with reference to standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")**

We have audited the internal financial controls with reference to standalone financial statements of India Nippon Electricals Limited (the "Company") as at March 31, 2026 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 standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## 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 standalone 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 March 31, 2026, 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

Place: Chennai

Date: May 28, 2026

Membership No. 214045

UDIN: 26214045JKNQGV1634



## 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 31 March 2026 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)	152
Balance outstanding as at balance sheet date in respect of above cases:	
- Others (Employees)	148

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 investments made, guarantees provided, security given and the terms and conditions of the grant of all the above-mentioned loans and advances in the nature of loans and guarantees provided, during the year are, in our opinion, 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

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

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

- (d) According to information and explanations given to us and based on the audit procedures performed, in respect of loans granted and 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) The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.
- (v) The Company has not accepted 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 March 31, 2026 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 March 31, 2026 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	487
Income Tax Act 1961	Commissioner of Income Tax (Appeals)	2022-23	433
Income Tax Act 1961	Commissioner of Income Tax (Appeals)	2023-24	475
Income Tax Act 1961	Commissioner of Income Tax (Appeals)	2024-25	95



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

- (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.
- d) 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.
- e) 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 2025 and the draft of the internal audit reports where issued after the balance sheet date covering the period January 01, 2026 to March 31, 2026 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.
- (c) 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

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

financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause 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

Place: Chennai  
Date: May 28, 2026

Membership No.214045  
UDIN: 26214045JKNQGV1634

Corporate  
Overview

Statutory  
Reports

Financial  
Statements



# STANDALONE BALANCE SHEET

AS AT 31<sup>ST</sup> MARCH, 2026

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

Particulars	Note No.	As at 31 <sup>st</sup> March, 2026	As at 31 <sup>st</sup> March, 2025
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	16,303	14,372
Right-of-use assets	7	977	997
Capital work-in-progress	5	682	366
Intangible assets	6A	69	78
Intangible assets under development	6B	-	19
<b>Financial Assets</b>			
(i) Investments	8	37,726	32,814
(ii) Loans	9	148	117
(iii) Others financial assets	10	935	1,416
Other non-current assets	11	1,093	52
<b>Total non-current assets</b>		<b>57,933</b>	<b>50,231</b>
<b>Current assets</b>			
Inventories	12	9,091	7,221
<b>Financial Assets</b>			
(i) Investments	8	15,427	14,838
(ii) Trade receivables	13	20,646	16,965
(iii) Cash and cash equivalents	14	550	1,562
(iv) Bank balances other than (iii) above	14	72	364
(v) Others financial assets	15	1,084	842
Current tax assets, net	16	-	781
Other current assets	17	1,928	1,050
<b>Total current asset</b>		<b>48,798</b>	<b>43,623</b>
<b>Total assets</b>		<b>1,06,731</b>	<b>93,854</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity share capital	18	1,131	1,131
Other equity	19	81,002	69,957
<b>Equity - Total</b>		<b>82,133</b>	<b>71,088</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial Liabilities</b>			
(i) Lease Liabilities	20	86	128
Provisions	21	382	386
Deferred tax liabilities, net	22	4,723	3,912
<b>Total non-current liabilities</b>		<b>5,191</b>	<b>4,426</b>
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
(i) Lease Liabilities	20	104	84
(ii) Trade payables	23		
Total outstanding dues of micro enterprises and small enterprises		4,863	5,211
Total outstanding dues of creditors other than micro enterprises and small enterprises		9,810	8,806
(iii) Others financial liabilities	24	3,180	2,842
Other current liabilities	26	863	1,221
Provisions	25	408	176
Current Tax Liabilities (Net)	27	179	-
<b>Total current liabilities</b>		<b>19,407</b>	<b>18,340</b>
<b>Total equity and liabilities</b>		<b>1,06,731</b>	<b>93,854</b>

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: 28<sup>th</sup> May 2026

For and on behalf of the Board of Directors of  
**India Nippon Electricals Limited**  
CIN: L31901TN1984PLC011021

**T K Balaji**  
Chairman  
DIN:00002010

**Elango Srinivasan**  
Chief Financial Officer

Place: Chennai  
Date: 28<sup>th</sup> May 2026

**Arvind Balaji**  
Managing Director  
DIN:00557711

**S Logitha**  
Company Secretary  
Membership No: A29260

# STANDALONE STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2026

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

Particulars	Note No.	Year ended	Year ended
		31 <sup>st</sup> March, 2026	31 <sup>st</sup> March, 2025
Revenue from operations	28	1,06,848	84,483
Other income	29	3,060	2,979
<b>Total income</b>		<b>1,09,908</b>	<b>87,462</b>
<b>Expenses:</b>			
Cost of material consumed	30	70,460	54,869
Purchase of stock in trade	31	3,343	2,928
Changes in inventories of finished goods, work-in-progress and stock in trade	32	101	(428)
Other operating expenses	33	4,246	3,546
Employee benefits expenses	34	11,887	9,853
Finance costs	35	52	39
Depreciation and amortization expenses	36	1,792	2,056
Other expenses	37	4,947	4,331
<b>Total expenses</b>		<b>96,828</b>	<b>77,194</b>
<b>Profit before exceptional items and tax</b>		<b>13,080</b>	<b>10,268</b>
Exceptional Items (Refer Note No. 38)	38	1,521	-
<b>Profit before tax</b>		<b>14,601</b>	<b>10,268</b>
<b>Tax expenses</b>			
Current tax			
(1) Current year	40	3,208	1,989
(2) Deferred tax	22	267	76
Total tax expenses		3,475	2,065
<b>Profit for the year</b>		<b>11,126</b>	<b>8,203</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss	39	3,969	3,454
- Income tax relating to items that will not be reclassified to profit or loss		(545)	(67)
<b>Total other comprehensive income for the year, net of tax</b>		<b>3,424</b>	<b>3,387</b>
<b>Total comprehensive income for the year</b>		<b>14,550</b>	<b>11,590</b>
Earnings per equity share	44		
Basic		49.18	36.26
Diluted		49.18	36.26
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: 28<sup>th</sup> May 2026

For and on behalf of the Board of Directors of  
**India Nippon Electricals Limited**  
CIN: L31901TN1984PLC011021

**T K Balaji**  
Chairman  
DIN:00002010

**Elango Srinivasan**  
Chief Financial Officer

Place: Chennai  
Date: 28<sup>th</sup> May 2026

**Arvind Balaji**  
Managing Director  
DIN:00557711

**S Logitha**  
Company Secretary  
Membership No: A29260



# STANDALONE STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2026

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

Particulars	Year ended 31 <sup>st</sup> March, 2026	Year ended 31 <sup>st</sup> March, 2025
<b>Cash flows from Operating Activities:</b>		
Net Profit after tax	11,126	8,203
Adjustments for		
- Income tax expenses	3,475	2,065
- Depreciation and amortization expenses	1,792	2,056
- Dividend income from investments	(470)	(435)
- Interest Income	(399)	(286)
- (Gain)/Loss on fair valuation of investments	(1,120)	(860)
- Gain on sale of investments(net)	(584)	(1,276)
- Property, plant and equipment written off	11	7
- Provision no longer required written back	-	(7)
- Exceptional Items (Refer Note No. 38)	(1,521)	-
- Profit on sale of fixed asset	(91)	-
- Interest expenses	52	39
- Unrealized forex gain, net	(118)	(44)
<b>Operating Profit before Working Capital changes</b>	<b>12,153</b>	<b>9,462</b>
- Decrease / (increase) in loans	(31)	(5)
- Decrease / (increase) in other non-current financial assets	(19)	(20)
- Decrease / (increase) in trade receivables	(3,547)	(2,936)
- Decrease/(Increase) in Inventories	(1,870)	(304)
- Decrease / (Increase) in other financial assets	420	(576)
- Decrease / (Increase) in other current assets	(878)	59
- Increase / (Decrease) in trade payables	640	1,160
- Increase / (Decrease) in in other financial liabilities	338	293
- Increase/(Decrease) in other current liabilities	(358)	49
- Increase in non-current provisions	(4)	23
- Increase / (Decrease) in current provisions	232	(22)
<b>Cash generated from operations</b>	<b>7,076</b>	<b>7,183</b>
Income taxes paid, net	(3,029)	(2,243)
<b>Net cash generated from operating activities: (A)</b>	<b>4,047</b>	<b>4,940</b>
<b>Cash flows from investing activities:</b>		
Purchase of property, plant and equipment (including CWIP and adjustment of capital advance)	(4,215)	(2,325)
Sale of Property, Plant & Equipment	97	-
Acquisition of investments	(96,285)	(72,466)
Proceeds from sale of investments	96,030	73,817
Proceeds from venture capital fund	-	243
Cashinflow on liquidation of subsidiary	425	-
Interest received	337	276

## STANDALONE STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2026 (CONTD.)

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

Particulars	Year ended 31 <sup>st</sup> March, 2026	Year ended 31 <sup>st</sup> March, 2025
Proceeds from compulsory acquisition of land, including interest on delayed payment	1,521	-
Dividend received	470	435
(Increase)/decrease in deposits with NBFC	(300)	(1,300)
(Increase)/decrease in deposits with bank with maturity more than 12 months	200	(200)
(Increase)/decrease in other bank balances	292	292
<b>Net cash used in investing activities (B)</b>	<b>(1,428)</b>	<b>(1,228)</b>
<b>Cash flows from Financing Activities:</b>		
Payment of lease liabilities	(113)	(108)
Interest expenses	(12)	(39)
Dividend paid	(3,506)	(2,828)
<b>Net Cash used in Financing Activities (C)</b>	<b>(3,631)</b>	<b>(2,975)</b>
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(1,012)	737
Add : Cash and cash equivalents at the beginning of the year	1,562	825
Cash and cash equivalents at the end of the year	<b>550</b>	<b>1,562</b>
Cash and cash equivalents comprise of:		
Balance with banks in current accounts	550	1,562
Cash and cash equivalents as per note 14	<b>550</b>	<b>1,562</b>

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: 28<sup>th</sup> May 2026

For and on behalf of the Board of Directors of  
**India Nippon Electricals Limited**  
CIN: L31901TN1984PLC011021

**T K Balaji**  
Chairman  
DIN:00002010

**Elango Srinivasan**  
Chief Financial Officer

Place: Chennai  
Date: 28<sup>th</sup> May 2026

**Arvind Balaji**  
Managing Director  
DIN:00557711

**S Logitha**  
Company Secretary  
Membership No: A29260



# STANDALONE STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2026

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

## Equity Share Capital

Particulars	No. of. Shares	Amount
Balances as at 31 <sup>st</sup> March, 2025	2,26,21,424	1,131
<b>Balances as at 31<sup>st</sup> March, 2026</b>	<b>2,26,21,424</b>	<b>1,131</b>

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 31 <sup>st</sup> March, 2025	1,131	-	1,131
<b>As at 31<sup>st</sup> March, 2026</b>	<b>1,131</b>	<b>-</b>	<b>1,131</b>

## 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		
<b>Balance as of 1<sup>st</sup> April, 2024</b>	<b>40</b>	<b>25,739</b>	<b>23,909</b>	<b>11,507</b>	<b>61,195</b>
Profits for the year (a)	-	8,203	-	-	8,203
Other comprehensive income (b)	-	-	-	3,387	3,387
<b>Total comprehensive income for the year (a +b)</b>	<b>-</b>	<b>8,203</b>	<b>-</b>	<b>3,387</b>	<b>11,590</b>
Less: Dividend paid	-	(2,828)	-	-	(2,828)
<b>Balance as of 31<sup>st</sup> March, 2025</b>	<b>40</b>	<b>31,114</b>	<b>23,909</b>	<b>14,894</b>	<b>69,957</b>
<b>Balance as of 1<sup>st</sup> April, 2025</b>	<b>40</b>	<b>31,114</b>	<b>23,909</b>	<b>14,894</b>	<b>69,957</b>
Profits for the year (a)	-	11,126	-	-	11,126
Other comprehensive income (b)	-	-	-	3,424	3,424
<b>Total comprehensive income for the year (a +b)</b>	<b>40</b>	<b>42,240</b>	<b>23,909</b>	<b>18,318</b>	<b>84,507</b>
Less: Dividend paid	-	(3,506)	-	-	(3,506)
<b>Balance as of 31<sup>st</sup> March, 2026</b>	<b>40</b>	<b>38,734</b>	<b>23,909</b>	<b>18,318</b>	<b>81,002</b>

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

For and on behalf of the Board of Directors of  
**India Nippon Electricals Limited**  
CIN: L31901TN1984PLC011021

**R. Prasanna Venkatesh**  
Partner  
Membership No. 214045

**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: 28<sup>th</sup> May 2026

Place: Chennai  
Date: 28<sup>th</sup> May 2026

# NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2026

(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 recognized by DSIR, Govt of India. The Company has three manufacturing facilities and Technical Centre in India and supplies to domestic as well as overseas markets. The company has become 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.

The Company presents assets and liabilities in the balance sheet based on current / non-current classification. The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle. Cash or cash equivalent is treated as current, unless restricted from being exchanged or used to settle a

liability for at least twelve months after the reporting period. In respect of other assets, it is treated as current when it is:

- i) expected to be realized or intended to be sold or consumed in the normal operating cycle
- ii) held primarily for the purpose of trading
- iii) expected to be realized within twelve months after the reporting period.

A liability is treated as current when:

- i) it is expected to be settled in the normal operating cycle
- ii) it is held primarily for the purpose of trading
- iii) it is due to be settled within twelve months after the reporting period, or
- iv) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other assets and liabilities are classified as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The financial statements are presented in Indian Rupees which is also the Company's functional currency. All amounts have been rounded off to the nearest Lakhs, except share data and as otherwise stated.

#### 2.2 Critical accounting estimates, assumptions and judgements

The preparation of financial statements requires management to make certain estimates and assumptions that affect the amounts reported in the financial statements and notes thereto. The management believes that these estimates and assumptions are reasonable and prudent. However, actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in the current and future period.

- i) Estimation of fair value of unlisted securities - The fair value of unlisted securities is determined using the valuation techniques. The Company uses its judgement to select the methods and make assumptions at end of each reporting period. The inputs to these models are taken from



# NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2026 (CONTD.)

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

- 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) 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.
- iv) 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.
- v) 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.

- vi) 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 recognize 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
- Recognizing revenue when/as performance obligation(s) are satisfied

Revenue from contracts with customers for products sold and service provided is recognized when control of promised products or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Revenue is measured based on the consideration to which the Company expects to be entitled in a contract with a customer and excludes Goods and services taxes and is net of rebates and discounts. No element of financing is deemed present as the sales are made with a credit term of 60-90 days, which is consistent with market practice. A receivable is recognized when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

#### i) **Sale of product**

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

The Company accounts for volume discounts and pricing incentives to customers as a reduction of

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2026 (CONTD.)

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

revenue based on the relatable allocation of the discounts/ incentives to each of the underlying performance obligation that corresponds to the progress by the customer towards earning the discount/ incentive. Also, when the level of discount varies with increases in levels of revenue transactions, the Company recognizes the liability based on its estimate of the customer's future purchases. If it is probable that the criteria for the discount will not be met, or if the amount thereof cannot be estimated reliably, then discount is not recognized until the payment is probable and the amount can be estimated reliably. The Company recognizes changes in the estimated amount of obligations for discounts in the period in which the change occurs.

### ii) Interest income

Generally, interest income from debt instruments is recognized using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying value of a financial asset. While calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options), but does not consider the expected credit losses.

### iii) Dividends

Dividends are recognized in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of dividend can be reliably measured.

### iv) Export benefits

Export incentives are recognized as income as per the terms of the scheme in respect of the exports made and included as part of other operating income.

## 2.4 Property, plant and equipment

### i) Plant and equipment

Cost includes purchase price, taxes and duties, labor cost and directly attributable overheads

incurred up to the date the asset is ready for its intended use. However, cost excludes Goods and service taxes, to the extent credit of the duty or tax is availed of. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

The carrying amount of any component accounted for as separate asset is derecognized when replaced. All other repairs and maintenance are charged to Profit or Loss during the reporting period in which they are incurred.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/ (losses).

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'. Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably.

### ii) Depreciation

Depreciation on Property, plant & equipment (other than land) is charged over the estimated useful life of the asset or part of the asset (after considering double/triple shift) as evaluated by the Management, on straight line method, in accordance with Part A of Schedule II to the Companies Act 2013.

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



# NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2026 (CONTD.)

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

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 amortization and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in Statement of Profit and Loss.

### 2.7 Foreign currency transaction

On initial recognition, all foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Monetary assets and liabilities, denominated in a foreign currency, are translated at the exchange rate prevailing on the Balance Sheet date and the resultant exchange gains or losses are recognized in the Statement of Profit and Loss. A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of the entity's net investment in that foreign operation.

### 2.8 Inventories

#### i) Raw materials

Raw materials are valued at lower of cost and net realizable 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.

# NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2026 (CONTD.)

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

### 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, labor 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. Cost is determined at weighted average 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, as applicable on or after deducting rebates and discounts, if any. Net realizable 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 up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

### ii) Other long term employee benefits:

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of the expected future payments to be made in respect of services provided by

employee upto the end of reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation.

Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognized in profit or loss. The obligations are presented as current liabilities in the balance sheet if the entity does not have an when the actual settlement is expected to occur.

### iii) Post-employment obligation:

#### a) Defined contribution plan

Contribution to Provident Fund in India are in the nature of defined contribution plan and are made to a recognized fund. Contribution to Superannuation Fund is in the nature of defined contribution plan and is remitted to insurance Company in accordance with the scheme framed by the Corporation. The Company has no legal or constructive obligations to pay contributions in addition to its fixed contributions, which are recognized as an expense in the period that related employee services are received.

#### i) Provident fund

The 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.



# NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2026 (CONTD.)

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

### b) Defined Benefit plan

#### i) Gratuity

The liability recognized in the statement of financial position for defined benefit plans is the present value of the defined benefit obligation (DBO) at the reporting date less the fair value of plan assets. The Company estimates the DBO annually with the assistance of independent actuaries. This is based on standard rates of inflation, salary growth rate and mortality. Discount factors are determined close to each year-end by reference to government securities that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related gratuity liability.

Service cost on the Company's defined benefit plan is included in employee benefits expense. Employee contributions, all of which are independent of the number of years of service, are treated as a reduction of service cost. Actuarial gains and losses resulting from measurements of the net defined benefit liability are included in other comprehensive income.

- ii) The Company also extends defined benefit plans in the form of compensated absences to employees. Provision for compensated absences is made on the basis of valuation by independent actuary.

#### i) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

#### ii) Deferred income tax

Deferred income tax is recognized using the balance sheet approach. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled. Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred income tax assets are recognized to the extent it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where there is a legally enforceable right to offset.

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

### 2.10 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.

# NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2026 (CONTD.)

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

### 2.11 Provisions and contingent liabilities:

#### i) Provisions:

A provision is recorded when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reasonably estimated. The estimated liability for product warranties is recorded when products are sold based on technical evaluation.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as finance cost.

#### ii) Contingent liabilities:

Wherever there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognized because (a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or (b) the amount of the obligation cannot be measured with sufficient reliability. The Company does not recognize 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



# NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2026 (CONTD.)

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

an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are re-measured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

### 2.16 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability

or equity instrument of another entity. Financial assets other than equity instruments are classified into categories: financial assets at fair value through profit or loss and at amortized cost. Financial assets that are equity instruments are classified as fair value through profit or loss or fair value through other comprehensive income. Financial liabilities are classified into financial liabilities at fair value through profit or loss or amortized cost. Financial instruments are recognized on the balance sheet when the Company becomes a party to the contractual provisions of the instrument.

At Initial recognition, the Company measures a financial asset at its fair value plus (in the case of a financial asset not at fair value through profit or loss) transaction cost that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

#### i) Classification and subsequent measurement of financial assets

For the purpose of subsequent measurement financial assets are classified and measured based on the entity's business model for managing the financial asset and the contractual cash flow characteristics of the financial asset at:

- a) Amortized cost
- b) Fair value through other comprehensive income (FVOCI) or
- c) Fair value through profit and loss (FVTPL)

All financial assets are reviewed for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

#### a) Financial asset at amortized cost

Assets that are held for collection of contractual cash flows where those cash

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flows represent solely payments of principal and interest are measured at amortized cost. These assets are measured subsequently at amortized cost using the effective interest method. The loss allowance at each reporting period is evaluated based on the expected credit losses for next 12 months and credit risk exposure. The Company shall also measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition.

**b) Financial asset at fair value through other comprehensive income (FVOCI)**

Assets that are held within a business model where the objective is both collecting contractual cash flows and selling financial assets along with the contractual terms giving rise on specified dates to cash flows that are solely payments of principal and interest in the principal amount outstanding. At initial recognition, the Company, based on its assessment, makes an irrevocable selection to present in other comprehensive income the changes in the fair value of an investment in an equity instrument that is not held for trading. These selections are made on an instrument-by-instrument (i.e., share-by-share) basis. If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, impairment gains or losses and foreign exchange gains and losses, are recognized in other comprehensive income. There is no recycling of the amounts from OCI to profit or loss, even on sale of investment. The dividends from such instruments are recognized in statement of profit and loss.

