



ENGINEERING EXCELLENCE.
Accelerating Global Ambitions.

ACROSS the Pages

01-35

Corporate Overview

Engineering Excellence. Accelerating Global Ambitions.	01
India Nippon in a Nutshell	02
Accelerating Ahead with Focus	04
Expanding Our Portfolio of Offerings	06
Meet Our Board	08
Advancing with Focus and Foresight	12
Excelling in Innovation	14
Augmenting Our Operational Excellence	16
Engineering a Clear Roadmap for Sustainable Growth	18
Maintaining Our Performance	20
Excelling in and Strengthening Our ESG Commitment	22
Accelerating Our Efforts to Protect Our Environment	24
Empowering Our People to Excel	28
Caring for the Communities around Us	32
Excelling and Progressing Responsibly	34
Corporate Information	35

36-109

Statutory Reports

Notice to Shareholders	36
Board's Report	49
Report on Corporate Governance	76
Management Discussion and Analysis	101

110-226

Financial Statements

Standalone Financial Statements

Independent Auditor's Report	110
Standalone Balance Sheet	120
Standalone Statement of Profit and Loss	121
Standalone Statement of Cash Flows	122
Standalone Statement of Changes in Equity	124
Notes to the Standalone Financial Statements	125

Consolidated Financial Statements

Independent Auditor's Report	170
Consolidated Balance Sheet	176
Consolidated Statement of Profit and Loss	177
Consolidated Statement of Cash Flows	178
Consolidated Statement of Changes in Equity	180
Notes to the Consolidated Financial Statements	181

Investor Information

Market Cap	₹ 1,029 Crores (as on 10 th August, 2023)
CIN	L31901TN1984PLC011021
ISIN	INE092B01025
BSE Code	532240
NSE Symbol	INDNIPPON
Dividend declared and paid	₹ 9.25 per equity share
AGM Date	20 th September, 2023
AGM Mode	Virtual

For more investor-related information, please visit:

<https://indianippon.com/investors/>

Or simply scan to view the online version of the report



Disclaimer:

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

Our Stature

39

Years of Experience

Tier 1

Supplier to Major OEMs

3

Manufacturing Plants

1

R&D Center

1,605+

Employees

ENGINEERING EXCELLENCE.

Accelerating Global Ambitions.

In today's competitive and interconnected business landscape, organizations must pursue excellence to maintain a leading position and achieve success on a worldwide scale. The growing popularity of electric vehicles (EVs) is shaping the strategies of automotive manufacturers, driving them to innovate and ensure sustainability. Furthermore, in India, the electrification of vehicles is occurring alongside the continued dominance of internal combustion engine (ICE) vehicles, a scenario that is likely to persist in the near and medium term. Given this context, automotive component manufacturers must foster a culture of continuous innovation and excellence to facilitate enduring growth.

At India Nippon Electricals Limited, engineering excellence serves as the bedrock of our accomplishments. We are committed to pushing the boundaries of innovation, harnessing advanced technologies, and nurturing an environment of continuous improvement.

Our growth efforts encompass the domain of IC engines, driven by future demand. This enables us to offer our technology to customers by prioritizing better value proposition, thereby prolonging the lifespan of ICE technology and reinforcing our dedication to innovation and sustainability.

Furthermore, we have taken significant strides in embracing the future of sustainable mobility by committing to a robust transition towards EVs. A groundbreaking move in this direction has been towards the EV product line, marking a transformative shift towards environmentally friendly transportation solutions.

While our core emphasis remains resolute on two-wheelers and three-wheelers, we are strategically venturing into the four-wheeler segment and exploring non-automotive domains.

Our highly skilled team of engineers and technicians work tirelessly to craft products that adhere to the most rigorous quality standards, delivering dependable solutions to our customers. We are unwavering in our dedication to environmental stewardship, ethical business practices, and social responsibility. By integrating sustainable practices into our operations, our objective is to contribute to a greener future while fostering sustained value generation for all stakeholders.

We are broadening our horizons and pursuing fresh opportunities beyond borders. Our goal is to establish strategic partnerships and alliances that empower us to expedite our global ambitions and cultivate a robust presence in international markets. With a strong focus on research and development, we consistently strive to devise solutions that cater to the needs of a diverse global customer base. Supported by a cutting-edge manufacturing facility and a resilient supply chain, we position ourselves as a dependable partner in the sectors we serve.

