INDIA NIPPON ELECTRICALS LIMITED

(All Correspondence to be addressed to Registered Office)

Regd. Office : 11 & 13, Patullos Road,
Chennai - 600 002.
CIN L31901TN1984PLC011021

Tel : +91-44-2846 0073
Fax : +91-44-2846 0631
e-mail : inelcorp@inel.co.in
Web : www.indianippon.com

23 July 2019

The Manager-Listing Department
National Stock Exchange of India Ltd
Exchange Plaza, 5th Floor, Plot no C 1,
G Block, IFB Centre, Bandra Kurla Complex,
Bandra (East), Mumbai 400051
Fax:(22) 26598237/26598238
Scrip: **INDNIPPON**

NEAPS: On-line filing

BSE Ltd
Phiroze Jee Jee Towers
Dalal Street,
Mumbai 400001
Fax: (22) 22721072/22722061
Scrip: **532240**

Listing Centre: On-line filing

Dear Sir(s)/ Madam,

Sub: Submission of 34th Annual Report of the Company for the financial year 2018-19.

Pursuant to Regulation 34 of SEBI (Listing Obligations Disclosure Requirements) Regulations, 2015, we hereby submit the soft copy (.pdf) of the annual report of the company for the financial year 2018-19, sent to the Members along with the Notice of the AGM, attendance slip and proxy form.

Thanking you

Yours sincerely
For India Nippon Electricals Ltd

G. Venkatram

G VENKATRAM
Company Secretary

Encl.: As above

INDIA NIPPON ELECTRICALS LIMITED

34th Annual Report
2018-2019

34
ANNIVERSARY
34 Years
Pioneer in
Ignition System
Self - Reliance
State of the Art
R&D
PATENTED
16 Patent
Rights
463 Variants
& 20 Products
23 Domestic
Customers
10 Global
Customers
4 MFG
Locations
1600
Families
Awards
IATF & NAMC

INDIA NIPPON ELECTRICALS LIMITED

Board of Directors

T K BALAJI, Chairman

ARVIND BALAJI, Managing Director

ANANT JAIVANT TALAULICAR

(appointed w.e.f. 06.04.2019)

V BALARAMAN

G CHIDAMBAR

(resigned w.e.f.06.04.2019)

JAYSHREE SURESH

T MOMOSE

MUKESH KUMAR SOMANI

PRIYAMVADA BALAJI

KG RAGHAVAN

R VIJAYARAGHAVAN

Audit & Risk Management Committee

K G RAGHAVAN, Chairman

ANANT JAIVANT TALAULICAR

V BALARAMAN

R VIJAYARAGHAVAN

Stakeholders Relationship Committee

R VIJAYARAGHAVAN, Chairman

T K BALAJI

JAYSHREE SURESH

Nomination & Remuneration Committee

V BALARAMAN, Chairman

T K BALAJI

R VIJAYARAGHAVAN

CSR COMMITTEE

JAYSHREE SURESH, Chairperson

ARVIND BALAJI

PRIYAMVADA BALAJI

President

RAVINDER SHARMA

Chief Technical Officer

R UMA SHANKAR

Chief Financial Officer

ELANGO SRINIVASAN

Company Secretary

G VENKATRAM

Auditors

DELOITTE HASKINS & SELLS LLP, CHENNAI

Cost Auditor

K SURYANARAYANAN

Secretarial Auditor

B. CHANDRA

Bankers

BANK OF BARODA

ICICI BANK LIMITED

AXIS BANK LIMITED

Listing of Shares with

National Stock Exchange of India Ltd., Mumbai

BSE Ltd., Mumbai

Registered Office

11 & 13, Patullos Road, Chennai 600 002

Ph: 044-2846 0063 E.mail: inelcorp@inel.co.in,

CIN: L31901TN1984PLC011021

Website : www.indianippon.com.

Subsidiary Company

PT Automotive Systems Indonesia

Associate Company

Synergy Shakthi Renewable Energy Pvt. Ltd.

Factories

1. Hosur-Thalli Road
   Uliveeranapalli 635 114, Tamilnadu
   Ph : 04347 - 233432 - 233438
2. Madukarai Road
   Kariamanickam, Nettapakkam Commune
   Puducherry 605 106. Ph:0413-2697801-2697827
3. Masani Village
   Rewari District, Haryana 122 106
   Ph : 01274-240860/240212
4. B-36, Five Star Industrial Area, Kagal Hatknangale
   City. Kolhapur - 416 216.
   Maharashtra.