The fair value of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

The loss allowance at each reporting period is evaluated based on the expected credit losses for next 12 months and credit risk exposure. The Company shall also measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. The loss allowance shall be recognized in other comprehensive income and shall not reduce the carrying amount of the financial asset in the balance sheet.

**c) Financial asset at fair value through profit and loss (FVTPL)**

Financial assets at FVTPL include financial assets that are designated at FVTPL upon initial recognition and financial assets that are not measured at amortized cost or at fair value through other comprehensive income. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply. Assets in this category are measured at fair value with gains or losses recognized in profit or loss. The fair value of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

The loss allowance at each reporting period is evaluated based on the expected credit losses for next 12 months and credit risk exposure. The Company shall also measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. The loss allowance shall be recognized in profit and loss

**d) De-recognition of financial assets**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar



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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 recognize 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.

Investments classified as fair value through profit or loss (FVTPL) are measured at fair value at each reporting date. Unrealized gains or losses

arising from changes in fair value are recognized in the Statement of Profit and Loss under "Fair value gain/(loss) on investments".

Upon disposal or redemption of an investment, the cumulative unrealized fair value gain or loss previously recognized in respect of such investment is reversed from the unrealized fair value gain/(loss) line item and the entire difference between the sale proceeds and the original cost of the investment is recognized as realized gain or loss on sale of investments in the Statement of Profit and Loss.

Accordingly, realized gains or losses on disposal of investments represent the difference between the net sale proceeds and the original acquisition cost of the respective investments, while unrealized fair value gains or losses represent changes in fair value of investments held as at the reporting date.

### ii) Financial liabilities

#### a) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables.

#### b) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

#### Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for

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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 recognized in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss

### De-recognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss.

### Equity instruments

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares and share options and buyback of ordinary shares are

recognized as a deduction from equity, net of any tax effects.

### Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize 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.



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The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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 - Inputs for the assets and liabilities that are not based on observable market data (unobservable inputs)

### d) Impairment of financial assets

In accordance with Ind AS 109 Financial Instruments, the Company applies expected credit loss (ECL) model and specific identification method based on the credit risk for measurement and recognition of impairment loss for financial assets.

The Company tracks credit risk and changes thereon for each customer. For recognition

of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss, except for trade receivables.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider

- All contractual terms of the financial instrument over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity uses the remaining contractual term of the financial instrument.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The Company uses default rate for credit risk to determine impairment loss allowance on portfolio of its trade receivables.

### Trade receivables

The Company applies approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognized from initial recognition of receivables. Default is considered to exist when the counter party fails to make the contractual payment within 90 days of when they fall due. A trade receivable is considered to be credit impaired when the management considers the amount to be non recoverable.

### Other financial assets

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a

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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 recognized for the amount by which the asset's (or cash-generating unit's) carrying amount exceeds its recoverable amount, which is the higher of fair value less costs of disposal and value in-use. To determine the value-in-use, management estimates expected future cash flows from each cash generating unit and determines a suitable discount rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Company's latest approved budget, adjusted as necessary to exclude the effects of future reorganizations and asset enhancements. Discount factors are determined individually for each cashgenerating unit and reflect

current market assessments of the time value of money and asset specific risk factors.

All assets are subsequently reassessed for indications that an impairment loss previously recognized may no longer exist. An impairment loss is reversed if the asset's or cashgenerating unit's recoverable amount exceeds its carrying amount.

### 2.17 Government grants

Government grants are not recognized 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 recognized by DSIR, Government of India. As per Ind AS 108 Operating Segments, the Chief Operating Decision Maker (CODM) evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments. Accordingly, the Company has identified only one segment as reportable segment for the year ended 31<sup>st</sup> March, 2026 and 31<sup>st</sup> March, 2025.



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FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2026 (CONTD.)

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## 4 PROPERTY, PLANT AND EQUIPMENT

Particulars	Land	Building	Plant and equipments	Furniture & Fixtures	Office Equipments	Vehicles	Total
<b>Balance as at 1 April 2024</b>	<b>713</b>	<b>6,817</b>	<b>11,572</b>	<b>491</b>	<b>695</b>	<b>128</b>	<b>20,416</b>
Additions	-	351	2,025	47	253	22	2,698
Deletions	-	-	(19)	(4)	(41)	(12)	(76)
<b>Balance as at 31<sup>st</sup> March, 2025</b>	<b>713</b>	<b>7,168</b>	<b>13,578</b>	<b>534</b>	<b>907</b>	<b>138</b>	<b>23,038</b>
Additions	-	77	3,353	51	125	-	3,606
Deletions	-	(9)	(59)	-	(8)	(1)	(77)
<b>Balance as at 31<sup>st</sup> March, 2026</b>	<b>713</b>	<b>7,236</b>	<b>16,872</b>	<b>585</b>	<b>1,024</b>	<b>137</b>	<b>26,567</b>
<b>Accumulated depreciation</b>							
<b>Balance as at 1 April 2024</b>	<b>-</b>	<b>1,038</b>	<b>5,520</b>	<b>243</b>	<b>455</b>	<b>43</b>	<b>7,299</b>
Charge for the year	-	293	973	40	115	13	1,434
Reversals on deletions	-	-	(17)	(3)	(37)	(10)	(67)
Balance as at 31 <sup>st</sup> March, 2025	-	1,331	6,476	280	533	46	8,666
Charge for the year	-	288	1,205	43	108	14	1,658
Reversals on deletions	-	(2)	(49)	-	(8)	(1)	(60)
<b>Balance as at 31<sup>st</sup> March, 2026</b>	<b>-</b>	<b>1,617</b>	<b>7,632</b>	<b>323</b>	<b>633</b>	<b>59</b>	<b>10,264</b>
<b>Net block</b>							
<b>Balance as at 31<sup>st</sup> March, 2025</b>	<b>713</b>	<b>5,837</b>	<b>7,102</b>	<b>254</b>	<b>374</b>	<b>92</b>	<b>14,372</b>
<b>Balance as at 31<sup>st</sup> March, 2026</b>	<b>713</b>	<b>5,619</b>	<b>9,240</b>	<b>262</b>	<b>391</b>	<b>78</b>	<b>16,303</b>

Notes:

- 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 favor 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 31 <sup>st</sup> March, 2026	As at 31 <sup>st</sup> March, 2025
Less than 1 year	648	234
Project 1	-	-
Project 2	-	-
Other Projects	648	234
1-2 years	24	132
Project 1	-	-
Project 2	-	-
Other Projects	24	132
2-3 years	10	-
More than 3 years	-	-
<b>Total</b>	<b>682</b>	<b>366</b>

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- b) There were no projects temporarily suspended as at 31<sup>st</sup> March, 2026 and 31<sup>st</sup> March, 2025
- c) Completion schedule for the Projects which are over due :

Particulars	As at	As at
	31 <sup>st</sup> March, 2026	31 <sup>st</sup> March, 2025
To be completed in		
Less than 1 year		
Project 1	-	-
1-2 years		
Project 2	-	85
2-3 years		-
More than 3 years		-
<b>Total</b>	<b>-</b>	<b>85</b>

- d) There are no projects for the year ended 31<sup>st</sup> March, 2026 and 31<sup>st</sup> March, 2025 which have exceeded its initial planned cost.

### 6A INTANGIBLE ASSET

Particulars	Softwares	SAP	Licenses	Technical knowhow	Total
<b>Gross block</b>					
<b>Balance as at 1 April 2024</b>	<b>169</b>	<b>178</b>	<b>137</b>	<b>34</b>	<b>518</b>
Additions	19	-	-	477	496
Deletions	(8)	-	(26)	(33)	(67)
<b>Balance as at 31<sup>st</sup> March, 2025</b>	<b>180</b>	<b>178</b>	<b>111</b>	<b>478</b>	<b>947</b>
Additions	33	-	-	-	33
Deletions	-	-	-	-	-
<b>Balance as at 31<sup>st</sup> March, 2026</b>	<b>213</b>	<b>178</b>	<b>111</b>	<b>478</b>	<b>980</b>
<b>Accumulated amortization</b>					
<b>Balance as at 1 April 2024</b>	<b>111</b>	<b>148</b>	<b>112</b>	<b>34</b>	<b>405</b>
Charge for the year	22	18	14	477	531
Deletions	(8)	-	(26)	(33)	(67)
<b>Balance as at 31<sup>st</sup> March, 2025</b>	<b>125</b>	<b>166</b>	<b>100</b>	<b>478</b>	<b>869</b>
Charge for the year	26	12	4	-	42
Deletions	-	-	-	-	-
<b>Balance as at 31<sup>st</sup> March, 2026</b>	<b>151</b>	<b>178</b>	<b>104</b>	<b>478</b>	<b>911</b>
<b>Net block</b>					
<b>Balance as at 31<sup>st</sup> March, 2025</b>	<b>55</b>	<b>12</b>	<b>11</b>	<b>-</b>	<b>78</b>
<b>Balance as at 31<sup>st</sup> March, 2026</b>	<b>62</b>	<b>-</b>	<b>7</b>	<b>-</b>	<b>69</b>



# NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

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## 6B INTANGIBLE ASSETS UNDER DEVELOPMENT AGEING SCHEDULE

As at 31<sup>st</sup> March, 2026

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	-	-	-	-	-
Project temporarily suspended	-	-	-	-	-

As at 31<sup>st</sup> 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	-	-	-	-	-

## 7 RIGHT TO USE ASSETS

Particulars	Leasehold land	Leasehold buildings	Total
<b>Gross block</b>			
<b>Balance as at 1 April 2024</b>	<b>1,487</b>	<b>67</b>	<b>1,554</b>
Additions	-	-	-
Deletions	-	-	-
<b>Balance as at 31<sup>st</sup> March, 2025</b>	<b>1,487</b>	<b>67</b>	<b>1,554</b>
Additions	-	72	72
Deletions	-	-	-
<b>Balance as at 31<sup>st</sup> March, 2026</b>	<b>1,487</b>	<b>139</b>	<b>1,626</b>
<b>Accumulated amortization</b>			
<b>Balance as at 1 April 2024</b>	<b>400</b>	<b>66</b>	<b>466</b>
Charge for the year	91	-	91
<b>Balance as at 31<sup>st</sup> March, 2025</b>	<b>491</b>	<b>66</b>	<b>557</b>
Charge for the year	69	23	92
<b>Balance as at 31<sup>st</sup> March, 2026</b>	<b>560</b>	<b>89</b>	<b>649</b>
<b>Net block</b>			
<b>Balance as at 31<sup>st</sup> March, 2025</b>	<b>996</b>	<b>1</b>	<b>997</b>
<b>Balance as at 31<sup>st</sup> March, 2026</b>	<b>927</b>	<b>50</b>	<b>977</b>

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### 8 INVESTMENTS

#### A) Non-current investments

	Face value per unit	No. of Shares/Units		Amount	
		As at 31 <sup>st</sup> March, 2026	As at 31 <sup>st</sup> March, 2025	As at 31 <sup>st</sup> March, 2026	As at 31 <sup>st</sup> March, 2025
<b>a) Investment carried at amortized cost</b>					
<b>i) Debentures / bonds</b>					
360 One AAM ZERO Coupon bond	1,00,000	500	-	510	-
HDB- 8.34% Non Convertible Debenture	1,00,000	500	-	534	-
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	250	272	267
Axis Finance Limited- 8.08% Non Convertible Debenture	10,00,000	35	35	366	364
<b>b) Investment carried at fair value through other comprehensive income (FVTOCI)</b>					
<b>i) Equity instruments (fully paid-up) (Unquoted)</b>					
Lucas TVS Limited	100	97,351	97,351	26,412	22,468
IRIS Ecopower Venture Private Limited (Refer note no: 8.2)	10	4,29,400	4,29,400	43	43
<b>c) Investment carried at fair value through profit and loss (FVTPL)</b>					
<b>i) Debentures / bonds</b>					
State Bank Of India Series - 7.74% Perpetual Bond	10,00,000	-	25	-	249
L&T Bond Market Linked Debentures	10,00,000	-	50	-	595
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
<b>ii) Non listed equity shares</b>					
NSE Equity	1	65,000	65,000	1,251	1,095
Finnable Technologies Pvt Ltd.	10	5,279	-	200	-
<b>iii) Listed equity shares</b>					
HDFC Bank Limited	1	28,196	14,098	206	258
ICICI Bank Limited	2	13,150	13,150	159	177
Reliance Industries Limited	10	7,730	7,730	104	99
JIO Financial Service Limited	10	3,865	3,865	9	9
Tata Consultancy Service Limited	1	2,760	2,760	65	100
Blue Dart Express Limited	10	-	787	-	48



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	Face value per unit	No. of Shares/Units		Amount	
		As at 31 <sup>st</sup> March, 2026	As at 31 <sup>st</sup> March, 2025	As at 31 <sup>st</sup> March, 2026	As at 31 <sup>st</sup> March, 2025
Ultratech Cement Limited	10	1,023	1,023	110	118
Bharti Airtel Limited	5	7,726	7,726	138	100
Nestle India Limited	1	3,192	1,596	38	36
Larsen & Toubro Limited	2	2,880	2,880	101	101
ITC Limited	1	9,200	9,200	26	38
ITC Hotels Limited	1	920	920	1	2
<b>iv) Alternative investment funds</b>					
TVS Shriram Growth Fund Scheme 3	1,000	89,123	87,068	1,009	1,154
TVS Shriram Growth Fund Scheme 4	1,000	10,000	6,250	67	63
<b>v) Mutual funds</b>					
HDFC Index Fund-Nifty 50 Plan -Direct Growth	10	4,37,131	4,37,131	949	990
HDFC HOF Series 1 1140D November 2017 - 1- Reg-G	10	10,00,000	10,00,000	194	207
Nippon India Nifty Midcap 150 Index Fund - Direct Plan Growth	10	-	13,81,912	-	305
ICICI Prudential Nifty Next 50 Index Fund - Direct Plan Growth	10	5,90,577	5,90,577	330	344
ICICI Prudential India opportunities Fund - Direct Plan Growth	10	3,24,846	3,24,846	119	116
360 One Focused equity fund Direct plan Growth	10	2,14,943	2,14,943	101	106
Tata Large & Mid Cap Fund Direct plan Growth	10	-	29,601	-	165
Tata Balanced Advantage Fund - Direct Plan Growth	10	-	21,14,861	-	457
ICICI Prudential Balanced Advantage Fund - Direct Plan Growth	10	6,05,377	6,05,377	487	467
HDFC Focused 30 fund Direct plan Growth	10	75,309	75,309	179	182
Nippon Multi Asset Allocation fund - Growth fund	10	24,66,905	24,66,905	561	493
HDFC GOLD FUND- Exchange Traded Fund	1	54,11,703	22,89,977	2,350	616
ICICI Prudential Balanced Advantage Fund - Regular Plan Growth	10	2,71,541	-	195	-
Kotak Balance Advantage Fund Growth Regular Fund	100	9,79,479	-	190	-
SBI BALANCED ADVANTAGE FUND - REGULAR GROWTH	10	15,47,335	-	232	-
Mirrae Asset Flexi cap Direct Plan Growth	10	14,57,228	-	218	-
				<b>37,726</b>	<b>32,814</b>

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2026 (CONTD.)

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

### B) Current investments

	Face value per unit	No. of Shares/Units		Amount	
		As at 31 <sup>st</sup> March, 2026	As at 31 <sup>st</sup> March, 2025	As at 31 <sup>st</sup> March, 2026	As at 31 <sup>st</sup> March, 2025
<b>a) Investment carried at cost</b>					
<b>i) Equity instruments in subsidiaries (fully paid-up) (Unquoted)</b>					
PT Automotive Systems Indonesia Limited	4,474	-	27,000	-	1,208
Less: Impairment loss (Also refer note 8.1 below)	-	-	-	-	(803)
<b>Net Carrying Value</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>405</b>
<b>b) Investment carried at amortized cost</b>					
<b>i) Debentures / bonds</b>					
360 One Prime- 9.03% Non Convertible Debenture	1,00,000	-	500	-	501
HDB- 8.34% Non Convertible Debenture	1,00,000	500	500	-	533
Tata Fin- 8.30% Capital Non Convertible Debenture	1,00,000	-	500	-	504
Aditya Birla Fin Non Convertible Debenture	1,00,000	500	-	506	-
<b>c) Investment carried at fair value through profit and loss:</b>					
<b>i) Debentures/Bonds:</b>					
State Bank of India SR II 7.72 BD Perpetual Fvrs1crs	1,00,00,000	2	-	200	-
<b>ii) Current Investments - Quoted</b>					
<b>Investment in Mutual Funds</b>					
Axis Short Term-G	10	77,81,178	94,56,821	2,494	2,350
Aditya Birla SL Corporate Bond-G	10	14,00,088	14,00,088	1,621	1,549
Aditya Birla Sun life Money manager fund Direct Growth	100	-	2,07,788	-	303
Kotak Bond Short-term Reg-G	10	46,24,333	46,24,333	2,488	2,359
Nippon India Money Market Fund Direct plan - Growth	1,000	3,750	12,182	165	301
Bhandhan CRISIL Glit 2027 Index Fund Regular Plan- Growth	10	1,28,22,384	1,68,34,871	1,719	1,612
Bhandhan SSI ST Reg-G (formerly Known as IDFC SSI ST Reg-G)	10	21,08,517	-	1,246	1,178
Nippon India Short-term-Growth	10	18,35,238	18,35,238	1,003	947
Nippon India liquid fund Direct plan - Growth	1,000	16,882	2,684	1,139	170
Aditya Birla SL Overnight fund - Growth - Direct	1,000	20,610	14,963	300	250
Nippon India Overnight Fund - Direct Plan	1,000	2,07,506	1,50,679	300	251
DSP Overnight Fund - Direct Plan	1,000	10,400	-	150	250
Sundaram Liquid Fund - Direct Plan	1,000	9,058	-	220	723
AXIS Liquid Fund Direct-G	1,000	31,892	-	977	-
Aditya Birla SL Liquid fund Direct Plan - Growth	100	2,01,889	1,19,119	899	652
				<b>15,427</b>	<b>14,838</b>



## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2026 (CONTD.)

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

- 8.1** The subsidiary PT Automotive Systems Indonesia Ltd., was successfully wound up during the twelve months ended March 31, 2026 on completion of all regulatory process in Indonesia. An amount of ₹ 425 Lakhs has been received upon this liquidation as against the net carrying value of ₹ 405 Lakhs. The gain on such liquidation of ₹ 20 Lakhs has been accounted under Other Income
- 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 31<sup>st</sup> March, 2026. Refer note 8(A)(b)(i).

<b>8.3 Particular</b>	<b>As at 31<sup>st</sup> March, 2026</b>	<b>As at 31<sup>st</sup> March, 2025</b>
Aggregate amount of unquoted investments carried at cost	-	-
Aggregate amount of impairment in value of investments	-	-
Aggregate amount of unquoted investments carried at amortized cost	1,682	1,134
Aggregate amount of unquoted investments carried at FVTOCI	26,455	22,511
Aggregate value of quoted/Un-Quoted investments - Carried at FVTPL	9,589	9,169
<b>Total non-current investment</b>	<b>37,726</b>	<b>32,814</b>
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 amortized cost	506	1,538
Aggregate value of quoted investments - Carried at FVTPL	14,921	12,895
<b>Total current investment</b>	<b>15,427</b>	<b>14,838</b>

### 9 NON - CURRENT LOANS

<b>Particular</b>	<b>As at 31<sup>st</sup> March, 2026</b>	<b>As at 31<sup>st</sup> March, 2025</b>
<i>(Unsecured and considered good)</i>		
Loans to employees	148	117
	<b>148</b>	<b>117</b>

### 10 OTHER NON-CURRENT FINANCIAL ASSETS

<b>Particular</b>	<b>As at 31<sup>st</sup> March, 2026</b>	<b>As at 31<sup>st</sup> March, 2025</b>
<i>(Unsecured and considered good)</i>		
Bank deposits with more than 12 months maturity	1	1
Security deposits	134	115
Deposits with Non Banking Financial Company (NBFC)	800	1,300
	<b>935</b>	<b>1,416</b>

### 11 OTHER NON-CURRENT ASSETS

<b>Particular</b>	<b>As at 31<sup>st</sup> March, 2026</b>	<b>As at 31<sup>st</sup> March, 2025</b>
<i>(Unsecured and considered good)</i>		
Capital Advance	312	52
Advance Tax (net of provision)	781	-
	<b>1,093</b>	<b>52</b>

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2026 (CONTD.)

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

### 12 INVENTORIES

Particular	As at	As at
	31 <sup>st</sup> March, 2026	31 <sup>st</sup> March, 2025
<i>(Lower of cost and net realizable value)</i>		
Raw material	6,872	4,881
Work in progress	292	316
Finished goods	863	950
Finished goods in transit	474	557
Stores and spares	8	28
Stock in trade	582	489
	<b>9,091</b>	<b>7,221</b>

- a) Cost of Inventories recognized as expense in statement of profit and loss 75,092 58,367
- b) The mode of valuation of inventories has been stated in Note 2.8
- c) The above carrying value are net of inventory provision of ₹ 854 Lakhs as at 31<sup>st</sup> March, 2026 (as at 31<sup>st</sup> March, 2025: ₹ 805 Lakhs)

### 13 TRADE RECEIVABLES

Particular	As at	As at
	31 <sup>st</sup> March, 2026	31 <sup>st</sup> March, 2025
Considered good	20,646	16,965
	<b>20,646</b>	<b>16,965</b>

- 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 48.

