India Nippon Electricals Ltd

INDIA NIPPON ELECTRICALS LIMITED

COMPANY BACKGROUND………………………………………………………………..

- Established in 1984 by T.K Balaji who has won a gold medal for outstanding scholastic performance and was a member of Development Council for Automobile and Allied Industries. He is the Chairman and Managing Director of Lucas TVS Ltd. and Managing Director of Delphi TVS Technologies Ltd.
- In 1985 the company was converted into a Joint Venture. Converted into a joint venture between Lucas -TVS Ltd and MAHL Electric Drives Japan Corp, Japan. Mr. Arvind Balaji is the Managing Director of the Joint Venture.
- India Nippon Electricals Limited (INEL) is among the leading manufacturers of electronic ignition systems for the automobile industry.
- The manufacturing units are located in Tamil Nadu, Puducherry and Haryana. Key customers include all leading automotive companies located in India and globally.
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BUSINESS MIX (FY24)………..…………………..…………………………………..……

- **Electronic Ignition System -** INEL enjoys a market leadership position in electronic ignition system products. It is a modern automotive ignition system that replaces the conventional one. Expected to take over 35% of the market.
- **Controllers Portfolio** – This refers to the various electronic control units (ECUs) and modules that manage and control different systems and functions within the vehicle.
- **Sensors Portfolio -** It is the collection of various sensors installed throughout the vehicle to monitor and provide critical data on its operating condition.
- **EV Portfolio –** A recently established Technology centre in Tamil Nadu is focused on developing EV products and technologies for emission control.

KEY STRENGTHS……..…………………………………………………………………….

- Tier 1 supplier to major OEMs. Offers a wide range of products and has a strong customer base and client focus.
- Trust in technology: Advancing new technology that addresses the futuristic needs of our customers.
- Demonstrating a high degree of responsiveness to market trends and offering just-in-time supplies to customers.
- INEL is a zero-debt company .
- Driving operational efficiencies while ensuring strict adherence to quality standards for providing customers with a better value proposition.

FINANCIAL HIGHLIGHTS (CONSOLIDATED)…………………………………..……

(INR Mn)	Operational Income	EBITDA	EBITDA%	PAT	PAT%	EPS
FY22	5,663	497	8.78%	503	8.88%	22.21
FY23	6,563	528	8.05%	482	7.34%	21.32
FY24	7,241	664	9.17%	593	8.19%	26.21
H1-FY25	3,964	409	10.32%	393	9.91%	17.37

Key Data	
BSE Code	532240
NSE Code	INDNIPPON
Reuters	INEL.NS
Bloomberg	INE:IN

Market Data (INR) As on 30th September, 2024	
Face Value	5.0
CMP	771.40
52 Week H/L	860.00/463.50
MCAP (Mn)	17,450.17
Shares O/S (Mn)	22.62
1 Yr Avg. Daily Vol. ('000)	51.49

Performance As on 30th September, 2024

	3M	6M	12M
INEL	(3.6)%	10.4%	50.9%
SENSEX	6.7%	14.0%	28.1%
BSE MIDCAP	6.5%	24.5%	52.4%

Shareholding Pattern As on 30th September, 2024	
Promoters	70.37%
Public	29.63%

PRODUCT PORTFOLIO……………………………………………………………………………………………..

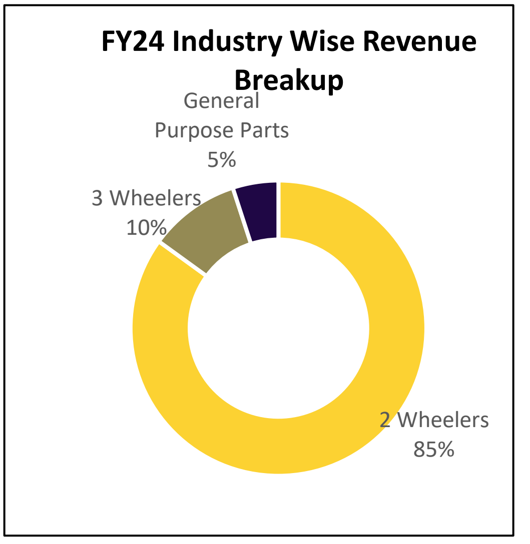
- **Electronic Ignition System:** It is a modern automotive ignition system that replaces the conventional mechanical ignition systems used in older vehicles. Its primary function is to ignite the air-fuel mixture in the engine's cylinders at the right time to facilitate combustion and power generation. The key product in this segment is the flywheel magneto which is a type of ignition system that combines the functions of a flywheel and a magneto to generate electrical power and provide the spark required for engine ignition. It is commonly used in small engines, such as those found in motorcycles, lawnmowers, chainsaws, and other small power equipment. The Flywheel Magneto system is known for its simplicity, reliability, and self-sufficiency.