Contents

INDIA NIPPON ELECTRICALS LIMITED

FINANCIAL HIGHLIGHTS OF TEN YEARS PERFORMANCE

Rs. in lacs

S.No.	Description	Year ended 31st March									
		2010	2011	2012	2013	2014	2015	2016	2017	2018	**2019**
Profit and Loss Account											
1	Sales #	16908	22885	26005	26802	26153	32653	37703	39265	46301	**52061**
2	Other income	620	624	803	890	846	690	1144	1632	1576	**1894**
3	Total Income	17528	23509	26808	27692	26999	33343	38847	40897	47877	**53955**
4	Profit before interest, depreciation and tax	2952	3767	4525	4146	3183	3978	4564	5131	7688	**9172**
5	Depreciation	357	415	528	613	562	775	418	417	597	**773**
6	Profit before interest and tax	2595	3352	3997	3533	2621	3203	4146	4714	7091	**8399**
7	Interest	18	17	21	18	12	16	13	6	7	**8**
8	Profit before tax	2577	3335	3976	3515	2609	3187	4133	4708	7084	**8391**
9	Profit after tax	1992	2543	3130	2837	1966	2266	3058	3240	5010	**5951**
Balance Sheet											
10	Net Fixed Assets	2633	2832	3710	3935	3970	4236	4629	5481	6548	**6766**
11	Investments	9999	8857	9344	10968	11913	14178	17606	21421	24091	**27431**
12	Net Current Assets	2943	5477	6059	5859	5654	4160	4364	1897	3863	**5930**
13	Total	15575	17166	19113	20762	21537	22574	26599	28799	34502	**40127**
14	Share capital	808	808	1131	1131	1131	1131	1131	1131	1131	**1131**
15	Reserves & Surplus	14709	16358	17982	19631	20406	21443	25468	27668	33371	**38996**
16	Net worth	15517	17166	19113	20762	21537	22574	26599	28799	34502	**40127**
17	Loan funds	58	-	-	-	-	-	-	-	-	**-**
18	Total	15575	17166	19113	20762	21537	22574	26599	28799	34502	**40127**
19	Return on Net worth (%)	13	15	17	14	9	10	11	11	15	**15**
20	Return on capital employed (%)	17	20	21	17	12	14	16	16	21	**21**
21	Earning per share (Rs.) - Refer note 2	24.65	22.49	27.67	25.08	17.38	20.03	27.04	14.32	22.15	**26**
22	Dividend per share (Rs.)	7.5	9.5	9.0	9.0	9.0	9.0	9.0	10.0	6.5	**7.0**
23	Book value per share (Rs.) - Refer note 2	187	208	165	180	187	196	235	127	153	**177**
24	Fixed assets turnover (No. of times)	6	8	7	7	7	8	8	7	7	**8**
25	Working capital turnover (No.of times)	6	4	4	5	5	8	9	21	12	**9**
26	Profit as % of total income	17	16	17	15	12	12	12	13	16	**17**
27	Net profit as % of total income	11	11	12	10	7	7	8	8	10	**11**
28	No.of shareholders	6052	5806	6289	6295	6427	7247	7656	8821	12255	**12229**

NB : Share capital raised from Rs.8.08 crores to Rs.11.31 crores following the allotment of bonus shares during September 2011.

Includes Excise duty and net of turnover discount for the FY's 2015-16, 2016-17 & 2017-18 (included from Apr 17 to Jun 17)

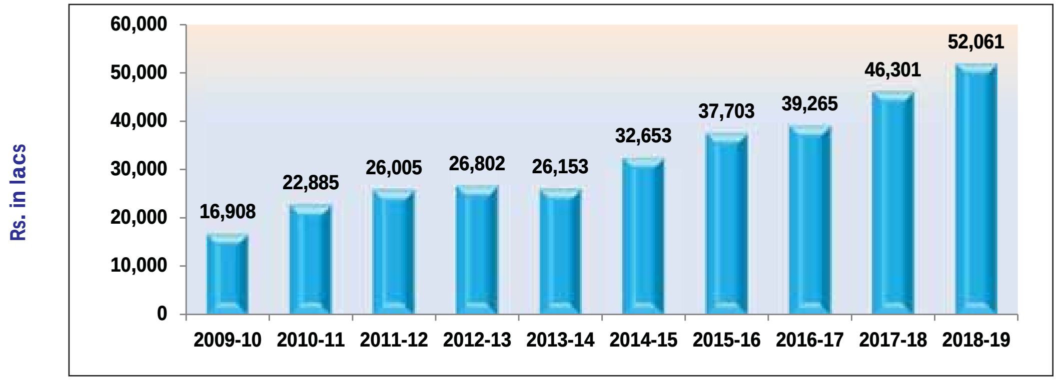
Note:

1. Figures in respect of FY's 2009-10 to 2014-15 are as per Indian GAAP and that of FY's 2015-16, 2016-17, 2017-18 & 2018-19 are as per Indian Accounting Standards (Ind AS).