#### c) Ageing of trade receivables

##### i) Undisputed trade receivables considered good March 31, 2026

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	16,033	4,290	263	30	22	8	20,646
Undisputed Trade Receivable - Which Have Significant Increase In Credit Risk	-	-	-	-	-	-	-
Undisputed Trade Receivable - Credit Impaired	-	-	-	-	-	-	-
Disputed Trade Receivables Considered Good	-	-	-	-	-	-	-



## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2026 (CONTD.)

(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	-	-	-	-	-	-	-
<b>GRAND TOTAL</b>	<b>16,033</b>	<b>4,290</b>	<b>263</b>	<b>30</b>	<b>22</b>	<b>8</b>	<b>20,646</b>

### ii) 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	-	-	-	-	-	-	-
<b>GRAND TOTAL</b>	<b>15,080</b>	<b>1,699</b>	<b>132</b>	<b>46</b>	<b>1</b>	<b>7</b>	<b>16,965</b>

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 31<sup>st</sup> March, 2026 and 31<sup>st</sup> March, 2025.

## 14 CASH AND BANK BALANCES

Particular	As at 31 <sup>st</sup> March, 2026	As at 31 <sup>st</sup> March, 2025
<b>Cash and cash equivalents:</b>		
Balance with banks in current accounts	550	1,562
	<b>550</b>	<b>1,562</b>
<b>Bank balances other than mentioned in cash and cash equivalents</b>		
- Deposit accounts (with original maturity greater than 3 months upto 12 months)	-	300
- Unpaid dividend (Also, refer note (i) below)	72	64
	<b>72</b>	<b>364</b>
	<b>622</b>	<b>1,926</b>

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.

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2026 (CONTD.)

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

### 15 OTHER CURRENT FINANCIAL ASSET:

Particular	As at	As at
	31 <sup>st</sup> March, 2026	31 <sup>st</sup> March, 2025
Interest accrued on deposits	131	69
Duty draw back receivable	17	13
Subsidy receivable (Refer note 28)	136	-
Deposit accounts (with original maturity greater 12 months)	800	200
Advance given for investment	-	560
	<b>1,084</b>	<b>842</b>

### 16 INCOME TAX ASSETS

Particular	As at	As at
	31 <sup>st</sup> March, 2026	31 <sup>st</sup> March, 2025
Income tax assets (net)	-	781
	<b>-</b>	<b>781</b>

### 17 OTHER CURRENT ASSETS

Particular	As at	As at
	31 <sup>st</sup> March, 2026	31 <sup>st</sup> March, 2025
Supplier advances	539	462
Other advances	13	10
Prepaid expenses	765	530
Other receivables	92	48
Balances with Statutory/Government authorities	519	-
	<b>1,928</b>	<b>1,050</b>

### 18 EQUITY SHARE CAPITAL

	As at 31 <sup>st</sup> March, 2026		As at 31 <sup>st</sup> March, 2025	
	Numbers	Amount	Numbers	Amount
<b>Authorized</b>				
Equity shares of ₹ 5 each	3,00,00,000	1,500	3,00,00,000	1,500
<b>Issued, subscribed and fully paid up share capital</b>				
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.



# NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2026 (CONTD.)

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

**c) Shareholders holding more than 5% of the aggregate shares in the Company**

	As at 31 <sup>st</sup> March, 2026		As at 31 <sup>st</sup> March, 2025	
	Numbers	% shareholding	Numbers	% shareholding
<b>Equity shares of ₹ 5 each</b>				
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 31 <sup>st</sup> March, 2026		As at 31 <sup>st</sup> March, 2025		
	Numbers	% shareholding	Numbers	% shareholding	% Change during the year
<b>Equity shares of ₹ 5 each</b>					
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	142	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%
	<b>1,59,18,722</b>	<b>70.37%</b>	<b>1,59,19,122</b>	<b>70.37%</b>	<b>0.00%</b>

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 31<sup>st</sup> March, 2026.

**f) Details of interim dividend declared:**

Particular	for the year 31 <sup>st</sup> March, 2026	for the year 31 <sup>st</sup> March, 2025
Date of meeting of board of directors	13 February 2026	13 February 2025
Dividend per share	15.50	12.50
Cash outflow in Lakhs (Gross of TDS)	<b>3,506</b>	<b>2,828</b>

## 19 OTHER EQUITY

Particular	As at 31 <sup>st</sup> March, 2026	As at 31 <sup>st</sup> March, 2025
<b>Capital redemption reserve</b>	<b>40</b>	<b>40</b>
<b>General reserve</b>	<b>23,909</b>	<b>23,909</b>
<b>Retained earnings</b>		
Opening Balance	31,114	25,739
Dividend paid during the year (Refer note 18 (f))	(3,506)	(2,828)
Profit for the year	11,126	8,203
<b>Closing balance</b>	<b>38,734</b>	<b>31,114</b>
<b>Other Comprehensive income</b>		
Opening Balance	14,894	11,507
Add : Other comprehensive income for the year, net of tax	3,424	3,387
<b>Closing balance</b>	<b>18,318</b>	<b>14,894</b>
<b>Total Other Equity</b>	<b>81,002</b>	<b>69,957</b>

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2026 (CONTD.)

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

### 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 recognize changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVTOCI equity investments reserve within equity. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognized.

## 20 LEASE LIABILITIES

	As at 31 <sup>st</sup> March, 2026		As at 31 <sup>st</sup> March, 2025	
	Non-current	Current	Non-current	Current
Lease liabilities	86	104	128	84
	86	104	128	84

### a) Movement in lease liability

Particular	As at 31 <sup>st</sup> March, 2026	As at 31 <sup>st</sup> March, 2025
Balance at beginning of the year	212	294
Additions	72	-
Deletion	-	-
Finance cost (Also, refer note 35)	19	26
Payment of Lease liabilities	(113)	(108)
<b>Balance as at end of the year</b>	<b>190</b>	<b>212</b>

### b) Summary of contractual maturities of lease liabilities on undiscounted basis

Particular	As at 31 <sup>st</sup> March, 2026	As at 31 <sup>st</sup> March, 2025
i) Less than one Year	119	109
ii) One to five years	91	130
iii) More than five years	-	-
	<b>210</b>	<b>239</b>

### c) Amount recognized in statement of profit and loss

Particular	As at 31 <sup>st</sup> March, 2026	As at 31 <sup>st</sup> March, 2025
Interest on lease liabilities	19	26
Amortization of ROU	92	91
	<b>111</b>	<b>117</b>



# NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2026 (CONTD.)

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

## 21 NON-CURRENT PROVISION

Particular	As at 31 <sup>st</sup> March, 2026	As at 31 <sup>st</sup> March, 2025
Provision for employee benefits:		
- Compensated absences	382	386
	<b>382</b>	<b>386</b>

## 22 DEFERRED TAX LIABILITY

Particular	As at 31 <sup>st</sup> March, 2026	As at 31 <sup>st</sup> March, 2025
<b>Deferred tax liability arising on account of :</b>		
- Timing difference between written down value as per financials and as per Income tax on property plant and equipment	922	914
- Fair valuation of investments	4,173	3,327
<b>Deferred tax asset arising on account of :</b>		
- Provision for employee benefits	(265)	(255)
- Others	(106)	(74)
	<b>4,723</b>	<b>3,912</b>

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
<b>Balance as at 31<sup>st</sup> March, 2024</b>	<b>929</b>	<b>3,189</b>	<b>(290)</b>	<b>(59)</b>	<b>3,769</b>
Recognized in statement of profit and loss	(15)	76	30	(15)	76
Recognized in other comprehensive income	-	62	5	-	67
<b>Balance as at 31<sup>st</sup> March, 2025</b>	<b>914</b>	<b>3,327</b>	<b>(255)</b>	<b>(74)</b>	<b>3,912</b>
Recognized in statement of profit and loss *	8	282	9	(32)	267
Recognized in other comprehensive income **	-	564	(19)	-	545
<b>Balance as at 31<sup>st</sup> March, 2026</b>	<b>922</b>	<b>4,173</b>	<b>(265)</b>	<b>(106)</b>	<b>4,723</b>

\* includes ₹ 76 Lakhs of tax expense for the year ended 31<sup>st</sup> March, 2025 on account of change in applicable tax rate.

\*\* includes ₹ 429 Lakhs of tax income for the year ended 31<sup>st</sup> March, 2025 on account of change in applicable tax rate

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2026 (CONTD.)

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

### 23 TRADE PAYABLES

Particular	As at	As at
	31 <sup>st</sup> March, 2026	31 <sup>st</sup> March, 2025
Total outstanding dues to micro enterprises and small enterprises (Also, refer note (a) and (b))	4,863	5,211
Total outstanding dues to other than micro enterprises and small enterprises (Also, refer note (b))	9,810	8,806
	<b>14,673</b>	<b>14,017</b>

#### a) Disclosures Required Under Section 22 Of The Micro, Small And Medium Enterprises Development Act, 2006:

Particular	As at	As at
	31 <sup>st</sup> March, 2026	31 <sup>st</sup> March, 2025
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	4,863	5,211
(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 31<sup>st</sup> March, 2026 and 31<sup>st</sup> March, 2025 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

##### 31<sup>st</sup> March, 2026

Particulars	Outstanding for following period from due date from payment						Total
	Unbilled	Not Due	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Undisputed Micro and Small enterprises	-	4,863	-	-	-	-	4,863
Disputed - Micro and Small enterprises	-	-	-	-	-	-	-
Undisputed - Other than Micro and Small enterprises	3,757	2,756	3,221	20	12	44	9,809
Disputed - Other than Micro and Small enterprises	-	-	-	-	-	-	-



## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2026 (CONTD.)

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

31<sup>st</sup> March, 2025

Particulars	Outstanding for following period from due date from payment						Total
	Unbilled	Not Due	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
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	-	-	-	-	-	-	-

### 24 OTHER FINANCIAL LIABILITIES:

Particular	As at 31 <sup>st</sup> March, 2026	As at 31 <sup>st</sup> March, 2025
Unpaid dividend	72	64
Earnest money deposit	17	27
Commission to directors	300	220
Employee payable	1,254	1,108
Liability towards discounts to customers	1,537	1,423
	<b>3,180</b>	<b>2,842</b>

### 25 CURRENT PROVISION

Particular	As at 31 <sup>st</sup> March, 2026	As at 31 <sup>st</sup> March, 2025
<b>Provisions for employee benefits</b>		
- Compensated absences	61	58
Gratuity (Also, refer note 41)	206	40
Provision for warranty (Also, refer note (a) below)	141	78
	<b>408</b>	<b>176</b>
<b>Product Warranty:</b>		
Opening Balance	78	77
Additions	120	96
Utilizations	(57)	(95)
<b>Closing Balance</b>	<b>141</b>	<b>78</b>

- 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.

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2026 (CONTD.)

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

### 26 OTHER CURRENT LIABILITIES

Particular	As at	As at
	31 <sup>st</sup> March, 2026	31 <sup>st</sup> March, 2025
Statutory dues	433	775
Tooling advance	430	446
	<b>863</b>	<b>1,221</b>

### 27 CURRENT TAX LIABILITIES (NET)

Particular	As at	As at
	31 <sup>st</sup> March, 2026	31 <sup>st</sup> March, 2025
Income tax liabilities (net)	179	-
	<b>179</b>	<b>-</b>

### 28 REVENUE FROM OPERATIONS

Particular	Year ended	Year ended
	31 <sup>st</sup> March, 2026	31 <sup>st</sup> March, 2025
<b>Sale of Manufactured Products:</b>		
Export sales	8,727	3,363
Domestic sales	91,927	75,829
	<b>1,00,654</b>	<b>79,192</b>
<b>Sale of Traded Products:</b>		
Domestic sales	5,786	4,863
<b>Gross sales:</b>	<b>1,06,440</b>	<b>84,055</b>
Discount to customers (Turnover discount)	(1,148)	(861)
<b>Net Sales:</b>	<b>1,05,292</b>	<b>83,194</b>
Other operating revenues:		
- Export benefits	208	84
- Subsidy Income (Refer note below)	202	-
- Scrap sales and others	1,146	1,205
	<b>1,06,848</b>	<b>84,483</b>

Note: The Company received an eligibility letter from SIPCOT confirming its entitlement to a subsidy under the Structured Package of Assistance extended by the Government of Tamil Nadu. During the year, the Company received subsidy of ₹ 66 Lakhs relating to 2023-24 and has recognized the same in the financial statements. Further, the Company has recognized subsidy receivable amounting to ₹ 136 Lakhs in respect of 2024-25 and 2025-26, as the conditions attached to the grant have been complied with and there is reasonable assurance that the subsidy will be received.



## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2026 (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 recognized based on goods transferred at a point of time by geography and offerings of the Company. As per the management, the below disaggregation best depicts the nature, amount, timing and uncertainty of how revenues and cash flows are affected by industry, market and other economic factors.

Particular	Year ended 31 <sup>st</sup> March, 2026	Year ended 31 <sup>st</sup> March, 2025
<b>Revenue by geography</b>		
India	98,121	81,158
Rest of the world	8,727	3,325
<b>Total revenue from operations</b>	<b>1,06,848</b>	<b>84,483</b>

### b) Contract balances

Particular	As at 31 <sup>st</sup> March, 2026	As at 31 <sup>st</sup> March, 2025
Receivables, which are included in Trade receivables (gross) (Contract Asset)	20,646	16,965
Tooling advances, which are included in Other current liabilities (Contract Liabilities)	430	446

### 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 31<sup>st</sup> March, 2026 and 31<sup>st</sup> March, 2025.

### 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:

Particular	Year ended 31 <sup>st</sup> March, 2026	Year ended 31 <sup>st</sup> March, 2025
<b>Revenue by geography</b>		
India	98,121	81,158
Rest of the world	8,727	3,325
<b>Total revenue from operations</b>	<b>1,06,848</b>	<b>84,483</b>

Particular	Year ended 31 <sup>st</sup> March, 2026	Year ended 31 <sup>st</sup> March, 2025
<b>Non-current assets by geography</b>		
India	19,124	15,884
Rest of the world	-	-
<b>Total</b>	<b>19,124</b>	<b>15,884</b>

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2026 (CONTD.)

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

### 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.

Particular	For the Year ended 31 <sup>st</sup> March, 2026	For the Year ended 31 <sup>st</sup> March, 2025
No of customers	2	2
Amount involved	75,491	62,365

### 29 OTHER INCOME

Particular	For the Year ended 31 <sup>st</sup> March, 2026	For the Year ended 31 <sup>st</sup> March, 2025
Interest Income :		
- From bank deposits	134	66
- From bonds	265	220
Dividend Income	470	435
Profit on sale of fixed asset	91	-
Net gain on foreign currency transactions	372	102
Net gain on sale of investments carried at FVTPL	564	1,276
Net gain on liquidation of subsidiary	20	-
Gain on fair valuation of investment carried at fair value through profit and loss	1,120	860
Provision no longer required written back	-	7
Other non-operating income	24	13
	<b>3,060</b>	<b>2,979</b>

### 30 COST OF RAW MATERIALS CONSUMED

Particular	For the Year ended 31 <sup>st</sup> March, 2026	For the Year ended 31 <sup>st</sup> March, 2025
Opening stock	4,881	5,025
<b>Add:</b> Purchases	72,451	54,725
	<b>77,332</b>	<b>59,750</b>
<b>Less:</b> Closing stock	(6,872)	(4,881)
	<b>70,460</b>	<b>54,869</b>

### 31 PURCHASE OF STOCK IN TRADE

Particular	For the Year ended 31 <sup>st</sup> March, 2026	For the Year ended 31 <sup>st</sup> March, 2025
Purchase of stock in trade	3,343	2,928
	<b>3,343</b>	<b>2,928</b>



# NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2026 (CONTD.)

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

## 32 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

Particular	For the Year ended 31 <sup>st</sup> March, 2026	For the Year ended 31 <sup>st</sup> March, 2025
<b>Closing stock</b>		
Finished goods	1,337	1,507
Work in progress	292	316
Stock in trade	582	489
	<b>2,211</b>	<b>2,312</b>
<b>Opening stock</b>		
Finished goods	1,507	1,161
Work in progress	316	200
Stock in trade	489	523
	<b>2,312</b>	<b>1,884</b>
<b>Changes in inventories</b>	<b>101</b>	<b>(428)</b>

## 33 OTHER OPERATING EXPENSES

Particular	For the Year ended 31 <sup>st</sup> March, 2026	For the Year ended 31 <sup>st</sup> March, 2025
Stores and spares consumed	1,188	998
Power and fuel	1,180	993
Repairs to:		
-Building	469	404
-Machinery	826	592
-Others	118	86
Research and development expenses (Refer note 43)	465	473
	<b>4,246</b>	<b>3,546</b>

## 34 EMPLOYEE BENEFITS EXPENSES

Particular	For the Year ended 31 <sup>st</sup> March, 2026	For the Year ended 31 <sup>st</sup> March, 2025
Salaries, wages and bonus	9,775	8,248
Gratuity expenses (Also, refer note 41)	333	85
Contribution to provident and other funds (Refer Note 41)	350	311
Staff welfare expenses	1,429	1,209
	<b>11,887</b>	<b>9,853</b>

## 35 FINANCE COSTS

Particular	For the Year ended 31 <sup>st</sup> March, 2026	For the Year ended 31 <sup>st</sup> March, 2025
Bank charges	12	13
Interest on shortfall of advance tax	21	-
Interest on lease liabilities (Refer note 20)	19	26
	<b>52</b>	<b>39</b>

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2026 (CONTD.)

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

### 36 DEPRECIATION AND AMORTIZATION EXPENSES

Particular	For the Year ended 31 <sup>st</sup> March, 2026	For the Year ended 31 <sup>st</sup> March, 2025
Depreciation of Property, plant and equipment (Also, refer note 4)	1,658	1,434
Amortization of intangible assets (Also, refer note 6)	42	531
Amortization of right to use asset (Also, refer note 7)	92	91
	<b>1,792</b>	<b>2,056</b>

### 37 OTHER EXPENSES

Particular	Year ended 31 <sup>st</sup> March, 2026	Year ended 31 <sup>st</sup> March, 2025
Rent (Also, refer note (a) below)	38	5
Repairs and maintenance - others	22	20
Insurance	39	46
Royalty	4	23
Rates and taxes	51	70
Communication expenses	35	44
Postage, printing and stationery	49	44
Director sitting fees	21	23
Travelling and conveyance	469	392
Property, plant and equipment written off	11	7
Legal and professional charges	1,046	888
Management fees (Also, refer note 42)	832	726
Corporate social responsibility (Also, refer note 46)	129	125
Commission to directors	300	143
Contract expenses	381	311
Security charges	238	202
Warranty expenses	120	96
Freight outwards	496	455
Advertisement and sales promotion expenses	267	386
<b>Audit Fees:</b>		
<b>a) Statutory Auditors:</b>		
- Statutory Audit	21	22
- Tax Audit	4	4
- Other Attestation Matters	5	3
- Reimbursement of Expenses	2	1
b) Cost Audit	4	4
c) Secretarial Audit	3	2
d) Reimbursement - Other audits	-	2
Miscellaneous expenses	360	287
	<b>4,947</b>	<b>4,331</b>

- a) The Company has lease contracts for office premises and these lease contracts are cancellable/renewable for further period on mutually agreeable terms during the tenure of lease contracts. These lease contracts are classified as short term lease contracts under Ind AS 116



# NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2026 (CONTD.)

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

## 38 EXCEPTIONAL ITEMS

During the year, the Company received a sanction order dated 28<sup>th</sup> January, 2026 from Haryana Shahari Vikas Pradhikaran ("HSVP"), Gurugram towards enhanced compensation in respect of land measuring approximately 1.8 acres situated at Village Dhoraka, Tehsil and District Gurugram, Haryana, which had been acquired by the State of Haryana in the year 2010 for development of Sector Road 81 to 95 under the provisions of the Land Acquisition Act, 1894.

The initial compensation for the said land acquisition was determined by the Land Acquisition Collector vide Award No. 47 dated 12<sup>th</sup> December, 2011. The Company had received the original compensation under protest and subsequently filed a reference petition before the Hon'ble Additional District Judge, Gurugram seeking enhancement of compensation. The reference petition was decided by the Hon'ble Additional District Judge, Gurugram on 17<sup>th</sup> November, 2023.

Pursuant to the sanction order received during the year, the Company has recognized enhanced compensation amounting to ₹ 445 Lakhs along with interest thereon amounting to ₹ 1,076 Lakhs and the amount is realized in February 2026. Accordingly, an aggregate amount of ₹ 1,521 Lakhs has been recognized as an exceptional item in the Statement of Profit and Loss for the year ended 31<sup>st</sup> March, 2026.