KEY HIGHLIGHTS 2022-23

Revenue

₹ 65,625 Lakhs

PAT

₹ 5,787 Lakhs

(₹ 3,987 Lakhs excluding dividend income of ₹ 18 Crores)

EBITDA

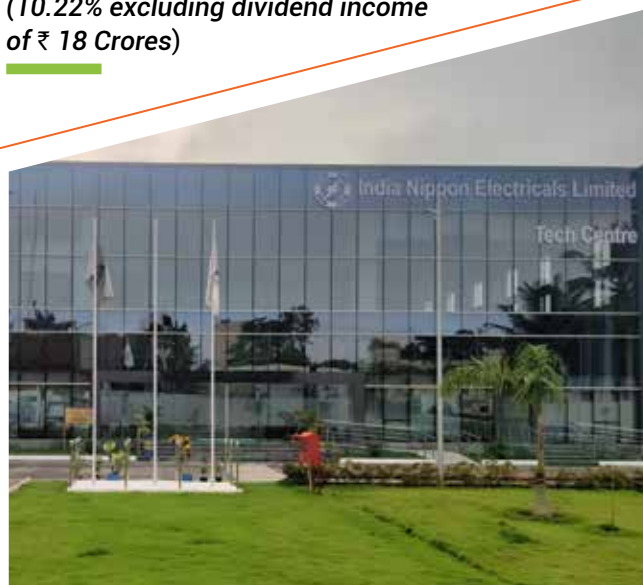
₹ 8,510 Lakhs

(₹ 6,710 Lakhs excluding dividend income of ₹ 18 Crores)

EBITDA Margin

₹ 12.97%

(10.22% excluding dividend income of ₹ 18 Crores)





INDIA NIPPON

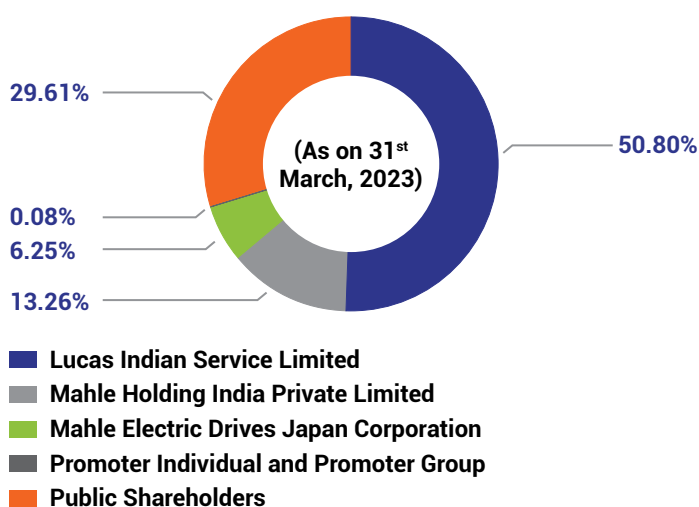
in a Nutshell

India Nippon Electricals Limited is a prominent manufacturer within the automotive industry, specializing in producing cutting-edge electronic ignition systems. Our dedication to innovation has led us to develop advanced mechatronic products, including sensors and controllers, strategically designed to capitalize on emerging market opportunities. While our solutions are widely employed within the automotive sector, their versatile nature also allows for extensive applications in non-automotive segments.

Renowned for their quality and reliability, our products have garnered widespread recognition within the market, solidifying our position as one of the leaders in the electronic ignition industry. Our primary emphasis lies on the domains of two-wheelers and three-wheelers, showcasing our dedication to these segments. Additionally, we are actively pursuing expansion into the realm of other segments of the automotive market, marking a significant diversification in our product portfolio. Furthermore, our growth trajectory extends beyond the confines of the automotive sector, as we venture into new horizons within the non-automotive space. While we remain dedicated to our core offerings for internal combustion engine vehicles, our focus on diversification is leading us to develop a comprehensive product base tailored specifically for electric vehicles (EVs).

We have established our manufacturing units in strategic locations, specifically Tamil Nadu, Puducherry, and Haryana. We are further looking at increasing our capacities across these three facilities. Our esteemed customer base comprises leading automotive and non-automotive companies within India and globally.