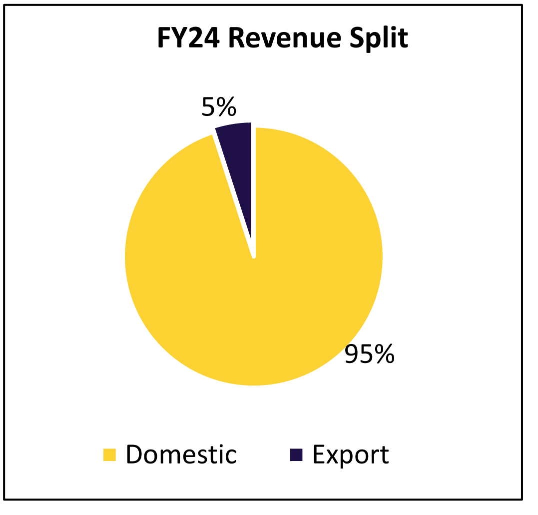
- **Controllers:** These refers to the various electronic control units (ECUs) and modules that manage and control different systems and functions within the vehicle. Modern vehicles are equipped with numerous electronic components and systems, and these controllers are responsible for monitoring, regulating, and coordinating their operations.

- **Sensors:** It is the collection of various sensors installed throughout the vehicle to monitor and provide critical data on its operating conditions. These sensors are crucial in modern automotive systems, enabling advanced functionalities, improving safety, and optimizing performance.

- **2W Electric Vehicles:** Recently established world-class Technology center in Tamil Nadu is mainly focused on developing EV technology products and Technologies for emission control and compliance. Mechatronic products with new technology solutions and software are also being designed for wide applications across segments.

- **AfterMarket:** A dedicated team is focusing on aftermarket and several measures are taken to strengthen brand image, product range, constant sales promotion efforts and distribution network to extract maximum value for the business. INEL also conducts skill development programmed for 2W mechanics.





KEY GROWTH DRIVERS………………………………………………………………………………………………

- Recently entered into a Technical Licensing partnership with Borg Warner, a global leading automotive supplier, for the Control unit for Electronic Fuel Injection (EFI ECU) which will enable to enter a new product segment of the EFI system and serve customers for two and three-wheeler applications.
- Growing EV portfolio and exploring new business lines. Focused on expanding presence to new geographical locations and penetrating deeper into existing markets.
- Dedicated team to focus on aftermarkets business to enhance revenue.

PEER COMPARISON (TRAILING 12 MONTHS) INR MN ………………………………………………………………

Company	Revenue from Operations	EBITDA	EBITDA%	Net Profit	PAT%	M Cap
INEL	7,711	772	10.01%	718	9.31%	17,450
PRICOL	24,455	2,996	12.25%	1,662	6.80%	58,290
MINDA CORP	48,632	5,469	11.25%	2,617	5.38%	1,43,890
VARROC ENG.	78,392	7,788	9.93%	5,341	6.81%	89,609
SUPRAJIT	30,758	3,311	10.76%	1,380	4.49%	71,091

INCOME STATEMENT (CONSOLIDATED) ....

Income Statement (Mn)	FY22	FY23	FY24	H1-FY25
Total Operational Income	**5,663**	**6,563**	**7,241**	**3,964**
Total Expenses	5,166	6,035	6,577	3,555
EBITDA	**497**	**528**	**664**	**409**
EBITDA Margins (%)	***8.78%***	***8.05%***	***9.17%***	***10.32%***
Other Income	252	226	249	188
Depreciation	129	146	151	77
Finance Cost	5	4	4	2
PBT	**615**	**604**	**758**	**518**
Tax	112	122	165	125
Profit After Tax	**503**	**482**	**593**	**393**
PAT Margins (%)	***8.88%***	***7.34%***	***8.19%***	***9.91%***
EPS (After Exceptional Items)	22.21	21.32	26.21	17.37

BALANCE SHEET (CONSOLIDATED) ....

Liabilities (INR Mn)	FY23	FY24	H1-FY25
Shareholders Fund			
Equity Share Capital	113	113	113
Other Equity	5,490	6,120	6,542
Total Shareholders Funds	**5,603**	**6,233**	**6,655**
Non-Current Liabilities			
Financial Liabilities			
i) Long-Term Borrowings	-	-	-
ii) Lease Liabilities	29	21	17
Deferred Tax Liabilities (Net)	299	377	357
Long Term Provisions	32	36	42
Total Non-Current Liabilities	**360**	**434**	**416**
Current Liabilities			
Lease Liabilities	7	8	9
ii) Trade Payables	955	1,382	1,403
iii) Other financial Liabilities	27	36	24
Short-Term Provisions	9	20	23
Other Current liabilities	217	257	242
Current tax liabilities (Net)	-	-	-
Total Current Liabilities	**1,215**	**1,703**	**1,701**
TOTAL EQUITY AND LIABILITIES	**7,178**	**8,370**	**8,772**

Assets (INR Mn)	FY23	FY24	H1-FY25
Assets			
Non-Current Assets			
Property, Plant and Equipment	1,211	1,312	1,352
Capital WIP	128	127	110
Intangible Assets	16	14	12
Right of use assets	118	109	104
Investments	2,027	2,508	3,063
Loans	12	11	11
Other Financial Assets	8	10	61
Other Non-current Assets	1	-	13
Total Non-Current Assets	**3,521**	**4,091**	**4,726**
Inventories	561	692	695
Financial Assets			
i) Trade and other Receivable	1,195	1,417	1,530
ii) Investments	1,523	1,811	1,494
ii) Cash & Cash Equivalents	228	189	174
iv) Other Financial Assets	13	6	5
Other Current Assets	77	111	109
Current Tax Assets	60	53	39
Total Current Assets	**3,657**	**4,279**	**4,046**
TOTAL ASSETS	**7,178**	**8,370**	**8,772**

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India Nippon Electricals Limited:

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