## 39 ITEMS WILL NOT BE RECLASSIFIED TO PROFIT AND LOSS

Particular	Year ended 31 <sup>st</sup> March, 2026	Year ended 31 <sup>st</sup> March, 2025
Increase in fair value of investments	3,928	3,431
Remeasurement of the defined benefit plan	41	23
Income tax relating to items that will not be reclassified to profit or loss	(545)	(67)
	<b>3,424</b>	<b>3,387</b>

## 40 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:

Particular	Year ended 31 <sup>st</sup> March, 2026	Year ended 31 <sup>st</sup> March, 2025
<b>Income tax expenses</b>		
Accounting profit before taxes	14,601	10,268
Tax rates	25.17%	25.17%
Tax on profit at enacted tax rate	<b>3,675</b>	<b>2,584</b>
Dividend income from mutual funds and equity instruments exempted under the income tax act (u/s.80M deduction)	(118)	(109)
Effect of adjustment of long term capital gain against brought forward long term capital loss	(50)	(236)
Non taxable income	(282)	(216)
Others	(17)	(34)
Actual tax expenses as per P&L a/c	<b>3,208</b>	<b>1,989</b>
<b>Deferred tax expenses</b>		
On account of timing difference between written down value as per financials and as per Income tax on property plant and equipment	8	(15)
On account of fair value change in Investment	282	76
On account of provision for employee benefits	9	30
Others	(32)	(15)
Deferred tax expenses	<b>267</b>	<b>76</b>
<b>Total tax expenses recognized in statement of profit and loss</b>	<b>3,475</b>	<b>2,065</b>

# NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2026 (CONTD.)

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

### 41 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 thereon 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.

Particular	Year ended 31 <sup>st</sup> March, 2026	Year ended 31 <sup>st</sup> March, 2025
Employer's contribution to provident fund	290	272
Employer's contributions to employee state insurance	3	2
Employer's contribution to superannuation fund	57	37
	<b>350</b>	<b>311</b>

#### 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.



## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2026 (CONTD.)

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

### 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 31<sup>st</sup> March, 2026 by a member firm of the Institute of Actuaries of India. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

### d) The following table set out the status of the gratuity plan and the amount recognized in the Company's financial statement

#### i) Change in projected benefit obligation

Particular	As at 31 <sup>st</sup> March, 2026	As at 31 <sup>st</sup> March, 2025
Opening defined benefit obligation	1,520	1,438
Benefits paid	(113)	(83)
Current service cost	86	82
Past Service Cost (Refer note below)	248	-
Interest cost on benefit obligation	94	97
Actuarial (gain) on obligation	(25)	(14)
<b>Projected benefit obligation at the end of the year</b>	<b>1,810</b>	<b>1,520</b>

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2026 (CONTD.)

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

### ii) Change in plan assets

Particular	As at 31 <sup>st</sup> March, 2026	As at 31 <sup>st</sup> March, 2025
Opening fair value of plan assets	1,480	1,341
Contributions by employer	126	127
Benefits paid	(113)	(83)
Expected return	95	94
Others	-	(8)
Actuarial gain / (loss) on plan assets	16	9
<b>Closing fair value of plan assets</b>	<b>1,604</b>	<b>1,480</b>

### iii) Reconciliation of present value of obligation on the fair value of plan assets to the liability recognized

Particular	Year ended 31 <sup>st</sup> March, 2026	Year ended 31 <sup>st</sup> March, 2025
Present value of projected benefit obligation at the end of the year	1,810	1,520
Fair value of plan assets at the end of the year	1,604	1,480
<b>(Asset) / liability recognized in the balance sheet</b>	<b>206</b>	<b>40</b>
<b>Funded Status</b>		
Funded	1,810	1,520

### iv) Components of net gratuity costs are

Particular	Year ended 31 <sup>st</sup> March, 2026	Year ended 31 <sup>st</sup> March, 2025
Current service cost	86	82
Net Interest cost on benefit obligation	(1)	3
Past service cost	248	-
<b>Total amount recognized in the statement of profit or loss</b>	<b>333</b>	<b>85</b>
Actuarial (gain)/loss	(41)	(23)
<b>Total amount recognized in other comprehensive income</b>	<b>(41)</b>	<b>(23)</b>

### v) Principal actuarial assumptions used :

Particular	As at 31 <sup>st</sup> March, 2026	As at 31 <sup>st</sup> March, 2025
Discount Rate (%)	6.79%	6.41%
Estimated Rate of Return on Plan Assets (%)	6.79%	6.41%
Attrition Rate (%)	12.00%	12.00%
Expected rate of salary increase (%)	7.00%	7.00%
Expected Average Remaining Service (years)	6.69	6.62

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.



## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2026 (CONTD.)

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

### vi) Employee benefits - maturity profile (undiscounted)

Particular	As at 31 <sup>st</sup> March, 2026	As at 31 <sup>st</sup> March, 2025
Within 1 year	246	202
1 - 2 years	303	297
2 - 3 years	267	180
3 - 4 years	239	197
4 - 5 years	187	178
Above 5 years	868	681
	<b>2,110</b>	<b>1,735</b>

### vii) Sensitivity analyses

Particular	As at 31 <sup>st</sup> March, 2026	As at 31 <sup>st</sup> March, 2025
A. Discount Rate + 50 BP (%)	7.29%	6.91%
Defined Benefit Obligation [PVO]	1,767	1,484
Current Service Cost	107	84
B. Discount Rate - 50 BP (%)	6.29%	5.91%
Defined Benefit Obligation [PVO]	1,854	1,558
Current Service Cost	114	89
C. Salary Escalation Rate +50 BP (%)	7.50%	7.50%
Defined Benefit Obligation [PVO]	1,854	1,559
Current Service Cost	114	89
D. Salary Escalation Rate -50 BP (%)	6.50%	6.50%
Defined Benefit Obligation [PVO]	1,767	1,482
Current Service Cost	108	84

Note: On 21<sup>st</sup> November, 2025, the Government of India notified four Labor Codes, effective immediately, replacing the existing 29 labor laws. In accordance with Ind AS 19, employee benefits, changes to employee benefit plans arising from legislative amendments are treated as plan amendments, requiring immediate recognition of past service cost in the Statement of Profit and Loss. This approach is consistent with the guidance issued by the Institute of Chartered Accountants of India. The implementation of the Labor Codes has resulted in an increase of ₹ 248 Lakhs in the provision for defined benefit obligation and ₹ 70 Lakhs for compensated absences, which has been recognized as an employee benefit expense in the current reporting period. The Company continues to monitor the developments pertaining to labor codes and will evaluate additional impact if any on the measurement of liability pertaining to employee benefits.

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2026 (CONTD.)

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

### 42 RELATED PARTIES

42.1 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 Director's are interested	TVS Educational Society Southern Roadways Private Limited
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 Gangapriya Chakraverti, Director 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.

### 42.2 Transactions with related parties

Name of the related party	Year ended 31 <sup>st</sup> March, 2026	Year ended 31 <sup>st</sup> March, 2025
<b>Lucas Indian Service Ltd</b>		
Sale of products	6,106	4,998
Rent paid	26	25
Dividend paid	2,466	1,988
<b>Lucas TVS Limited</b>		
Warranties /Discount	-	10
Purchase of raw materials	37	3
Rent expenses	87	83
Reimbursement of expenses	715	509
Travel reimbursements received	20	21
Management fees	832	726
Dividend received	433	409
<b>TVS Educational Society</b>		
Reimbursement of expenses	54	44



# NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2026 (CONTD.)

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

Name of the related party	Year ended 31 <sup>st</sup> March, 2026	Year ended 31 <sup>st</sup> March, 2025
Stipend to apprentices	3,059	2,414
<b>Delphi TVS Technologies Limited</b>		
Sale of products	11	-
<b>TVS Training &amp; Services Limited</b>		
Services received	1	-
<b>Subbaraya Aiyar Padmanabhan</b>		
Professional charges	-	1
<b>Remuneration</b>		
Arvind Balaji- Managing director*	475	384
Anant Jaivant Talaulicar, Director	27	20
Tirumala Kumara Balaji, Director	11	8
Tirumala Kumara Balaji Priyamvada, Director	14	11
Heramb Ravindra Hajarnavis, Director	20	15
Gangapriya Chakraverti, Director	18	16
Elango Srinivasan, Chief financial officer	90	76
<b>Sitting Fees</b>		
Anant Jaivant Talaulicar, Director	6	5
Tirumala Kumara Balaji, Director	3	2
Tirumala Kumara Balaji Priyamvada, Director	4	4
Heramb Ravindra Hajarnavis, Director	5	5
Gangapriya Chakraverti, Director	4	4

\*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.

## 42.3 Balance with related parties

Name of the related party	As at 31 <sup>st</sup> March, 2026	As at 31 <sup>st</sup> March, 2025
<b>Trade receivables</b>		
Lucas Indian Service Limited	1,805	1,089
Lucas TVS Limited	6	-
<b>Trade payables</b>		
Lucas TVS Limited	297	253
Lucas Indian Service Limited	2	3
<b>Remuneration payable</b>		
Commission payable	300	220
<b>Investments in Equity Shares accounted as fair value through comprehensive income</b>		
Lucas TVS Limited	26,412	22,468

Note: above transactions and balances do not include provision for expenses

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2026 (CONTD.)

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

### 43 RESEARCH AND DEVELOPMENT EXPENSES\*

Particular	Year ended 31 <sup>st</sup> March, 2026	Year ended 31 <sup>st</sup> March, 2025
The amount spent towards Research and Development expenses during the year are as under:		
<b>Capital expenditure</b>	<b>341</b>	<b>585</b>
<b>Revenue expenditure</b>		
Salaries, wages and bonus	1,459	1,314
Power and fuel	113	103
Travelling and conveyance	96	81
Miscellaneous expenses	867	813
<b>Total</b>	<b>2,877</b>	<b>2,896</b>

\*The summary is prepared based on the information available with the Company.

### 44 EARNINGS PER EQUITY SHARE (EPS)

Particular	Year ended 31 <sup>st</sup> March, 2026	Year ended 31 <sup>st</sup> March, 2025
Nominal value of equity shares	5	5
Profit attributable to equity shareholders (A)	11,126	8,203
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)	49.18	36.26
Diluted earnings per equity share (A/B)	49.18	36.26

### 45 CONTINGENT LIABILITIES AND COMMITMENT

Particular	As at 31 <sup>st</sup> March, 2026	As at 31 <sup>st</sup> March, 2025
a) Claims not acknowledged as debt		
Disputed income tax demands	1,490	1,034
Disputed GST demands	130	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	2,635	367

Note: The amounts disclosed above as contingent liabilities represent the Company's best estimates based on the information currently available. The ultimate outcome of these matters is subject to uncertainties inherent in the respective regulatory proceedings initiated by the relevant authorities/claimants, as applicable, and therefore cannot be predicted with certainty.

Based on management's assessment, the Company believes that it has strong grounds to contest the above matters and expects favorable outcomes.



# NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2026 (CONTD.)

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

## 46 CORPORATE SOCIAL RESPONSIBILITY (CSR) EXPENDITURE

Particular	Year ended 31 <sup>st</sup> March, 2026	Year ended 31 <sup>st</sup> March, 2025
a) Gross amount required to be spent by the Company during the year	121	106
b) Amount spent during the year on :		
- Construction/Acquisition of any Asset:	-	-
- Education	83	66
- Rural Development Projects	21	25
- Health Care and Sanitation	3	24
- On purposes other than above	22	-
c) (Shortfall) / excess paid at the end of the year	8	9
- 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

## 47 FAIR VALUE MEASUREMENT

### a) Financial instruments by category

The carrying value and fair value of financial instruments by categories as of 31<sup>st</sup> March, 2026

Particulars	Amortized Cost	FVTPL	FVOCI	Total carrying value	Total fair value
<b>Financial assets</b>					
Investments	2,188	24,510	26,455	53,153	53,153
Trade receivables	20,646	-	-	20,646	20,646
Loans	148	-	-	148	148
Cash and cash equivalents	550	-	-	550	550
Other bank balances	72	-	-	72	72
Other Financial Assets	2,019	-	-	2,019	2,019
<b>Total</b>	<b>25,623</b>	<b>24,510</b>	<b>26,455</b>	<b>76,588</b>	<b>76,588</b>
<b>Financial liabilities</b>					
Trade payables	14,673	-	-	14,673	14,673
Lease liability	190	-	-	190	190
Other financial liabilities	3,180	-	-	3,180	3,180
<b>Total</b>	<b>18,043</b>	<b>-</b>	<b>-</b>	<b>18,043</b>	<b>18,043</b>

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2026 (CONTD.)

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

### The carrying value and fair value of financial instruments by categories as of 31<sup>st</sup> March, 2025

Particulars	Amortized Cost	FVTPL	FVOCI	Total carrying value	Total fair value
<b>Financial assets</b>					
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
<b>Total</b>	<b>24,343</b>	<b>22,064</b>	<b>22,511</b>	<b>68,918</b>	<b>68,918</b>
<b>Financial liabilities</b>					
Trade payables	14,017	-	-	14,017	14,017
Lease liability	212	-	-	212	212
Other financial liabilities	2,842	-	-	2,842	2,842
<b>Total</b>	<b>17,071</b>	<b>-</b>	<b>-</b>	<b>17,071</b>	<b>17,071</b>

### Fair value measurements

#### (i) Fair value hierarchy

Financial assets and financial liabilities measured at fair value in the statement of financial position are classified into three Levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurements:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

#### (ii) Financial assets measured at fair value through profit and loss (FVTPL) on a recurring basis

Particular	Fair value hierarchy	As at 31 <sup>st</sup> March, 2026	As at 31 <sup>st</sup> March, 2025
Investments in Alternate Investment funds	Level II	1,076	1,217
Investments in equity shares	Level I & II	2,408	2,180
Investment in mutual funds and bonds	Level II	21,026	18,667
<b>Total</b>		<b>24,510</b>	<b>22,064</b>

#### (iii) Financial assets measured at fair value through Other Comprehensive Income (FVTOCI) on a recurring basis

Particular	As at 31 <sup>st</sup> March, 2026	As at 31 <sup>st</sup> March, 2025	Fair value hierarchy	Valuation technique(s) and key input(s)
Unlisted equity instruments	26,455	22,511	Level III	The fair value is calculated based on the inputs for the assets that are not based on observable market data



## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2026 (CONTD.)

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

### 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 8x)  
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 ₹ 1,651 Lakhs and an increase in the multiple by 0.5x would result in a increase in the fair value by ₹ 1,651 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 STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2026 (CONTD.)

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

## 48 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 summarized below.

#### i) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company only transacts with entities that are rated the equivalent of investment grade and above. The Company uses other publicly available financial information and its own trading records to rate its major customers. The Company's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

Trade receivables consist of a four to five major OEMs and large number of small customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable. At 31<sup>st</sup> March, 2026, 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.

Trade receivables are non-interest bearing and are typically due within 45 to 90 days. Due to their short-term nature, the carrying amounts approximate their fair values.

The Company manages credit risk through established policies and procedures, including customer credit evaluations, assignment of credit limits, and ongoing monitoring of receivable balances. The credit quality of customers is assessed based on financial position, past experience, and other relevant factors. Historically, the Company has experienced negligible defaults and maintains a strong collection track record.

In accordance with Ind AS 109, the Company applies the simplified approach for measuring expected credit losses (ECL) for trade receivables, which requires lifetime ECL to be recognized. Based on the assessment performed as at the reporting date, considering the short credit period, historical loss experience, and the credit profile of customers, the Company has concluded that there is no significant credit risk or increase in credit risk on the customer profile, and, accordingly, no allowance for expected credit losses have been recognized.

The maximum exposure to credit risk at the reporting date is the carrying value of trade receivables. The Company does not hold collateral as security against these receivables. Credit risk concentration is considered low due to a diversified customer base across geographies and industries.

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.



# NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2026 (CONTD.)

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

## 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, recognized assets and liabilities denominated in a currency that is not the Company's functional currency. The Company has not entered into any derivative contracts to hedge its foreign currency exposure during the reporting period.

**The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are as under:**

Particulars	Currency	As at 31 <sup>st</sup> March, 2026		As at 31 <sup>st</sup> March, 2025	
		Amount in Foreign Currency	Amount in ₹	Amount in Foreign Currency	Amount in ₹
Trade Receivables	EUR	5	498	2	174
	USD	24	2,309	17	1,483
Trade Payables	GBP	0	2	-	-
	USD	4	401	7	579
	JPY	40	24	-	-
	CNY	58	781	52	609

### Foreign currency sensitivity

Particulars	Currency	31 <sup>st</sup> March, 2026		31 <sup>st</sup> March, 2025	
		Increase	Decrease	Increase	Decrease
Effect on profit before tax	EUR	24.88	(24.88)	8.89	(8.89)
Increase/(Decrease) of 5%	USD	95.63	(95.63)	45.31	(45.31)
	JPY	(1.20)	1.20	-	-
	CNY	(39.04)	39.04	(30.48)	30.48
	GBP	(0.12)	0.12	-	-

The foreign currency exposure on receivables and payables has been translated at respective closing exchange rates as at the reporting date, which may differ due to variation in bank rates applicable for receipts and payments.

### 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.

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2026 (CONTD.)

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

### 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 (undiscounted values):

Particulars	As at 31 <sup>st</sup> March, 2026				Total
	Up to 1 year	1 to 3 years	3 to 5 years	5 years and above	
Trade payables	14,673	-	-	-	14,673
Lease Liability	119	91	-	-	210
Other financial liabilities	3,180	-	-	-	3,180
<b>Total</b>	<b>17,972</b>	<b>91</b>	<b>-</b>	<b>-</b>	<b>18,062</b>

Particulars	As at 31 <sup>st</sup> 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
<b>Total</b>	<b>16,968</b>	<b>130</b>	<b>-</b>	<b>-</b>	<b>17,098</b>

### 49 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,



## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2026 (CONTD.)

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

- 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.

### **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 31<sup>st</sup> March, 2026: ₹ Nil (As at 31<sup>st</sup> March, 2025: ₹ 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**

#### **Analytical ratios**

<b>Ratio</b>	<b>Current year</b>	<b>Previous year</b>	<b>% Variance</b>	<b>Remarks @</b>
Current ratio	2.5	2.38	5.71%	Not applicable
Return on equity**	15%	12%	18.10%	Not applicable
Inventory turnover ratio	9.1	8.12	11.59%	Not applicable
Trade receivables turnover ratio	5.7	5.43	4.64%	Not applicable
Trade payables turnover ratio	5.3	4.26	23.95%	Not applicable
Net working capital turnover ratio	3.6	3.34	8.80%	Not applicable
Net profit ratio**	10%	10%	7.24%	Not applicable
Return on capital employed**	17%	14%	22.76%	Not applicable
Return on investment*	13%	14%	-7.66%	Not applicable

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2026 (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	<i>(Tangible net worth = Total assets-Intangible assets-Total liabilities) (though investments are not tangible, they are generally included while computing tangible net worth)</i>
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 31<sup>st</sup> March, 2026

\*\*Includes exceptional item

### 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 recognized in the standalone financial statements. In addition, the Board has also confirmed the carrying value of the non-current assets in the financial statements. The Board, duly taking into account all the relevant disclosures made, has approved these financial statements at its meeting held on 28<sup>th</sup> May, 2026.

### 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

Membership No: A29260

Place: Chennai

Date: 28<sup>th</sup> May 2026



# 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 March 31, 2026, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year ended on that date, and notes to the financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2026, their consolidated profit and their consolidated other 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	<b>Fair Valuation of Investments</b> The Company has certain investments in equity shares (unquoted equity instruments) with a carrying value as at March 31, 2026 amounting to Rs. 26,412 lakhs. The Company has valued this investment at 'Fair Value through Other Comprehensive Income' in accordance with Indian Accounting Standard 109, Financial Instruments.	Principal audit procedures performed included the following: <ul style="list-style-type: none"><li>• Understanding and evaluation of the design and testing of the operating effectiveness of controls over determination of fair value of unquoted equity instruments.</li><li>• 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.</li><li>• 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.</li></ul>

## INDEPENDENT AUDITOR'S REPORT (CONTD.)

Sr. No.	Key Audit Matter	Auditor's Response
1.	<p>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.</p> <p>(Refer Note 8 to the consolidated financial statements)</p>	<ul style="list-style-type: none"> <li>• 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.</li> <li>• Evaluation of competence, capabilities and objectivity of the Management personnel involved in carrying out such valuation.</li> <li>• 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.</li> <li>• Testing the mathematical accuracy of the fair value determined by the Company.</li> <li>• Assessing appropriateness and adequacy of relevant disclosures in the consolidated financial statements.</li> </ul>

### 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 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



## INDEPENDENT AUDITOR'S REPORT (CONTD.)

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, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intend to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

### **AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures

that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent 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.

## INDEPENDENT AUDITOR'S REPORT (CONTD.)

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

We did not audit the financial information of one subsidiary, whose financial information reflect total assets of Rs. Nil as at March 31, 2026, total revenues of Rs. Nil and net cash flows amounting to Rs. Nil for the year ended on that date, as considered in the consolidated financial statements. These financial information are unaudited and have 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 in 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, these financial information are 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.
  - 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 March 31, 2026 taken on record by the Board of Directors of the Company, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2026 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls with reference to 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.