Shareholding Pattern (%)



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



Our Values



Innovation

Forward thinking, planning and execution to expand our horizons.



Passion

Enthusiasm, desire, and commitment to succeed.



Quality

Service and products we are proud to stand behind.



Thrive

Commitment to growth and prosperity to affect our customers' success.



Our Strengths

Strong Customer Focus

Consistently delivering innovative products that meet customer requirements.

Thrust on Technology

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

Best-in-class Manufacturing Practices

Benchmarking products to global standards and focusing on process excellence in manufacturing.

Organizational Agility

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

Value Addition

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



Global Footprint

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



Mission

To be a preferred supplier of ignition systems for automotive and general purpose engines. To design, develop & supply cost competitive, high-quality products to meet customer requirements through involvement of employees and suppliers through use of contemporary technology.



Vision

To become a supplier of choice for our customers for supply of electricals and electronic products for automotive and non-automotive domain.



ACCELERATING

Ahead with Focus

1984-1988

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

1989-1993

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

1994-1998

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

1999-2003

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



2004-2008

- Supply to Greaves for their general purpose engine
- Commencement of exports to Lombardini Italy, Modenas Malaysia, Tomos, Slovenia, and Beldeyama/Ramzey, Turkey
- Start of contract manufacturing of ECU for Delphi-TVS
- Commencement of exports to Yanmar, Italy
- Award for ISO/TS 16949:2002 certification for all three manufacturing locations of INEL by BVCI

2009-2013

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

2014-2018

- Entered into partnership with Athena, Italy for EFI
- Commenced renewable energy - wind energy usage

2018 onwards

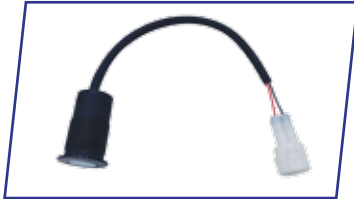
- Expanded into new product line: Sensors, Display, Entry in EV Segment through DC/DC
- Entered into a global technical tie-up for ECG and EFU
- Acquired new customers: Polaris, Generac
- Introduced ISG, opened new R&D center and expanded our manufacturing plant
- For the third time in a row, achieved the Great Place to Work Certification