## INDEPENDENT AUDITOR'S REPORT (CONTD.)

- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent Company to their respective directors during the year is in accordance with the provisions of section 197 of the Act.
- h) 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 45 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 Company.
  - iv) (a) The Managements 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, other than as disclosed in the note 49 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 Company or subsidiary, ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - (b) The Managements 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, other than as disclosed in the note 49 to the consolidated financial statements, no funds have been received by the Parent Company or subsidiary 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 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 or other auditor's notice that has caused us or the other auditors 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 Company, 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 systems for maintaining their

## INDEPENDENT AUDITOR'S REPORT (CONTD.)

respective books of account for the financial year ended March 31, 2026 which have the feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software systems. Further, during the course of audit, we have not come across any instance of the audit trail feature being tampered with. Additionally, the audit trail has been preserved by the Parent Company as per the statutory requirements for record retention.

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 and the auditors of respective companies included in the consolidated financial statements, as provided to us by the Management of the Parent Company, we report that CARO is applicable only to the Parent Company 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

Place: Chennai

Membership No. 214045

Date: May 28, 2026

UDIN: 262140450DQZOW5540

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## ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(REFERRED TO IN PARAGRAPH 1(f) UNDER 'REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS' SECTION OF OUR REPORT OF EVEN DATE)

### **Report on the Internal Financial Controls with reference to 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 March 31, 2026, 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 Company's 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 March 31, 2026, 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

Place: Chennai

Date: May 28, 2026

Membership No. 214045

UDIN: 262140450DQZOW5540

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# CONSOLIDATED BALANCE SHEET

AS AT 31<sup>ST</sup> MARCH, 2026

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

Particulars	Note No.	As at 31 <sup>st</sup> March, 2026	As at 31 <sup>st</sup> March, 2025
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	16,303	14,372
Right-of-use assets	7	977	997
Capital work-in-progress	5	682	366
Intangible assets	6A	69	78
Intangible assets under development	6B	-	19
<b>Financial Assets</b>			
(i) Investments	8	37,726	32,814
(ii) Loans	9	148	117
(iii) Others financial assets	10	935	1,416
Other non-current assets	11	1,093	52
<b>Total non-current assets</b>		<b>57,933</b>	<b>50,231</b>
<b>Current assets</b>			
Inventories	12	9,091	7,221
<b>Financial Assets</b>			
(i) Investments	8	15,427	14,433
(ii) Trade receivables	13	20,646	16,965
(iii) Cash and cash equivalents	14	550	2,001
(iv) Bank balances other than (iii) above	14	72	364
(v) Others financial assets	15	1,084	842
Current tax assets, net	16	-	781
Other current assets	17	1,928	1,050
<b>Total current assets</b>		<b>48,798</b>	<b>43,657</b>
<b>Total assets</b>		<b>1,06,731</b>	<b>93,888</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity share capital	18	1,131	1,131
Other equity	19	81,002	69,987
<b>Equity - Total</b>		<b>82,133</b>	<b>71,118</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial Liabilities</b>			
(i) Lease Liabilities	20	86	127
Provisions	21	382	386
Deferred tax liabilities, net	22	4,723	3,912
<b>Total non-current liabilities</b>		<b>5,191</b>	<b>4,425</b>
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
(i) Lease Liabilities	20	104	84
(ii) Trade payables	23		
Total outstanding dues of micro enterprises and small enterprises		4,863	5,211
Total outstanding dues of creditors other than micro enterprises and small enterprises		9,810	8,806
(iii) Others financial liabilities	24	3,180	2,843
Other current liabilities	26	863	1,225
Provisions	25	408	176
Current Tax Liabilities (Net)	27	179	-
<b>Total current liabilities</b>		<b>19,407</b>	<b>18,345</b>
<b>Total equity and liabilities</b>		<b>1,06,731</b>	<b>93,888</b>

Notes 1 to 53 form an integral part of these consolidated financial statements

For **Deloitte Haskins & Sells LLP**  
Chartered Accountants  
Firm's Registration No. 117366W/W-100018

**R. Prasanna Venkatesh**  
Partner  
Membership No. 214045

For and on behalf of the Board of Directors of  
**India Nippon Electricals Limited**  
CIN: L31901TN1984PLC011021

**T K Balaji**  
Chairman  
DIN: 00002010

**Elango Srinivasan**  
Chief Financial Officer

**Arvind Balaji**  
Managing Director  
DIN: 00557711

**S Logitha**  
Company Secretary  
Membership No: A29260

Place: Chennai  
Date: 28<sup>th</sup> May 2026

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2026

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

Particulars	Note No.	Year ended 31 <sup>st</sup> March, 2026	Year ended 31 <sup>st</sup> March, 2025
Revenue from operations	28	1,06,848	84,483
Other income	29	3,063	3,011
<b>Total income</b>		<b>1,09,911</b>	<b>87,494</b>
<b>Expenses:</b>			
Cost of material consumed	30	70,460	54,869
Purchase of stock in trade	31	3,343	2,928
Changes in inventories of finished goods, work-in-progress and stock in trade	32	101	(428)
Other operating expenses	33	4,246	3,546
Employee benefits expenses	34	11,887	9,853
Finance costs	35	52	39
Depreciation and amortization expenses	36	1,792	2,056
Other expenses	37	4,959	4,338
<b>Total expenses</b>		<b>96,840</b>	<b>77,201</b>
<b>Profit before exceptional items and tax</b>		<b>13,071</b>	<b>10,293</b>
Exceptional Items (Refer Note No. 38)	38	1,521	-
<b>Profit before tax</b>		<b>14,592</b>	<b>10,293</b>
<b>Tax expenses</b>			
<b>Current tax</b>			
(1) Current year	40	3,208	1,989
(2) Deferred tax	22	267	76
<b>Total tax expenses</b>		<b>3,475</b>	<b>2,065</b>
<b>Profit for the year</b>		<b>11,117</b>	<b>8,228</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss	39	3,969	3,454
- Income tax relating to items that will not be reclassified to profit or loss		(545)	(67)
<b>Total other comprehensive income for the year, net of tax</b>		<b>3,424</b>	<b>3,387</b>
<b>Total comprehensive income for the year</b>		<b>14,541</b>	<b>11,615</b>
Earnings per equity share	44		
Basic		49.14	36.37
Diluted		49.14	36.37
Nominal value of equity shares (in rupees)		5.00	5.00

Notes 1 to 53 form an integral part of these consolidated financial statements

For **Deloitte Haskins & Sells LLP**  
Chartered Accountants  
Firm's Registration No. 117366W/W-100018

For and on behalf of the Board of Directors of  
**India Nippon Electricals Limited**  
CIN: L31901TN1984PLC011021

**R. Prasanna Venkatesh**  
Partner  
Membership No. 214045

**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: 28<sup>th</sup> May 2026



# CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2026

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

Particulars	Year ended 31 <sup>st</sup> March, 2026	Year ended 31 <sup>st</sup> March, 2025
<b>Cash flows from Operating Activities:</b>		
Net Profit after tax	11,117	8,228
Adjustments for		
- Income tax expenses	3,475	2,065
- Depreciation and amortization expenses	1,792	2,056
- Dividend income from investments	(470)	(435)
- Interest Income	(406)	(300)
- (Gain)/Loss on fair valuation of investments	(1,120)	(860)
- Gain on sale of investments(net)	(584)	(1,276)
- Property, plant and equipment written off	11	7
- Provision no longer required written back	-	(7)
- Exceptional Items (Refer Note No. 38)	(1,521)	-
- Profit on sale of fixed asset	(91)	-
- Interest expenses	52	39
- Unrealized forex gain, net	(118)	(44)
<b>Operating Profit before Working Capital changes</b>	<b>12,137</b>	<b>9,473</b>
- Decrease / (increase) in loans	(31)	(5)
- Decrease / (increase) in other non-current financial assets	(19)	(20)
- Decrease / (increase) in trade receivables	(3,547)	(2,936)
- Decrease/(Increase) in Inventories	(1,870)	(304)
- Decrease / (Increase) in other financial assets	420	(576)
- Decrease / (Increase) in other current assets	(878)	59
- Increase / (Decrease) in trade payables	640	1,160
- Increase / (Decrease) in in other financial liabilities	338	294
- Increase/(Decrease) in other current liabilities	(362)	53
- Increase in non-current provisions	(4)	23
- Increase / (Decrease) in current provisions	232	(22)
<b>Cash generated from operations</b>	<b>7,056</b>	<b>7,199</b>
Income taxes paid, net	(3,029)	(2,243)
<b>Net cash generated from operating activities: (A)</b>	<b>4,027</b>	<b>4,956</b>
<b>Cash flows from investing activities:</b>		
Purchase of property, plant and equipment (including CWIP and adjustment of capital advance)	(4,215)	(2,325)
Sale of Property, Plant & Equipment	97	-
Acquisition of investments	(96,286)	(72,467)
Proceeds from sale of investments	96,030	73,817
Proceeds from venture capital fund	-	243
Interest received	344	290
Proceeds from compulsory acquisition of land, including interest on delayed payment	1,521	-
Dividend received	470	435

## CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2026 (CONTD.)

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

Particulars	Year ended 31 <sup>st</sup> March, 2026	Year ended 31 <sup>st</sup> March, 2025
(Increase)/decrease in deposits with NBFC	(300)	(1,300)
(Increase)/decrease in deposits with bank with maturity more than 12 months	200	(200)
(Increase)/decrease in other bank balances	292	292
<b>Net cash used in investing activities (B)</b>	<b>(1,847)</b>	<b>(1,215)</b>
<b>Cash flows from Financing Activities:</b>		
Payment of lease liabilities	(113)	(108)
Interest expenses	(12)	(39)
Dividend paid	(3,506)	(2,828)
<b>Net Cash used in Financing Activities (C)</b>	<b>(3,631)</b>	<b>(2,975)</b>
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(1,451)	766
Add : Cash and cash equivalents at the beginning of the year	2,001	1,235
Cash and cash equivalents at the end of the year	<b>550</b>	<b>2,001</b>
Cash and cash equivalents comprise of:		
Balance with banks in current accounts	550	2,001
Cash and cash equivalents as per note 14	<b>550</b>	<b>2,001</b>

Notes 1 to 53 form an integral part of these consolidated financial statements

For **Deloitte Haskins & Sells LLP**  
Chartered Accountants  
Firm's Registration No. 117366W/W-100018

For and on behalf of the Board of Directors of  
**India Nippon Electricals Limited**  
CIN: L31901TN1984PLC011021

**R. Prasanna Venkatesh**  
Partner  
Membership No. 214045

**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: 28<sup>th</sup> May 2026

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# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2026

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

## Equity Share Capital

Particulars	No. of. Shares	Amount
Balances as at 31 <sup>st</sup> March, 2025	2,26,21,424	1,131
<b>Balances as at 31<sup>st</sup> March, 2026</b>	<b>2,26,21,424</b>	<b>1,131</b>

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 31 <sup>st</sup> March, 2025	1,131	-	1,131
<b>As at 31<sup>st</sup> March, 2026</b>	<b>1,131</b>	<b>-</b>	<b>1,131</b>

## Other Equity

Particulars	Reserves and surplus				Other items of other comprehensive income	Total other equity attributable to equity share holder	Non-controlling interest	Total
	Capital redemption reserve	Retained earnings	Foreign currency translation reserves	General reserve				
<b>Balance as of 1 April, 2024</b>	<b>40</b>	<b>38,203</b>	<b>(23)</b>	<b>10,948</b>	<b>12,026</b>	<b>61,194</b>	<b>-</b>	<b>61,194</b>
Profits for the year (a)	-	8,228	-	-	-	8,228	-	8,228
Other comprehensive income (b)	-	-	-	-	3,387	3,387	-	3,387
<b>Total comprehensive income for the year (a +b)</b>	<b>-</b>	<b>8,228</b>	<b>-</b>	<b>-</b>	<b>3,387</b>	<b>11,615</b>	<b>-</b>	<b>11,615</b>
Less: Dividend paid	-	(2,828)	-	-	-	(2,828)	-	(2,828)
Foreign currency translation	-	-	6	-	-	6	-	6
<b>Balance as of 31<sup>st</sup> March, 2025</b>	<b>40</b>	<b>43,603</b>	<b>(17)</b>	<b>10,948</b>	<b>15,413</b>	<b>69,987</b>	<b>-</b>	<b>69,987</b>
<b>Balance as of 1 April, 2025</b>	<b>40</b>	<b>43,603</b>	<b>(17)</b>	<b>10,948</b>	<b>15,413</b>	<b>69,987</b>	<b>-</b>	<b>69,987</b>
Profits for the year (a)	-	11,117	-	-	-	11,117	-	11,117
Other comprehensive income (b)	-	-	-	-	3,424	3,424	-	3,424
Adjustments on account of liquidation of subsidiary	-	(37)	17	-	-	(20)	-	(20)
<b>Total comprehensive income for the year (a +b)</b>	<b>40</b>	<b>54,683</b>	<b>-</b>	<b>10,948</b>	<b>18,837</b>	<b>84,508</b>	<b>-</b>	<b>84,508</b>
Less: Dividend paid	-	(3,506)	-	-	-	(3,506)	-	(3,506)
<b>Balance as of 31 Mar 2026</b>	<b>40</b>	<b>51,177</b>	<b>-</b>	<b>10,948</b>	<b>18,837</b>	<b>81,002</b>	<b>-</b>	<b>81,002</b>

Notes 1 to 53 form an integral part of these consolidated financial statements

For **Deloitte Haskins & Sells LLP**  
Chartered Accountants  
Firm's Registration No. 117366W/W-100018

For and on behalf of the Board of Directors of  
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Managing Director  
DIN: 00557711

**Elango Srinivasan**  
Chief Financial Officer

**S Logitha**  
Company Secretary  
Membership No: A29260

Place: Chennai  
Date: 28<sup>th</sup> May 2026

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2026

(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 recognized by DSIR, Govt of India. The Company has three manufacturing facilities and Technical Centre in India and supplies to domestic as well as overseas markets. The company has become 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.

The Company presents assets and liabilities in the balance sheet based on current / non-current classification. The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle. Cash or cash equivalent is treated as current, unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting

period. In respect of other assets, it is treated as current when it is:

- i) expected to be realized or intended to be sold or consumed in the normal operating cycle
- ii) held primarily for the purpose of trading
- iii) expected to be realized within twelve months after the reporting period.

A liability is treated as current when:

- i) it is expected to be settled in the normal operating cycle
- ii) it is held primarily for the purpose of trading
- iii) it is due to be settled within twelve months after the reporting period, or
- iv) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other assets and liabilities are classified as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The financial statements are presented in Indian Rupees which is also the Company's functional currency. All amounts have been rounded off to the nearest Lakhs, except share data and as otherwise stated.

#### 2.2 Critical accounting estimates, assumptions and judgements

The preparation of financial statements requires management to make certain estimates and assumptions that affect the amounts reported in the financial statements and notes thereto. The management believes that these estimates and assumptions are reasonable and prudent. However, actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in the current and future period.

- i) Estimation of fair value of unlisted securities - The fair value of unlisted securities is determined using the valuation techniques. The Company uses its judgement to select the methods and make assumptions at end of each reporting period. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required



# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2026 (CONTD.)

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

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) 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.
- iv) 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.
- v) 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.
- vi) 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 recognize 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
- Recognizing revenue when/as performance obligation(s) are satisfied

Revenue from contracts with customers for products sold and service provided is recognized when control of promised products or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Revenue is measured based on the consideration to which the Company expects to be entitled in a contract with a customer and excludes Goods and services taxes and is net of rebates and discounts. No element of financing is deemed present as the sales are made with a credit term of 60-90 days, which is consistent with market practice. A receivable is recognized when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

#### i) Sale of product

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

The Company accounts for volume discounts and pricing incentives to customers as a reduction of revenue based on the relatable allocation of the discounts/ incentives to each of the underlying

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2026 (CONTD.)

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

performance obligation that corresponds to the progress by the customer towards earning the discount/ incentive. Also, when the level of discount varies with increases in levels of revenue transactions, the Company recognizes the liability based on its estimate of the customer's future purchases. If it is probable that the criteria for the discount will not be met, or if the amount thereof cannot be estimated reliably, then discount is not recognized until the payment is probable and the amount can be estimated reliably. The Company recognizes changes in the estimated amount of obligations for discounts in the period in which the change occurs.

### ii) Interest income

Generally, interest income from debt instruments is recognized using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying value of a financial asset. While calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options), but does not consider the expected credit losses.

### iii) Dividends

Dividends are recognized in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of dividend can be reliably measured.

### iv) Export benefits

Export incentives are recognized as income as per the terms of the scheme in respect of the exports made and included as part of other operating income.

## 2.4 Property, plant and equipment

### i) Plant and equipment

Cost includes purchase price, taxes and duties, labor cost and directly attributable overheads incurred up to the date the asset is ready for its

intended use. However, cost excludes Goods and service taxes, to the extent credit of the duty or tax is availed of. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

The carrying amount of any component accounted for as separate asset is derecognized when replaced. All other repairs and maintenance are charged to Profit or Loss during the reporting period in which they are incurred.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/ (losses).

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'. Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the company and the cost of the item can be measured reliably.

### ii) Depreciation

Depreciation on Property, plant & equipment (other than land) is charged over the estimated useful life of the asset or part of the asset (after considering double/triple shift) as evaluated by the Management, on straight line method, in accordance with Part A of Schedule II to the Companies Act 2013.

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



# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2026 (CONTD.)

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

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 amortization and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in Statement of Profit and Loss.

### 2.7 Foreign currency transaction

On initial recognition, all foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Monetary assets and liabilities, denominated in a foreign currency, are translated at the exchange rate prevailing on the Balance Sheet date and the resultant exchange gains or losses are recognized in the Statement of Profit and Loss. A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of the entity's net investment in that foreign operation

### 2.8 Inventories

#### i) Raw materials

Raw materials are valued at lower of cost and net realizable 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.

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2026 (CONTD.)

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

### 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, labor 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. Cost of purchased inventory are determined after deducting rebates and discounts. Cost is determined at weighted average cost

Net Realizable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated cost 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, as applicable on or after deducting rebates and discounts, if any. Net realizable 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 up to 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 up to the end of reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation.

Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognized in profit or loss. The obligations are presented as current liabilities in the balance sheet if the entity does not have an when the actual settlement is expected to occur.

### iii) Post-employment obligation:

#### a) Defined contribution plan

Contribution to Provident Fund in India are in the nature of defined contribution plan and are made to a recognized fund. Contribution to Superannuation Fund is in the nature of defined contribution plan and is remitted to insurance Company in accordance with the scheme framed by the Corporation. The Company has no legal or constructive obligations to pay contributions in addition to its fixed contributions, which are recognized as an expense in the period that related employee services are received.

#### i) Provident fund

The 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.



# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2026 (CONTD.)

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

### 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 recognized in the statement of financial position for defined benefit plans is the present value of the defined benefit obligation (DBO) at the reporting date less the fair value of plan assets. The Company estimates the DBO annually with the assistance of independent actuaries. This is based on standard rates of inflation, salary growth rate and mortality. Discount factors are determined close to each year-end by reference to government securities that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related gratuity liability.

Service cost on the Company's defined benefit plan is included in employee benefits expense. Employee contributions, all of which are independent of the number of years of service, are treated as a reduction of service cost. Actuarial gains and losses resulting from measurements of the net defined benefit liability are included in other comprehensive income.

ii) The Company also extends defined benefit plans in the form of compensated absences to employees. Provision for compensated absences is made on the basis of valuation by independent actuary.

### 2.10 Income tax

Tax expense comprises of current and deferred taxes. The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

#### i) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

#### ii) Deferred income tax

Deferred income tax is recognized using the balance sheet approach. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled. Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business 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.

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2026 (CONTD.)

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

Current tax assets and tax liabilities are offset where there is a legally enforceable right to offset.

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

### 2.11 Provisions and contingent liabilities:

#### i) Provisions:

A provision is recorded when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reasonably estimated. The estimated liability for product warranties is recorded when products are sold based on technical evaluation.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as finance cost.

#### ii) Contingent liabilities:

Wherever there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognized because (a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or (b) the amount of the obligation cannot be measured with sufficient reliability. The Company does not recognize 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.



## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2026 (CONTD.)

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

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are re-measured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

### 2.16 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets other than equity instruments are classified into categories: financial assets at fair value through profit or loss and at amortized cost. Financial assets that are equity instruments are classified as fair value through profit or loss or fair value through other comprehensive income. Financial liabilities are classified into financial liabilities at fair value through profit or loss or amortized cost. Financial instruments are recognized on the balance sheet when the Company becomes a party to the contractual provisions of the instrument.

At Initial recognition, the Company measures a financial asset at its fair value plus (in the case of a financial asset not at fair value through profit or loss) transaction cost that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

#### i) Classification and subsequent measurement of financial assets

For the purpose of subsequent measurement financial assets are classified and measured based on the entity's business model for managing the financial asset and the contractual cash flow characteristics of the financial asset at:

- a) Amortized cost
- b) Fair value through other comprehensive income (FVOCI) or
- c) Fair value through profit and loss (FVTPL)"

All financial assets are reviewed for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired.

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

Different criteria to determine impairment are applied for each category of financial assets, which are described below.

### a) Financial asset at amortized cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. These assets are measured subsequently at amortized cost using the effective interest method. The loss allowance at each reporting period is evaluated based on the expected credit losses for next 12 months and credit risk exposure. The Company shall also measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition.

### b) Financial asset at fair value through other comprehensive income (FVOCI)

Assets that are held within a business model where the objective is both collecting contractual cash flows and selling financial assets along with the contractual terms giving rise on specified dates to cash flows that are solely payments of principal and interest in the principal amount outstanding. At initial recognition, the Company, based on its assessment, makes an irrevocable election to present in other comprehensive income the changes in the fair value of an investment in an equity instrument that is not held for trading. These selections are made on an instrument-by-instrument (i.e., share-by-share) basis. If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, impairment gains or losses and foreign exchange gains and losses, are recognized in other comprehensive income. There is no recycling of the amounts from OCI to profit or loss, even on sale of investment. The dividends from such instruments are recognized in statement of profit and loss.

The fair value of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

The loss allowance at each reporting period is evaluated based on the expected credit losses for next 12 months and credit risk exposure. The Company shall also measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. The loss allowance shall be recognized in other comprehensive income and shall not reduce the carrying amount of the financial asset in the balance sheet.

### c) Financial asset at fair value through profit and loss (FVTPL)

Financial assets at FVTPL include financial assets that are designated at FVTPL upon initial recognition and financial assets that are not measured at amortized cost or at fair value through other comprehensive income. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply. Assets in this category are measured at fair value with gains or losses recognized in profit or loss. The fair value of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

The loss allowance at each reporting period is evaluated based on the expected credit losses for next 12 months and credit risk exposure. The Company shall also measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. The loss allowance shall be recognized in profit and loss



# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2026 (CONTD.)

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### 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 recognize 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

Investments classified as fair value through profit or loss (FVTPL) are measured at fair

value at each reporting date. Unrealized gains or losses arising from changes in fair value are recognized in the Statement of Profit and Loss under "Fair value gain/(loss) on investments".

Upon disposal or redemption of an investment, the cumulative unrealized fair value gain or loss previously recognized in respect of such investment is reversed from the unrealized fair value gain/(loss) line item and the entire difference between the sale proceeds and the original cost of the investment is recognized as realized gain or loss on sale of investments in the Statement of Profit and Loss.

Accordingly, realized gains or losses on disposal of investments represent the difference between the net sale proceeds and the original acquisition cost of the respective investments, while unrealized fair value gains or losses represent changes in fair value of investments held as at the reporting date.

### ii) Financial liabilities

#### a) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables

#### b) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

#### Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2026 (CONTD.)

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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 recognized in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss

### De-recognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss.

### Equity instruments

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares and share options and buyback of ordinary shares are

recognized as a deduction from equity, net of any tax effects.

### Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize 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.



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The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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 - Inputs for the assets and liabilities that are not based on observable market data (unobservable inputs)

### d) Impairment of financial assets

In accordance with Ind AS 109 Financial Instruments, the Company applies expected credit loss (ECL) model and specific identification method based on the credit risk for measurement and recognition of impairment loss for financial assets.

The Company tracks credit risk and changes thereon for each customer. For recognition

of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss, except for trade receivables.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider

- All contractual terms of the financial instrument over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity uses the remaining contractual term of the financial instrument.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The Company uses default rate for credit risk to determine impairment loss allowance on portfolio of its trade receivables

### Trade receivables

The Company applies approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognized from initial recognition of receivables. Default is considered to exist when the counter party fails to make the contractual payment within 90 days of when they fall due. A trade receivable is considered to be credit impaired when the management considers the amount to be non recoverable.

### Other financial assets

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2026 (CONTD.)

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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 recognized for the amount by which the asset's (or cash-generating unit's) carrying amount exceeds its recoverable amount, which is the higher of fair value less costs of disposal and value in-use. To determine the value-in-use, management estimates expected future cash flows from each cash generating unit and determines a suitable discount rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Company's latest approved budget, adjusted as necessary to exclude the effects of future reorganizations and asset enhancements. Discount factors are determined individually

for each cashgenerating unit and reflect current market assessments of the time value of money and asset specific risk factors.

All assets are subsequently reassessed for indications that an impairment loss previously recognized may no longer exist. An impairment loss is reversed if the asset's or cashgenerating unit's recoverable amount exceeds its carrying amount.

### 2.17 Government grants

Government grants are not recognized 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 recognized by DSIR, Government of India. As per Ind AS 108 Operating Segments, the Chief Operating Decision Maker (CODM) evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments. Accordingly, the Company has identified only one segment as reportable segment for the year ended 31<sup>st</sup> March, 2026 and 31<sup>st</sup> March, 2025.



# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2026 (CONTD.)

(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
<b>Gross block</b>							
<b>Balance as at 1 April, 2024</b>	<b>713</b>	<b>6,817</b>	<b>11,572</b>	<b>491</b>	<b>695</b>	<b>128</b>	<b>20,416</b>
Additions	-	351	2,025	47	253	22	2,698
Deletions	-	-	(19)	(4)	(41)	(12)	(76)
<b>Balance as at 31<sup>st</sup> March, 2025</b>	<b>713</b>	<b>7,168</b>	<b>13,578</b>	<b>534</b>	<b>907</b>	<b>138</b>	<b>23,038</b>
Additions	-	77	3,353	51	125	-	3,606
Deletions	-	(9)	(59)	-	(8)	(1)	(77)
<b>Balance as at 31<sup>st</sup> March, 2026</b>	<b>713</b>	<b>7,236</b>	<b>16,872</b>	<b>585</b>	<b>1,024</b>	<b>137</b>	<b>26,567</b>
<b>Accumulated depreciation</b>							
Balance as at 1 April, 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 31 <sup>st</sup> March, 2025	-	1,331	6,476	280	533	46	8,666
Charge for the year	-	288	1,205	43	108	14	1,658
Reversals on deletions	-	(2)	(49)	-	(8)	(1)	(60)
<b>Balance as at 31<sup>st</sup> March, 2026</b>	<b>-</b>	<b>1,617</b>	<b>7,632</b>	<b>323</b>	<b>633</b>	<b>59</b>	<b>10,264</b>
<b>Net block</b>							
<b>Balance as at 31<sup>st</sup> March, 2025</b>	<b>713</b>	<b>5,837</b>	<b>7,102</b>	<b>254</b>	<b>374</b>	<b>92</b>	<b>14,372</b>
<b>Balance as at 31<sup>st</sup> March, 2026</b>	<b>713</b>	<b>5,619</b>	<b>9,240</b>	<b>262</b>	<b>391</b>	<b>78</b>	<b>16,303</b>

Notes:

- 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 favor 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 31 <sup>st</sup> March, 2026	As at 31 <sup>st</sup> March, 2025
Less than 1 year	648	234
Project 1	-	-
Project 2	-	-
Other Projects	648	234
1-2 years	24	132
Project 1	-	-
Project 2	-	-
Other Projects	24	132
2-3 years	10	-
More than 3 years	-	-
<b>Total</b>	<b>682</b>	<b>366</b>

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FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2026 (CONTD.)

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

- b) There were no projects temporarily suspended as at 31<sup>st</sup> March, 2026 and 31<sup>st</sup> March, 2025
- c) Completion schedule for the Projects which are over due :

Particulars	As at 31 <sup>st</sup> March, 2026	As at 31 <sup>st</sup> March, 2025
To be completed in		
Less than 1 year		
Project 1	-	-
1-2 years		
Project 2	-	85
2-3 years	-	-
More than 3 years	-	-
<b>Total</b>	<b>-</b>	<b>85</b>

- d) There are no projects for the year ended 31<sup>st</sup> March, 2026 and 31<sup>st</sup> March, 2025 which have exceeded its initial planned cost.

### 6A INTANGIBLE ASSET

Particulars	Softwares	SAP	Licenses	Technical knowhow	Total
<b>Gross block</b>					
<b>Balance as at 1 April, 2024</b>	<b>169</b>	<b>178</b>	<b>137</b>	<b>34</b>	<b>518</b>
Additions	19	-	-	477	496
Deletions	(8)	-	(26)	(33)	(67)
<b>Balance as at 31<sup>st</sup> March, 2025</b>	<b>180</b>	<b>178</b>	<b>111</b>	<b>478</b>	<b>947</b>
Additions	33	-	-	-	33
Deletions	-	-	-	-	-
<b>Balance as at 31<sup>st</sup> March, 2026</b>	<b>213</b>	<b>178</b>	<b>111</b>	<b>478</b>	<b>980</b>
<b>Accumulated amortization</b>					
<b>Balance as at 1 April, 2024</b>	<b>111</b>	<b>148</b>	<b>112</b>	<b>34</b>	<b>405</b>
Charge for the year	22	18	14	477	531
Deletions	(8)	-	(26)	(33)	(67)
<b>Balance as at 31<sup>st</sup> March, 2025</b>	<b>125</b>	<b>166</b>	<b>100</b>	<b>478</b>	<b>869</b>
Charge for the year	26	12	4	-	42
Deletions	-	-	-	-	-
<b>Balance as at 31<sup>st</sup> March, 2026</b>	<b>151</b>	<b>178</b>	<b>104</b>	<b>478</b>	<b>911</b>
<b>Net block</b>					
<b>Balance as at 31<sup>st</sup> March, 2025</b>	<b>55</b>	<b>12</b>	<b>11</b>	<b>-</b>	<b>78</b>
<b>Balance as at 31<sup>st</sup> March, 2026</b>	<b>62</b>	<b>-</b>	<b>7</b>	<b>-</b>	<b>69</b>



# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2026 (CONTD.)

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

## 6B INTANGIBLE ASSETS UNDER DEVELOPMENT AGEING SCHEDULE

As at 31<sup>st</sup> March, 2026

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	-	-	-	-	-
Project temporarily suspended	-	-	-	-	-

As at 31<sup>st</sup> 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	-	-	-	-	-

## 7 RIGHT TO USE ASSETS

Particulars	Leasehold land	Leasehold buildings	Total
<b>Gross block</b>			
<b>Balance as at 1 April, 2024</b>	<b>1,487</b>	<b>67</b>	<b>1,554</b>
Additions	-	-	-
Deletions	-	-	-
<b>Balance as at 31<sup>st</sup> March, 2025</b>	<b>1,487</b>	<b>67</b>	<b>1,554</b>
Additions	-	72	72
Deletions	-	-	-
<b>Balance as at 31<sup>st</sup> March, 2026</b>	<b>1,487</b>	<b>139</b>	<b>1,626</b>
<b>Accumulated amortization</b>			
<b>Balance as at 1 April, 2024</b>	<b>400</b>	<b>66</b>	<b>466</b>
Charge for the year	91	-	91
<b>Balance as at 31<sup>st</sup> March, 2025</b>	<b>491</b>	<b>66</b>	<b>557</b>
Charge for the year	69	23	92
<b>Balance as at 31<sup>st</sup> March, 2026</b>	<b>560</b>	<b>89</b>	<b>649</b>
<b>Net block</b>			
<b>Balance as at 31<sup>st</sup> March, 2025</b>	<b>996</b>	<b>1</b>	<b>997</b>
<b>Balance as at 31<sup>st</sup> March, 2026</b>	<b>927</b>	<b>50</b>	<b>977</b>

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

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

### 8 INVESTMENTS

#### A) Non-current investments

	Face value per unit	No. of Shares/Units		Amount	
		As at 31 <sup>st</sup> March, 2026	As at 31 <sup>st</sup> March, 2025	As at 31 <sup>st</sup> March, 2026	As at 31 <sup>st</sup> March, 2025
<b>a) Investment carried at amortized cost</b>					
<b>i) Debentures / bonds</b>					
360 One AAM ZERO Coupon bond	1,00,000	500	-	510	-
HDB- 8.34% Non Convertible Debenture	1,00,000	500	-	534	-
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	250	272	267
Axis Finance Limited- 8.08% Non Convertible Debenture	10,00,000	35	35	366	364
<b>b) Investment carried at fair value through other comprehensive income (FVTOCI)</b>					
<b>i) Equity instruments (fully paid-up) (Unquoted)</b>					
Lucas TVS Limited	100	97,351	97,351	26,412	22,468
IRIS Ecopower Venture Private Limited (Refer note no: 8.2)	10	4,29,400	4,29,400	43	43
<b>c) Investment carried at fair value through profit and loss (FVTPL)</b>					
<b>i) Debentures / bonds</b>					
State Bank Of India Series - 7.74% Perpetual Bond	10,00,000	-	25	-	249
L&T Bond Market Linked Debentures	10,00,000	-	50	-	595
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	10	-	100
<b>ii) Unlisted equity shares</b>					
NSE Equity	1	65,000	65,000	1,251	1,095
Finnable Technologies Pvt Ltd.	10	5,279	-	200	-
<b>iii) Listed equity shares</b>					
HDFC Bank Limited	1	28,196	14,098	206	258
ICICI Bank Limited	2	13,150	13,150	159	177
Reliance Industries Limited	10	7,730	7,730	104	99
JIO Financial Service Limited	10	3,865	3,865	9	9
Tata Consultancy Service Limited	1	2,760	2,760	65	100
Blue Dart Express Limited	10	-	787	-	48



## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2026 (CONTD.)

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

	Face value per unit	No. of Shares/Units		Amount	
		As at 31 <sup>st</sup> March, 2026	As at 31 <sup>st</sup> March, 2025	As at 31 <sup>st</sup> March, 2026	As at 31 <sup>st</sup> March, 2025
Ultratech Cement Limited	10	1,023	1,023	110	118
Bharti Airtel Limited	5	7,726	7,726	138	100
Nestle India Limited	1	3,192	1,596	38	36
Larsen & Toubro Limited	2	2,880	2,880	101	101
ITC Limited	1	9,200	9,200	26	38
ITC Hotels Limited	1	920	920	1	2
<b>iv) Alternative investment funds</b>					
TVS Shriram Growth Fund Scheme 3	1,000	89,123	87,068	1,009	1,154
TVS Shriram Growth Fund Scheme 4	1,000	10,000	6,250	67	63
<b>v) Mutual funds</b>					
HDFC Index Fund-Nifty 50 Plan -Direct Growth	10	4,37,131	4,37,131	949	990
HDFC HOF Series 1 1140D November 2017 - 1- Reg-G	10	10,00,000	10,00,000	194	207
Nippon India Nifty Midcap 150 Index Fund - Direct Plan Growth	10	-	13,81,912	-	305
ICICI Prudential Nifty Next 50 Index Fund - Direct Plan Growth	10	5,90,577	5,90,577	330	344
ICICI Prudential India opportunities Fund - Direct Plan Growth	10	3,24,846	3,24,846	119	116
360 One Focused equity fund Direct plan Growth	10	2,14,943	2,14,943	101	106
Tata Large & Mid Cap Fund Direct plan Growth	10	-	29,601	-	165
Tata Balanced Advantage Fund - Direct Plan Growth	10	-	21,14,861	-	457
ICICI Prudential Balanced Advantage Fund - Direct Plan Growth	10	6,05,377	6,05,377	487	467
HDFC Focused 30 fund Direct plan Growth	10	75,309	75,309	179	182
Nippon Multi Asset Allocation fund - Growth fund	10	24,66,905	24,66,905	561	493
HDFC GOLD FUND- Exchange Traded Fund	1	54,11,703	22,89,977	2,350	616
ICICI Prudential Balanced Advantage Fund - Regular Plan Growth	10	2,71,541	-	195	-
Kotak Balance Advantage Fund Growth Regular Fund	100	9,79,479	-	190	-
SBI BALANCED ADVANTAGE FUND - REGULAR GROWTH	10	15,47,335	-	232	-
Mirrae Asset Flexi cap Direct Plan Growth	10	14,57,228	-	218	-
				<b>37,726</b>	<b>32,814</b>

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2026 (CONTD.)

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

### B) Current investments

	Face value per unit	No. of Shares/Units		Amount	
		As at 31 <sup>st</sup> March, 2026	As at 31 <sup>st</sup> March, 2025	As at 31 <sup>st</sup> March, 2026	As at 31 <sup>st</sup> March, 2025
<b>a) Investment carried at amortized cost</b>					
<b>i) Debentures / bonds</b>					
360 One Prime- 9.03% Non Convertible Debenture	1,00,000	-	500	-	501
HDB- 8.34% Non Convertible Debenture	1,00,000	500	500	-	533
Tata Fin- 8.30% Capital Non Convertible Debenture	1,00,000	-	500	-	504
Aditya Birla 8.3 % Fin Non Convertible Debenture	1,00,000	500	-	506	-
<b>b) Investment carried at fair value through profit and loss:</b>					
<b>i) Debentures/Bonds</b>					
State Bank of India SR I 7.72 BD Perpetual Fvrs1Cr	10000000	2	-	200	-
<b>Current Investments - Quoted</b>					
<b>ii) Investment In Mutual Funds</b>					
Axis Short Term-G	10	77,81,178	94,56,821	2,494	2,350
Aditya Birla SL Corporate Bond-G	10	14,00,088	14,00,088	1,621	1,549
Aditya Birla Sun life Money manager fund Direct Growth	100	-	82,343	-	303
Kotak Bond Short-term Reg-G	10	46,24,333	46,24,333	2,488	2,359
Nippon India Money Market Fund Direct plan - Growth	1,000	3,750	7,299	165	301
Bhandhan CRISIL Glit 2027 Index Fund Regular Plan- Growth	10	1,28,22,384	1,28,22,384	1,719	1,612
Bhandhan SSI ST Reg-G (formerly Known as IDFC SSI ST Reg-G)	10	21,08,517	21,08,517	1,246	1,178
Nippon India Short-term-Growth	10	18,35,238	18,35,238	1,003	947
Nippon India liquid fund Direct plan - Growth	1,000	16,882	2,684	1,139	170
Aditya Birla SL Overnight fund - Growth - Direct	1,000	20,610	18,121	300	250
Nippon India Overnight Fund - Direct Plan	1,000	2,07,506	1,82,686	300	251
DSP Overnight Fund - Direct Plan	1,000	10,400	18,298	150	250
Sundaram Liquid Fund - Direct Plan	1,000	9,058	31,547	220	723
AXIS Liquid Fund Direct-G	1,000	31,892	-	977	-
Aditya Birla SL Liquid fund Direct Plan - Growth	100	2,01,889	1,55,812	899	652
				<b>15,427</b>	<b>14,433</b>



## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2026 (CONTD.)

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

- 8.1** The subsidiary PT Automotive Systems Indonesia Ltd., was successfully wound up during the twelve months ended 31<sup>st</sup> March, 2026 on completion of all regulatory process in Indonesia. The consolidated financials for the year include a loss of ₹ 9 Lakhs in the subsidiary for the period 1<sup>st</sup> April, 2025 to 24<sup>th</sup> June, 2025, being date of liquidation. An amount of ₹ 425 Lakhs has been received upon this liquidation as against the net carrying value of ₹ 405 Lakhs. The gain on such liquidation of ₹ 20 Lakhs has been accounted under Other Income in the standalone financial results of the Company.
- 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 31<sup>st</sup> March, 2026. Refer note 8(A)(b)(i).

<b>8.3 Particular</b>	<b>As at 31<sup>st</sup> March, 2026</b>	<b>As at 31<sup>st</sup> March, 2025</b>
Aggregate amount of unquoted investments carried at amortized cost	1,682	1,134
Aggregate amount of unquoted investments carried at FVTOCI	26,455	22,511
Aggregate value of quoted/Un-Quoted investments - Carried at FVTPL	9,589	9,169
<b>Total non-current investment</b>	<b>37,726</b>	<b>32,814</b>
Aggregate amount of unquoted investments carried at amortized cost	506	1,538
Aggregate value of quoted investments - Carried at FVTPL	14,921	12,895
<b>Total current investment</b>	<b>15,427</b>	<b>14,433</b>

### 9 NON - CURRENT LOANS

<b>Particular</b>	<b>As at 31<sup>st</sup> March, 2026</b>	<b>As at 31<sup>st</sup> March, 2025</b>
<i>(Unsecured and considered good)</i>		
Loans to employees	148	117
	<b>148</b>	<b>117</b>

### 10 OTHER NON-CURRENT FINANCIAL ASSETS

<b>Particular</b>	<b>As at 31<sup>st</sup> March, 2026</b>	<b>As at 31<sup>st</sup> March, 2025</b>
<i>(Unsecured and considered good)</i>		
Bank deposits with more than 12 months maturity	1	1
Security deposits	134	115
Deposits with Non Banking Financial Company (NBFC)	800	1,300
	<b>935</b>	<b>1,416</b>

### 11 OTHER NON-CURRENT ASSETS

<b>Particular</b>	<b>As at 31<sup>st</sup> March, 2026</b>	<b>As at 31<sup>st</sup> March, 2025</b>
<i>(Unsecured and considered good)</i>		
Capital Advance	312	52
Advance Tax (net of provision)	781	-
	<b>1,093</b>	<b>52</b>

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2026 (CONTD.)

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

### 12 INVENTORIES

Particular	As at	As at
	31 <sup>st</sup> March, 2026	31 <sup>st</sup> March, 2025
<i>(Lower of cost and net realizable value)</i>		
Raw material	6,872	4,881
Work in progress	292	316
Finished goods	863	950
Finished goods in transit	474	557
Stores and spares	8	28
Stock in trade	582	489
	<b>9,091</b>	<b>7,221</b>

- a) Cost of Inventories recognized as expense in statement of profit and loss 75,092 58,367
- b) The mode of valuation of inventories has been stated in Note 2.8
- c) The above carrying value are net of inventory provision of ₹ 854 Lakhs as at 31<sup>st</sup> March, 2026 (as at 31<sup>st</sup> March, 2025: ₹ 805 Lakhs)

### 13 TRADE RECEIVABLES

Particular	As at	As at
	31 <sup>st</sup> March, 2026	31 <sup>st</sup> March, 2025
Considered good	20,646	16,965
	<b>20,646</b>	<b>16,965</b>

- 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 48.