EXPANDING OUR Portfolio of Offerings

SENSORS



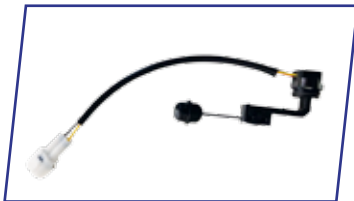
Speed Sensor



Temperature Sensor



Throttle Position Sensor



Oil Level Sensor



TMAP Sensor



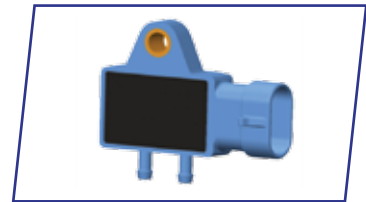
Steering Angle Sensor



RPAS Ultrasonic Sensor



Tire Pressure Monitoring Sensor



Differential Pressure Sensor

CONTROLLERS



ISG Controller



EFI ECU



EGR Controller

CLUSTERS

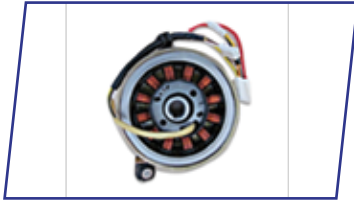


Dot Matrix Instrument Cluster



LCD Digital Instrument Controller

INEL: ELECTRONIC IGNITION SYSTEM PRODUCTS



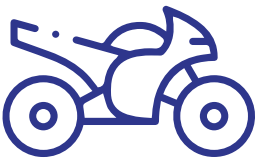
AC Generator

Regulator & Rectifier/Power
Boosts Regulator

Ignition Coil



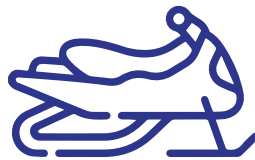
APPLICATIONS



Two-wheelers



Three-wheelers



Snow Bikes



All Terrain Vehicles



Tractors



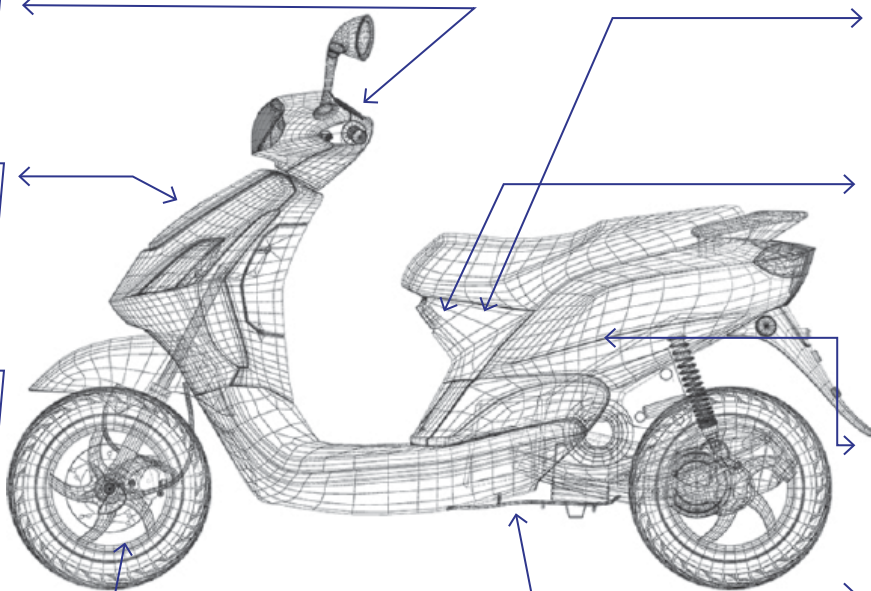
Cluster



Immobilizer



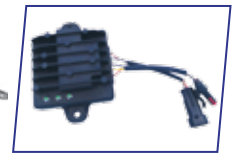
TPMS



Battery Charger



Motor Controller



DC DC Converter



Side Stand Sensor



MEET OUR Board



Mr. T. K. Balaji
(Chairman)



Mr. T. K. Balaji, (DIN 00002010), was appointed as a Director on the board of the Company on 28th July, 1986, and is presently the Chairman of the Company. He holds a bachelor's degree in mechanical engineering from Madras University where he secured first rank and is also a gold medallist alumni of the Indian Institute of Management, Ahmedabad.

He is also the Chairman of the Lucas-TVS Group of Companies, engaged in cutting-edge technology products in the field of mechatronics through Lucas-TVS Limited, Common Rail Diesel Fuel Injection Technology through Delphi-TVS Technologies Limited, and India's oldest leader in aftermarket distribution and service of these products through Lucas Indian Service Limited.

He 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, he 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 brings to the table a rich experience in the automobile industry, with specialized expertise. In his long career, he has undertaken various assignments in Pprivate sector and public sector. His primary focus, in his various assignments, has been on the alignment of stakeholder interests, for value creation and delivery of the highest quality products and services.



Mr. Arvind Balaji
(Managing Director)



Mr. Arvind Balaji, (DIN 00557711), was appointed as director of the Company w.e.f 25th October, 2008 and was inducted on the board as a Managing Director of the Company w.e.f 27th August, 2014. He is an MBA in Finance from the Wharton School, University of Pennsylvania and also holds a master's degree in manufacturing systems engineering from Stanford University and bachelor's degree in mechanical engineering from BITS - Pilani, Rajasthan, India. He is currently engaged as Managing Director of Lucas TVS Limited, India Nippon Electricals Limited and Director of Lucas Indian Service Limited, Delphi-TVS Technologies Limited, TVS Motor Services Limited, TVS Training & Services Limited, Schaeffler India Limited, Blue Star Engineering & Electronics Limited and has also undertaken a directorship in few private sector and public sector companies.

He is the past president of the Automotive Component Manufacturers Association (ACMA) and led the Technology, Safety and Regulatory (TSR) Committee of ACMA. He continues to play an active role in all ACMA Technology and Regulatory Committees.

Prior to joining Lucas-TVS, he worked in the investment banking division of Bank of America in the General Industrials group where he focused on helping automotive companies in financing and M&A transactions. He also worked at Oracle Corporation in their consulting division.