#### c) Ageing of trade receivables

##### i) Undisputed trade receivables considered good 31<sup>st</sup> March, 2026

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	16,033	4,290	263	30	22	8	20,646
Undisputed Trade Receivable - Which Have Significant Increase In Credit Risk	-	-	-	-	-	-	-
Undisputed Trade Receivable - Credit Impaired	-	-	-	-	-	-	-
Disputed Trade Receivables Considered Good	-	-	-	-	-	-	-



# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2026 (CONTD.)

(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	-	-	-	-	-	-	-
<b>GRAND TOTAL</b>	<b>16,033</b>	<b>4,290</b>	<b>263</b>	<b>30</b>	<b>22</b>	<b>8</b>	<b>20,646</b>

## ii) Undisputed trade receivables considered good 31<sup>st</sup> March, 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	-	-	-	-	-	-	-
<b>GRAND TOTAL</b>	<b>15,080</b>	<b>1,699</b>	<b>132</b>	<b>46</b>	<b>1</b>	<b>7</b>	<b>16,965</b>

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 31<sup>st</sup> March, 2026 and 31<sup>st</sup> March, 2025.

## 14 CASH AND BANK BALANCES

Particular	As at 31 <sup>st</sup> March, 2026	As at 31 <sup>st</sup> March, 2025
<b>Cash and cash equivalents:</b>		
Balance with banks in current accounts	550	2,001
	<b>550</b>	<b>2,001</b>
<b>Bank balances other than mentioned in cash and cash equivalents</b>		
- Deposit accounts (with original maturity greater than 3 months upto 12 months)	-	300
- Unpaid dividend (Also, refer note (i) below)	72	64
	<b>72</b>	<b>364</b>
	<b>622</b>	<b>2,365</b>

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.

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2026 (CONTD.)

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

### 15 OTHER CURRENT FINANCIAL ASSET:

Particular	As at	
	31 <sup>st</sup> March, 2026	31 <sup>st</sup> March, 2025
Interest accrued on deposits	131	69
Duty draw back receivable	17	13
Subsidy receivable (Refer note 28)	136	-
Deposit accounts (with original maturity greater 12 months)	800	200
Advance given for investment	-	560
	<b>1,084</b>	<b>842</b>

### 16 INCOME TAX ASSETS

Particular	As at	
	31 <sup>st</sup> March, 2026	31 <sup>st</sup> March, 2025
Income tax assets (net)	-	781
	-	<b>781</b>

### 17 OTHER CURRENT ASSETS

Particular	As at	
	31 <sup>st</sup> March, 2026	31 <sup>st</sup> March, 2025
Supplier advances	539	462
Other advances	13	10
Prepaid expenses	765	530
Other receivables	92	48
Balances with Statutory/Government authorities	519	-
	<b>1,928</b>	<b>1,050</b>

### 18 EQUITY SHARE CAPITAL

	As at 31 <sup>st</sup> March, 2026		As at 31 <sup>st</sup> March, 2025	
	Numbers	Amount	Numbers	Amount
<b>Authorized</b>				
Equity shares of ₹ 5 each	3,00,00,000	1,500	3,00,00,000	1,500
<b>Issued, subscribed and fully paid up share capital</b>				
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.



# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2026 (CONTD.)

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

## c) Shareholders holding more than 5% of the aggregate shares in the Company

	As at 31 <sup>st</sup> March, 2026		As at 31 <sup>st</sup> March, 2025	
	Numbers	% shareholding	Numbers	% shareholding
<b>Equity shares of ₹ 5 each</b>				
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 31 <sup>st</sup> March, 2026		As at 31 <sup>st</sup> March, 2025		
	Numbers	% shareholding	Numbers	% shareholding	% Change during the year
<b>Equity shares of ₹ 5 each</b>					
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	142	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%
	<b>1,59,18,722</b>	<b>70.37%</b>	<b>1,59,19,122</b>	<b>70.37%</b>	<b>0.00%</b>

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 31<sup>st</sup> March, 2026.

## f) Details of interim dividend declared:

Particular	For the year 31 <sup>st</sup> March, 2026	For the year 31 <sup>st</sup> March, 2025
Date of meeting of board of directors	13 <sup>th</sup> February, 2026	13 <sup>th</sup> February, 2025
Dividend per share	15.50	12.50
Cash outflow (Gross of TDS)	3,506	2,828

## 19 OTHER EQUITY

Particular	As at 31 <sup>st</sup> March, 2026	As at 31 <sup>st</sup> March, 2025
<b>Capital redemption reserve</b>	<b>40</b>	<b>40</b>
<b>General reserve</b>	<b>10,948</b>	<b>10,948</b>
<b>Retained earnings</b>		
Opening Balance	43,603	38,203
Dividend paid during the year (Refer note 18 (f))	(3,506)	(2,828)
Profit for the year	11,117	8,228
Adjustments on account of liquidation of subsidiary	(37)	-
<b>Closing balance</b>	<b>51,177</b>	<b>43,603</b>
<b>Other Comprehensive income</b>		
Opening Balance	15,413	12,026
Add : Other comprehensive income for the year, net of tax	3,424	3,387
<b>Closing balance</b>	<b>18,837</b>	<b>15,413</b>

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2026 (CONTD.)

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

Particular	As at	
	31 <sup>st</sup> March, 2026	31 <sup>st</sup> March, 2025
<b>Foreign currency translation reserves</b>		
Opening Balance	(17)	(23)
Add/(Less) : movement during the year	17	6
Closing balance	-	(17)
<b>Total Other Equity</b>	<b>81,002</b>	<b>69,987</b>

### 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 recognize changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVTOCI equity investments reserve within equity. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognized.

## 20 LEASE LIABILITIES

	As at 31 <sup>st</sup> March, 2026		As at 31 <sup>st</sup> March, 2025	
	Non-current	Current	Non-current	Current
Lease liabilities	86	104	127	84
	<b>86</b>	<b>104</b>	<b>127</b>	<b>84</b>

### a) Movement in lease liability

Particular	As at	
	31 <sup>st</sup> March, 2026	31 <sup>st</sup> March, 2025
Balance at beginning of the year	212	294
Additions	72	-
Deletion	-	-
Finance cost (Also, refer note 35)	19	26
Payment of Lease liabilities	(113)	(108)
<b>Balance as at end of the year</b>	<b>190</b>	<b>212</b>

### b) Summary of contractual maturities of lease liabilities on undiscounted basis

Particular	As at	
	31 <sup>st</sup> March, 2026	31 <sup>st</sup> March, 2025
i) Less than one Year	119	109
ii) One to five years	91	130
iii) More than five years	-	-
	<b>210</b>	<b>239</b>



# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2026 (CONTD.)

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

## c) Amount recognized in statement of profit and loss

Particular	As at 31 <sup>st</sup> March, 2026	As at 31 <sup>st</sup> March, 2025
Interest on lease liabilities	19	26
Amortization of ROU	92	91
	<b>111</b>	<b>117</b>

## 21 NON-CURRENT PROVISION

Particular	As at 31 <sup>st</sup> March, 2026	As at 31 <sup>st</sup> March, 2025
Provision for employee benefits:		
- Compensated absences	382	386
	<b>382</b>	<b>386</b>

## 22 DEFERRED TAX LIABILITY

Particular	As at 31 <sup>st</sup> March, 2026	As at 31 <sup>st</sup> March, 2025
<b>Deferred tax liability arising on account of :</b>		
- Timing difference between written down value as per financials and as per Income tax on property plant and equipment	922	914
- Fair valuation of investments	4,173	3,327
<b>Deferred tax asset arising on account of :</b>		
- Provision for employee benefits	(265)	(255)
- Others	(106)	(74)
	<b>4,723</b>	<b>3,912</b>

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
<b>Balance as at 31<sup>st</sup> March, 2024</b>	<b>929</b>	<b>3,189</b>	<b>(290)</b>	<b>(59)</b>	<b>3,769</b>
Recognized in statement of profit and loss	(15)	76	30	(15)	76
Recognized in other comprehensive income	-	62	5	-	67
<b>Balance as at 31<sup>st</sup> March, 2025</b>	<b>914</b>	<b>3,327</b>	<b>(255)</b>	<b>(74)</b>	<b>3,912</b>
Recognized in statement of profit and loss *	8	282	9	(32)	267
Recognized in other comprehensive income **	-	564	(19)	-	545
<b>Balance as at 31<sup>st</sup> March, 2026</b>	<b>922</b>	<b>4,173</b>	<b>(265)</b>	<b>(106)</b>	<b>4,723</b>

\* includes ₹ 76 Lakhs of tax expense for the year ended 31<sup>st</sup> March, 2025 on account of change in applicable tax rate.

\*\* includes ₹ 429 Lakhs of tax income for the year ended 31<sup>st</sup> March, 2025 on account of change in applicable tax rate.

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2026 (CONTD.)

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

### 23 TRADE PAYABLES

Particular	As at	As at
	31 <sup>st</sup> March, 2026	31 <sup>st</sup> March, 2025
Total outstanding dues to micro enterprises and small enterprises (Also, refer note (a) and (b))	4,863	5,211
Total outstanding dues to other than micro enterprises and small enterprises (Also, refer note (b))	9,810	8,806
	<b>14,673</b>	<b>14,017</b>

#### a) Disclosures Required Under Section 22 Of The Micro, Small And Medium Enterprises Development Act, 2006:

Particular	As at	As at
	31 <sup>st</sup> March, 2026	31 <sup>st</sup> March, 2025
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	4,863	5,211
(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 31<sup>st</sup> March, 2026 and 31<sup>st</sup> March, 2025 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

##### 31<sup>st</sup> March, 2026

Particulars	Outstanding for following period from due date from payment						Total
	Unbilled	Not Due	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Undisputed Micro and Small enterprises	-	4,863	-	-	-	-	4,863
Disputed - Micro and Small enterprises	-	-	-	-	-	-	-
Undisputed - Other than Micro and Small enterprises	3,757	2,756	3,221	20	12	44	9,809
Disputed - Other than Micro and Small enterprises	-	-	-	-	-	-	-



# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2026 (CONTD.)

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

31<sup>st</sup> March, 2025

Particulars	Outstanding for following period from due date from payment						Total
	Unbilled	Not Due	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
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	-	-	-	-	-	-	-

## 24 OTHER FINANCIAL LIABILITIES:

Particular	As at 31 <sup>st</sup> March, 2026	As at 31 <sup>st</sup> March, 2025
Unpaid dividend	72	64
Earnest money deposit	17	27
Commission to directors	300	220
Employee payable	1,254	1,108
Liability towards discounts to customers	1,537	1,424
	<b>3,180</b>	<b>2,843</b>

## 25 CURRENT PROVISION

Particular	As at 31 <sup>st</sup> March, 2026	As at 31 <sup>st</sup> March, 2025
<b>Provisions for employee benefits</b>		
- Compensated absences	61	59
Gratuity (Also, refer note 41)	206	39
Provision for warranty (Also, refer note (a) below)	141	78
	<b>408</b>	<b>176</b>
<b>Product Warranty:</b>		
Opening Balance	78	77
Additions	120	96
Utilizations	(57)	(95)
<b>Closing Balance</b>	<b>141</b>	<b>78</b>

- 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.

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2026 (CONTD.)

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

### 26 OTHER CURRENT LIABILITIES

Particular	As at	As at
	31 <sup>st</sup> March, 2026	31 <sup>st</sup> March, 2025
Statutory dues	433	775
Tooling advance	430	446
Others	-	4
	<b>863</b>	<b>1,225</b>

### 27 CURRENT TAX LIABILITIES (NET)

Particular	As at	As at
	31 <sup>st</sup> March, 2026	31 <sup>st</sup> March, 2025
Income tax liabilities (net)	179	-
	<b>179</b>	<b>-</b>

### 28 REVENUE FROM OPERATIONS

Particular	Year ended	Year ended
	31 <sup>st</sup> March, 2026	31 <sup>st</sup> March, 2025
<b>Sale of Manufactured Products:</b>		
Export sales	8,727	3,363
Domestic sales	91,927	75,829
	<b>1,00,654</b>	<b>79,192</b>
<b>Sale of Traded Products:</b>		
Domestic sales	5,786	4,863
<b>Gross sales:</b>	1,06,440	84,055
Discount to customers (Turnover discount)	(1,148)	(861)
<b>Net Sales:</b>	<b>1,05,292</b>	<b>83,194</b>
Other operating revenues:		
- Export benefits	208	84
- Subsidy Income (Refer note below)	202	-
- Scrap sales and others	1,146	1,205
	<b>1,06,848</b>	<b>84,483</b>

Note: The Company received an eligibility letter from SIPCOT confirming its entitlement to a subsidy under the Structured Package of Assistance extended by the Government of Tamil Nadu. During the year, the Company received subsidy of ₹ 66 Lakhs relating to FY 2023-24 and has recognized the same in the financial statements. Further, the Company has recognized subsidy receivable amounting to ₹ 136 Lakhs in respect of 2024-25 and 2025-26, as the conditions attached to the grant have been complied with and there is reasonable assurance that the subsidy will be received.



## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2026 (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 recognized based on goods transferred at a point of time by geography and offerings of the Company. As per the management, the below disaggregation best depicts the nature, amount, timing and uncertainty of how revenues and cash flows are affected by industry, market and other economic factors.

Particular	Year ended 31 <sup>st</sup> March, 2026	Year ended 31 <sup>st</sup> March, 2025
<b>Revenue by geography</b>		
India	98,121	81,158
Rest of the world	8,727	3,325
<b>Total revenue from operations</b>	<b>1,06,848</b>	<b>84,483</b>

### b) Contract balances

Particular	As at 31 <sup>st</sup> March, 2026	As at 31 <sup>st</sup> March, 2025
Receivables, which are included in Trade receivables (gross) (Contract Asset)	20,646	16,965
Tooling advances, which are included in Other current liabilities (Contract Liabilities)	430	446

### 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 31<sup>st</sup> March, 2026 and 31<sup>st</sup> March, 2025.

### 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:

Particular	Year ended 31 <sup>st</sup> March, 2026	Year ended 31 <sup>st</sup> March, 2025
<b>Revenue by geography</b>		
India	98,121	81,158
Rest of the world	8,727	3,325
<b>Total revenue from operations</b>	<b>1,06,848</b>	<b>84,483</b>

Particular	Year ended 31 <sup>st</sup> March, 2026	Year ended 31 <sup>st</sup> March, 2025
<b>Non-current assets by geography</b>		
India	19,124	15,884
Rest of the world	-	-
<b>Total</b>	<b>19,124</b>	<b>15,884</b>

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2026 (CONTD.)

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

### 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.

Particular	For the Year ended 31 <sup>st</sup> March, 2026	For the Year ended 31 <sup>st</sup> March, 2025
No of customers	2	2
Amount involved	75,491	62,365

### 29 OTHER INCOME

Particular	For the Year ended 31 <sup>st</sup> March, 2026	For the Year ended 31 <sup>st</sup> March, 2025
Interest Income :		
- From bank deposits	141	80
- From bonds	265	220
Dividend Income	470	435
Profit on sale of fixed asset	91	-
Net gain on foreign currency transactions	368	120
Net gain on sale of investments carried at FVTPL	584	1,276
Gain on fair valuation of investment carried at fair value through profit and loss	1,120	860
Provision no longer required written back	-	7
Other non-operating income	24	13
	<b>3,063</b>	<b>3,011</b>

### 30 COST OF RAW MATERIALS CONSUMED

Particular	For the Year ended 31 <sup>st</sup> March, 2026	For the Year ended 31 <sup>st</sup> March, 2025
Opening stock	4,881	5,025
<b>Add:</b> Purchases	72,451	54,725
	<b>77,332</b>	<b>59,750</b>
<b>Less:</b> Closing stock	(6,872)	(4,881)
	<b>70,460</b>	<b>54,869</b>

### 31 PURCHASE OF STOCK IN TRADE

Particular	For the Year ended 31 <sup>st</sup> March, 2026	For the Year ended 31 <sup>st</sup> March, 2025
Purchase of stock in trade	3,343	2,928
	<b>3,343</b>	<b>2,928</b>



# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2026 (CONTD.)

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

## 32 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

Particular	For the Year ended 31 <sup>st</sup> March, 2026	For the Year ended 31 <sup>st</sup> March, 2025
<b>Closing stock</b>		
Finished goods	1,337	1,507
Work in progress	292	316
Stock in trade	582	489
	<b>2,211</b>	<b>2,312</b>
<b>Opening stock</b>		
Finished goods	1,507	1,161
Work in progress	316	200
Stock in trade	489	523
	<b>2,312</b>	<b>1,884</b>
<b>Changes in inventories</b>	<b>101</b>	<b>(428)</b>

## 33 OTHER OPERATING EXPENSES

Particular	For the Year ended 31 <sup>st</sup> March, 2026	For the Year ended 31 <sup>st</sup> March, 2025
Stores and spares consumed	1,188	998
Power and fuel	1,180	993
Repairs to:		
- Building	469	404
- Machinery	826	592
- Others	118	86
Research and development expenses (Refer note 43)	465	473
	<b>4,246</b>	<b>3,546</b>

## 34 EMPLOYEE BENEFITS EXPENSES

Particular	For the Year ended 31 <sup>st</sup> March, 2026	For the Year ended 31 <sup>st</sup> March, 2025
Salaries, wages and bonus	9,775	8,248
Gratuity expenses (Also, refer note 41)	333	85
Contribution to provident and other funds (Refer Note 41)	350	311
Staff welfare expenses	1,429	1,209
	<b>11,887</b>	<b>9,853</b>

## 35 FINANCE COSTS

Particular	For the Year ended 31 <sup>st</sup> March, 2026	For the Year ended 31 <sup>st</sup> March, 2025
Bank charges	12	13
Interest on shortfall of advance tax	21	-
Interest on lease liabilities (Refer note 20)	19	26
	<b>52</b>	<b>39</b>

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2026 (CONTD.)

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

### 36 DEPRECIATION AND AMORTIZATION EXPENSES

Particular	For the Year ended 31 <sup>st</sup> March, 2026	For the Year ended 31 <sup>st</sup> March, 2025
Depreciation of Property, plant and equipment (Also, refer note 4)	1,658	1,434
Amortization of intangible assets (Also, refer note 6)	42	531
Amortization of right to use asset (Also, refer note 7)	92	91
	<b>1,792</b>	<b>2,056</b>

### 37 OTHER EXPENSES

Particular	Year ended 31 <sup>st</sup> March, 2026	Year ended 31 <sup>st</sup> March, 2025
Rent (Also, refer note (a) below)	38	5
Repairs and maintenance - others	22	19
Insurance	39	46
Royalty	4	23
Rates and taxes	54	73
Communication expenses	35	44
Postage, printing and stationery	49	44
Director sitting fees	21	23
Travelling and conveyance	469	392
Property, plant and equipment written off	11	7
Legal and professional charges	1,055	892
Management fees (Also, refer note 42)	832	726
Corporate social responsibility (Also, refer note 46)	129	125
Commission to directors	300	143
Contract expenses	381	311
Security charges	238	202
Warranty expenses	120	96
Freight outwards	496	455
Advertisement and sales promotion expenses	267	386
<b>Audit Fees:</b>		
<b>a) Statutory Auditors:</b>		
- Statutory Audit	21	22
- Tax Audit	4	4
- Other Attestation Matters	5	3
- Reimbursement of Expenses	2	1
b) Cost Audit	4	4
c) Secretarial Audit	3	2
d) Reimbursement - Other audits	-	2
Miscellaneous expenses	360	288
	<b>4,959</b>	<b>4,338</b>

- a) The Company has lease contracts for office premises and these lease contracts are cancellable/renewable for further period on mutually agreeable terms during the tenure of lease contracts. These lease contracts are classified as short term lease contracts under Ind AS 116



# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2026 (CONTD.)

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

## 38 EXCEPTIONAL ITEMS

During the year, the Company received a sanction order dated 28<sup>th</sup> January, 2026 from Haryana Shahari Vikas Pradhikaran ("HSVP"), Gurugram towards enhanced compensation in respect of land measuring approximately 1.8 acres situated at Village Dhoraka, Tehsil and District Gurugram, Haryana, which had been acquired by the State of Haryana in the year 2010 for development of Sector Road 81 to 95 under the provisions of the Land Acquisition Act, 1894.

The initial compensation for the said land acquisition was determined by the Land Acquisition Collector vide Award No. 47 dated 12<sup>th</sup> December, 2011. The Company had received the original compensation under protest and subsequently filed a reference petition before the Hon'ble Additional District Judge, Gurugram seeking enhancement of compensation. The reference petition was decided by the Hon'ble Additional District Judge, Gurugram on 17<sup>th</sup> November, 2023.

Pursuant to the sanction order received during the year, the Company has recognized enhanced compensation amounting to ₹ 445 Lakhs along with interest thereon amounting to ₹ 1,076 Lakhs and the amount is realized in February 2026. Accordingly, an aggregate amount of ₹ 1,521 Lakhs has been recognized as an exceptional item in the Statement of Profit and Loss for the year ended 31<sup>st</sup> March, 2026.

## 39 ITEMS WILL NOT BE RECLASSIFIED TO PROFIT AND LOSS

Particular	Year ended 31 <sup>st</sup> March, 2026	Year ended 31 <sup>st</sup> March, 2025
Increase in fair value of investments	3,928	3,413
Remeasurement of the defined benefit plan	41	41
Income tax relating to items that will not be reclassified to profit or loss	(545)	(67)
	<b>3,424</b>	<b>3,387</b>

## 40 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:

Particular	Year ended 31 <sup>st</sup> March, 2026	Year ended 31 <sup>st</sup> March, 2025
<b>Income tax expenses</b>		
Accounting profit before taxes	14,592	10,293
Tax rates	25.17%	25.17%
Tax on profit at enacted tax rate	<b>3,673</b>	<b>2,591</b>
Dividend income from mutual funds and equity instruments exempted under the income tax act (u/s.80M deduction)	(118)	(109)
Effect of adjustment of long term capital gain against brought forward long term capital loss	(50)	(236)
Non taxable income	(282)	(216)
Others	(15)	(41)
Actual tax expenses as per P&L a/c	<b>3,208</b>	<b>1,989</b>
<b>Deferred tax expenses</b>		
On account of timing difference between written down value as per financials and as per Income tax on property plant and equipment	8	(15)
On account of fair value change in Investment	282	76
On account of provision for employee benefits	9	30
Others	(32)	(15)
Deferred tax expenses	<b>267</b>	<b>76</b>
<b>Total tax expenses recognized in statement of profit and loss</b>	<b>3,475</b>	<b>2,065</b>

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2026 (CONTD.)

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

### 41 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 thereon 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.

Particular	Year ended 31 <sup>st</sup> March, 2026	Year ended 31 <sup>st</sup> March, 2025
Employer's contribution to provident fund	290	272
Employer's contributions to employee state insurance	3	2
Employer's contribution to superannuation fund	57	37
	<b>350</b>	<b>311</b>

#### 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.



## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2026 (CONTD.)

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

### 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 31<sup>st</sup> March, 2026 by a member firm of the Institute of Actuaries of India. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

### d) The following table set out the status of the gratuity plan and the amount recognized in the Company's financial statement

#### i) Change in projected benefit obligation

Particular	As at 31 <sup>st</sup> March, 2026	As at 31 <sup>st</sup> March, 2025
Opening defined benefit obligation	1,520	1,438
Benefits paid	(113)	(83)
Current service cost	86	82
Past Service Cost (Refer note below)	248	-
Interest cost on benefit obligation	94	97
Actuarial (gain) on obligation	(25)	(14)
<b>Projected benefit obligation at the end of the year</b>	<b>1,810</b>	<b>1,520</b>

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2026 (CONTD.)

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

### ii) Change in plan assets

Particular	As at 31 <sup>st</sup> March, 2026	As at 31 <sup>st</sup> March, 2025
Opening fair value of plan assets	1,480	1,341
Contributions by employer	126	127
Benefits paid	(113)	(83)
Expected return	95	94
Others	-	(8)
Actuarial gain / (loss) on plan assets	16	9
<b>Closing fair value of plan assets</b>	<b>1,604</b>	<b>1,480</b>

### iii) Reconciliation of present value of obligation on the fair value of plan assets to the liability recognized

Particular	Year ended 31 <sup>st</sup> March, 2026	Year ended 31 <sup>st</sup> March, 2025
Present value of projected benefit obligation at the end of the year	1,810	1,520
Fair value of plan assets at the end of the year	1,604	1,480
<b>(Asset) / liability recognized in the balance sheet</b>	<b>206</b>	<b>40</b>
<b>Funded Status</b>		
Funded	1,810	1,520

### iv) Components of net gratuity costs are

Particular	Year ended 31 <sup>st</sup> March, 2026	Year ended 31 <sup>st</sup> March, 2025
Current service cost	86	82
Net Interest cost on benefit obligation	(1)	3
Past service cost	248	-
<b>Total amount recognized in the statement of profit or loss</b>	<b>333</b>	<b>85</b>
Actuarial (gain)/loss	(41)	(23)
<b>Total amount recognized in other comprehensive income</b>	<b>(41)</b>	<b>(23)</b>

### v) Principal actuarial assumptions used :

Particular	As at 31 <sup>st</sup> March, 2026	As at 31 <sup>st</sup> March, 2025
Discount Rate (%)	6.79%	6.41%
Estimated Rate of Return on Plan Assets (%)	6.79%	6.41%
Attrition Rate (%)	12.00%	12.00%
Expected rate of salary increase (%)	7.00%	7.00%
Expected Average Remaining Service (years)	6.69	6.62

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.



## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2026 (CONTD.)

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

### vi) Employee benefits - maturity profile (undiscounted)

Particular	As at 31 <sup>st</sup> March, 2026	As at 31 <sup>st</sup> March, 2025
Within 1 year	246	202
1 - 2 years	303	297
2 - 3 years	267	180
3 - 4 years	239	197
4 - 5 years	187	178
Above 5 years	868	681
	<b>2,110</b>	<b>1,735</b>

### vii) Sensitivity analyses

Particular	As at 31 <sup>st</sup> March, 2026	As at 31 <sup>st</sup> March, 2025
A. Discount Rate + 50 BP (%)	7.29%	6.91%
Defined Benefit Obligation [PVO]	1,767	1,484
Current Service Cost	107	84
B. Discount Rate - 50 BP (%)	6.29%	5.91%
Defined Benefit Obligation [PVO]	1,854	1,558
Current Service Cost	114	89
C. Salary Escalation Rate +50 BP (%)	7.50%	7.50%
Defined Benefit Obligation [PVO]	1,854	1,559
Current Service Cost	114	89
D. Salary Escalation Rate -50 BP (%)	6.50%	6.50%
Defined Benefit Obligation [PVO]	1,767	1,482
Current Service Cost	108	84

Note: On 21<sup>st</sup> November, 2025, the Government of India notified four Labor Codes, effective immediately, replacing the existing 29 labor laws. In accordance with Ind AS 19, employee benefits, changes to employee benefit plans arising from legislative amendments are treated as plan amendments, requiring immediate recognition of past service cost in the Statement of Profit and Loss. This approach is consistent with the guidance issued by the Institute of Chartered Accountants of India. The implementation of the Labor Codes has resulted in an increase of ₹ 248 Lakhs in the provision for defined benefit obligation and ₹ 70 Lakhs for compensated absences, which has been recognized as an employee benefit expense in the current reporting period. The Company continues to monitor the developments pertaining to labor codes and will evaluate additional impact if any on the measurement of liability pertaining to employee benefits.

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2026 (CONTD.)

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

## 42 RELATED PARTIES

42.1 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 Delphi TVS Technologies Limited
Entities in which Director's are interested	TVS Educational Society Southern Roadways Private Limited
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 Gangapriya Chakraverti, Director 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.

## 42.2 Transactions with related parties

Name of the related party	Year ended 31 <sup>st</sup> March, 2026	Year ended 31 <sup>st</sup> March, 2025
<b>Lucas Indian Service Ltd</b>		
Sale of products	6,106	4,998
Rent paid	26	25
Dividend paid	2,466	1,988
<b>Lucas TVS Limited</b>		
Warranties /Discount	-	10
Purchase of raw materials	37	3
Rent expenses	87	83
Reimbursement of expenses	715	509
Travel reimbursements received	20	21
Management fees	832	726
Dividend received	433	409
<b>TVS Educational Society</b>		
Reimbursement of expenses	54	44
Stipend to apprentices	3,059	2,414
<b>Delphi TVS Technologies Limited</b>		
Sale of products	11	-
<b>TVS Training &amp; Services Limited</b>		
Services received	1	-
<b>Subbaraya Aiyar Padmanabhan</b>		
Professional charges	-	1
<b>Remuneration</b>		
Arvind Balaji- Managing director*	475	384
Anant Jaivant Talaulicar, Director	27	18



## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

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

Name of the related party	Year ended 31 <sup>st</sup> March, 2026	Year ended 31 <sup>st</sup> March, 2025
Tirumala Kumara Balaji, Director	11	9
Tirumala Kumara Balaji Priyamvada, Director	14	11
Heramb Ravindra Hajarnavis, Director	20	17
Gangapriya Chakraverti, Director	18	15
Elango Srinivasan, Chief financial officer	90	76
<b>Sitting fees:</b>		
Anant Jaivant Talaulicar, Director	6	5
Tirumala Kumara Balaji, Director	3	2
Tirumala Kumara Balaji Priyamvada, Director	4	4
Heramb Ravindra Hajarnavis, Director	5	5
Gangapriya Chakraverti, Director	4	4

\*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.

### 42.3 Balance with related parties

Name of the related party	As at 31 <sup>st</sup> March, 2026	As at 31 <sup>st</sup> March, 2025
<b>Trade receivables</b>		
Lucas Indian Service Limited	1,805	1,089
Lucas TVS Limited	6	-
<b>Trade payables</b>		
Lucas TVS Limited	297	253
Lucas Indian Service Limited	2	3
<b>Remuneration payable</b>		
Commission payable	300	220
<b>Investments in Equity Shares accounted as fair value through comprehensive income</b>		
Lucas TVS Limited	26,412	22,468

Note: above transactions and balances do not include provision for expenses

### 43 RESEARCH AND DEVELOPMENT EXPENSES\*

Particular	Year ended 31 <sup>st</sup> March, 2026	Year ended 31 <sup>st</sup> March, 2025
The amount spent towards Research and Development expenses during the year are as under:		
<b>Capital expenditure</b>	<b>341</b>	<b>585</b>
<b>Revenue expenditure</b>		
Salaries, wages and bonus	1,459	1,314
Power and fuel	113	103
Travelling and conveyance	96	81
Miscellaneous expenses	867	813
<b>Total</b>	<b>2,877</b>	<b>2,896</b>

\*The summary is prepared based on the information available with the Company.

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2026 (CONTD.)

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

### 44 EARNINGS PER EQUITY SHARE (EPS)

Particular	Year ended	Year ended
	31 <sup>st</sup> March, 2026	31 <sup>st</sup> March, 2025
Nominal value of equity shares	5	5
Profit attributable to equity shareholders (A)	11,117	8,228
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)	49.14	36.37
Diluted earnings per equity share (A/B)	49.14	36.37

### 45 CONTINGENT LIABILITIES AND COMMITMENT

Particular	As at	As at
	31 <sup>st</sup> March, 2026	31 <sup>st</sup> March, 2025
a) Claims not acknowledged as debt		
Disputed income tax demands	1,490	1,034
Disputed GST demands	130	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	2,635	367

Note: The amounts disclosed above as contingent liabilities represent the Company's best estimates based on the information currently available. The ultimate outcome of these matters is subject to uncertainties inherent in the respective regulatory proceedings initiated by the relevant authorities/claimants, as applicable, and therefore cannot be predicted with certainty.

Based on management's assessment, the Company believes that it has strong grounds to contest the above matters and expects favorable outcomes.

### 46 CORPORATE SOCIAL RESPONSIBILITY (CSR) EXPENDITURE

Particular	Year ended	Year ended
	31 <sup>st</sup> March, 2026	31 <sup>st</sup> March, 2025
a) Gross amount required to be spent by the Company during the year	121	106
b) Amount spent during the year on :		
- Construction/Acquisition of any Asset:	-	-
- Education	83	66
- Rural Development Projects	21	25
- Health Care and Sanitation	3	24
- On purposes other than above	22	-
c) (Shortfall) / excess paid at the end of the year	8	9
- 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.		



# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2026 (CONTD.)

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

Particular	Year ended 31 <sup>st</sup> March, 2026	Year ended 31 <sup>st</sup> March, 2025
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

## 47 FAIR VALUE MEASUREMENT

### a) Financial instruments by category

#### The carrying value and fair value of financial instruments by categories as of 31<sup>st</sup> March, 2026

Particulars	Amortized Cost	FVTPL	FVOCI	Total carrying value	Total fair value
<b>Financial assets</b>					
Investments	2,188	24,510	26,455	53,154	53,154
Trade receivables	20,646	-	-	20,646	20,646
Loans	148	-	-	148	148
Cash and cash equivalents	550	-	-	550	550
Other bank balances	72	-	-	72	72
Other Financial Assets	2,019	-	-	2,019	2,019
<b>Total</b>	<b>25,623</b>	<b>24,510</b>	<b>26,455</b>	<b>76,589</b>	<b>76,589</b>
<b>Financial liabilities</b>					
Trade payables	14,673	-	-	14,673	14,673
Lease liability	190	-	-	190	190
Other financial liabilities	3,180	-	-	3,180	3,180
<b>Total</b>	<b>18,043</b>	<b>-</b>	<b>-</b>	<b>18,043</b>	<b>18,043</b>

#### The carrying value and fair value of financial instruments by categories as of 31<sup>st</sup> March, 2025

Particulars	Amortized Cost	FVTPL	FVOCI	Total carrying value	Total fair value
<b>Financial assets</b>					
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
<b>Total</b>	<b>24,378</b>	<b>22,064</b>	<b>22,511</b>	<b>68,952</b>	<b>68,952</b>
<b>Financial liabilities</b>					
Trade payables	14,017	-	-	14,017	14,017
Lease liability	212	-	-	212	212
Other financial liabilities	2,842	-	-	2,842	2,842
<b>Total</b>	<b>17,071</b>	<b>-</b>	<b>-</b>	<b>17,071</b>	<b>17,071</b>

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2026 (CONTD.)

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

### Fair value measurements

#### (i) Fair value hierarchy

Financial assets and financial liabilities measured at fair value in the statement of financial position are classified into three Levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurements:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

#### (ii) Financial assets measured at fair value through profit and loss (FVTPL) on a recurring basis

Particular	Fair value hierarchy	As at 31 <sup>st</sup> March, 2026	As at 31 <sup>st</sup> March, 2025
Investments in Alternate Investment funds	Level II	1,076	1,217
Investments in equity shares	Level I & II	2,408	2,180
Investment in mutual funds and bonds	Level II	21,026	18,667
<b>Total</b>		<b>24,510</b>	<b>22,064</b>

#### (iii) Financial assets measured at fair value through Other Comprehensive Income (FVTOCI) on a recurring basis

Particular	As at 31 <sup>st</sup> March, 2026	As at 31 <sup>st</sup> March, 2025	Fair value hierarchy	Valuation technique(s) and key input(s)
Unlisted equity instruments	26,455	22,511	Level III	The fair value is calculated based on the inputs for the assets that are not based on observable market data

#### Notes:

- 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
- 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.
- Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3
- 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.
- 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



## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2026 (CONTD.)

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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 8x)  
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 ₹ 1,651 Lakhs and an increase in the multiple by 0.5x would result in a increase in the fair value by ₹ 1,651 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.

### 48 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 summarized below.

##### i) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company only transacts with entities that are rated the equivalent of investment grade and above. The Company uses other publicly available financial information and its own trading records to rate its major customers. The Company's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

Trade receivables consist of a four to five major OEMs and large number of small customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable. At 31<sup>st</sup> March, 2026, 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.

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

Trade receivables are non-interest bearing and are typically due within 45 to 90 days. Due to their short-term nature, the carrying amounts approximate their fair values.

The Company manages credit risk through established policies and procedures, including customer credit evaluations, assignment of credit limits, and ongoing monitoring of receivable balances. The credit quality of customers is assessed based on financial position, past experience, and other relevant factors. Historically, the Company has experienced negligible defaults and maintains a strong collection track record.

In accordance with Ind AS 109, the Company applies the simplified approach for measuring expected credit losses (ECL) for trade receivables, which requires lifetime ECL to be recognized. Based on the assessment performed as at the reporting date, considering the short credit period, historical loss experience, and the credit profile of customers, the Company has concluded that there is no significant credit risk or increase in credit risk on the customer profile, and, accordingly, no allowance for expected credit losses have been recognized.

The maximum exposure to credit risk at the reporting date is the carrying value of trade receivables. The Company does not hold collateral as security against these receivables. Credit risk concentration is considered low due to a diversified customer base across geographies and industries.

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, recognized assets and liabilities denominated in a currency that is not the Company's functional currency. The Company has not entered into any derivative contracts to hedge its foreign currency exposure during the reporting period.

**The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are as under:**

Particulars	Currency	As at 31 <sup>st</sup> March, 2026		As at 31 <sup>st</sup> March, 2025	
		Amount in Foreign Currency	Amount in ₹	Amount in Foreign Currency	Amount in ₹
Trade Receivables	EUR	5	498	2	174
	USD	24	2,309	17	1,483
Trade Payables	GBP	0	2	-	-
	USD	4	401	7	579
	JPY	40	24	-	-
	CNY	58	781	52	609



# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

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## Foreign currency sensitivity

Particulars	Currency	31 <sup>st</sup> March, 2026		31 <sup>st</sup> March, 2025	
		Increase	Decrease	Increase	Decrease
Effect on profit before tax	EUR	24.88	(24.88)	8.52	(8.52)
Increase/(Decrease) of 5%	USD	95.63	(95.63)	44.16	(44.16)
	JPY	(1.20)	1.20	-	-
	CNY	(39.04)	39.04	(31.05)	31.05
	GBP	(0.12)	0.12	-	-

## 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 (undiscounted values):

Particulars	As at 31 <sup>st</sup> March, 2026				Total
	Up to 1 year	1 to 3 years	3 to 5 years	5 years and above	
Trade payables	14,673	-	-	-	14,673
Lease Liability	119	91	-	-	210
Other financial liabilities	3,180	-	-	-	3,180
<b>Total</b>	<b>17,972</b>	<b>91</b>	<b>-</b>	<b>-</b>	<b>18,063</b>

Particulars	As at 31 <sup>st</sup> 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
<b>Total</b>	<b>16,969</b>	<b>130</b>	<b>-</b>	<b>-</b>	<b>17,099</b>

## 49 ADDITIONAL REGULATORY INFORMATION AS REQUIRED BY SCHEDULE III TO THE COMPANIES ACT, 2013

- The Company does not have any benami property, where any proceeding has been initiated or pending against the Company for holding any benami property.
- The Company did not have any transactions with companies struck off.
- The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- The Company has not traded or invested in crypto currency or virtual currency during the financial year.

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2026 (CONTD.)

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- 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:
- 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 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:
- 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,
- 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.
- 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 (Profit after Tax)	As % of consolidated OCI	Share of OCI	As % of total comprehensive income	Total comprehensive income
<b>31<sup>st</sup> March, 2026</b>								
<b>Parent</b>								
India Nippon Electricals Limited	100%	82,133	100%	11,126	100%	3,424	100%	14,550
<b>Foreign subsidiary</b>								
PT Automotive Systems Indonesia	0%	-	0.00	(9)	0%	-	0%	(9)
Adjustments arising on consolidation	100%	-	-	-	-	-	-	-
	<b>100%</b>	<b>82,133</b>	<b>100%</b>	<b>11,117</b>	<b>100%</b>	<b>3,424</b>	<b>100%</b>	<b>14,541</b>
<b>31<sup>st</sup> March, 2025</b>								
<b>Parent</b>								
India Nippon Electricals Limited	100%	71,118	99.69%	8,203	100%	3,387	100%	11,590
<b>Foreign subsidiary</b>								
PT Automotive Systems Indonesia	1%	403	0.31%	25	0%	-	0.22%	25
Adjustments arising on consolidation	-1%	(403)	-	-	0%	-	-	-
<b>Total</b>	<b>100%</b>	<b>71,118</b>	<b>100%</b>	<b>8,228</b>	<b>100%</b>	<b>3,387</b>	<b>100%</b>	<b>11,615</b>



# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2026 (CONTD.)

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## 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 31<sup>st</sup> March, 2026: ₹ Nil (As at 31<sup>st</sup> March, 2025: ₹ Nil)

## 51 ANALYTICAL RATIOS

Ratio	Current year	Previous year	% Variance	Remarks <sup>@</sup>
Current ratio	2.51	2.38	5.66%	Not applicable
Return on equity**	15%	12%	17.65%	Not applicable
Inventory turnover ratio	9.06	8.12	11.66%	Not applicable
Trade receivables turnover ratio	5.68	5.43	4.71%	Not applicable
Trade payables turnover ratio	5.28	4.26	24.03%	Not applicable
Net working capital turnover ratio	3.64	3.34	8.92%	Not applicable
Net profit ratio**	10.40%	9.74%	6.83%	Not applicable
Return on capital employed**	17%	14%	22.44%	Not applicable
Return on investment*	13%	14%	-7.14%	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 31<sup>st</sup> March, 2026

\*\*Includes exceptional item

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2026 (CONTD.)

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

## 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 recognized in the consolidated financial statements. In addition, the Board has also confirmed the carrying value of the non-current assets in the financial statements. The Board, duly taking into account all the relevant disclosures made, has approved these financial statements at its meeting held on 28<sup>th</sup> May 2026.

## 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

Membership No: A29260

Place: Chennai

Date: 28<sup>th</sup> May, 2026







## **INDIA NIPPON ELECTRICALS LIMITED**

11 & 13, Patullos Road,  
Chennai - 600 002

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CIN: L31901TN1984PLC011021

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