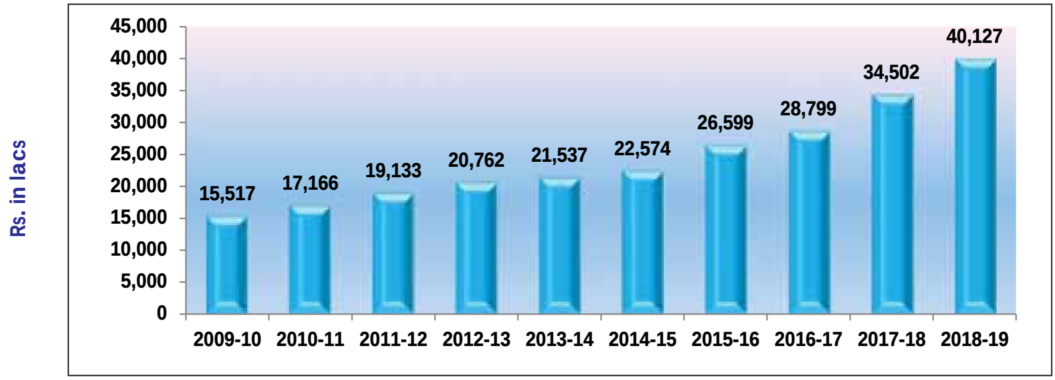
2. The Equity shares of Rs. 10 each is splited in to 2 equity shares of Rs. 5 each, accordingly the EPS,Dividend per share and Book value per share has been computed by taking the increased number of shares for FY 2016-17 and 2017-18.

FINANCIAL HIGHLIGHTS 2010 - 2019

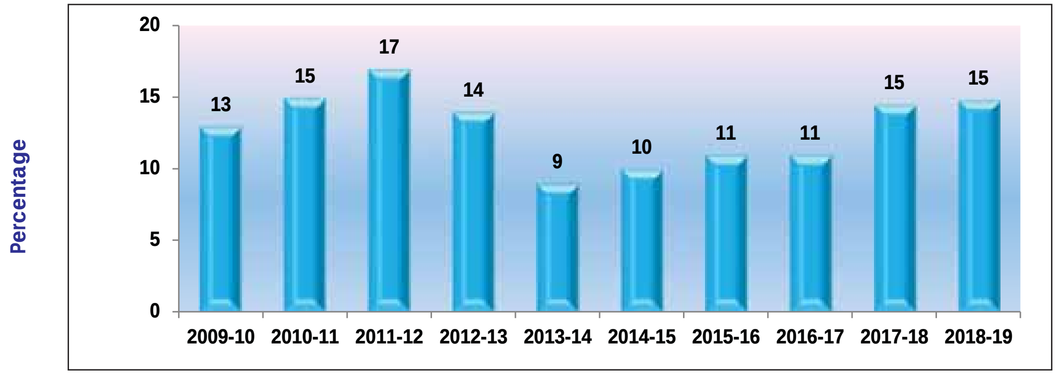
SALES



NETWORTH

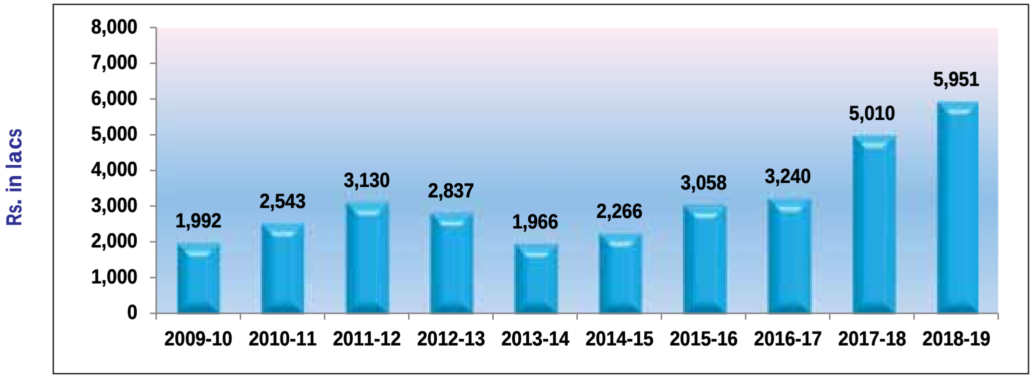


RETURN ON NETWORTH

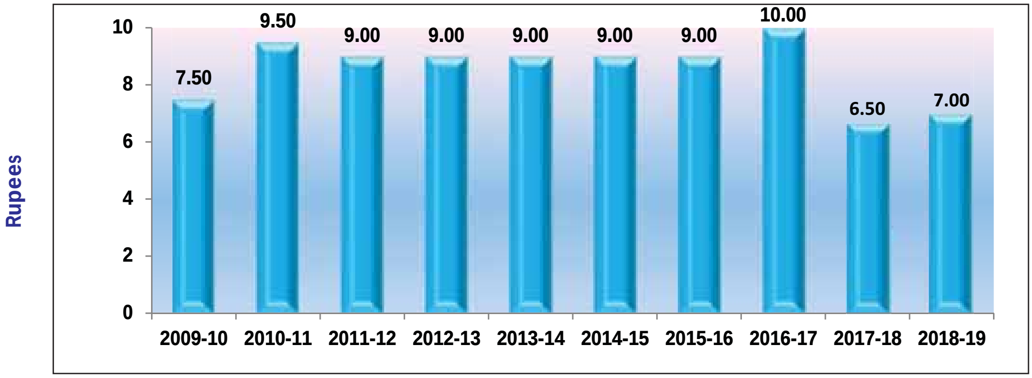


to read alongwith Notes in page 2

PROFIT AFTER TAX



DIVIDEND PER SHARE



EARNING PER SHARE

to read alongwith Notes in page 2

INDIA NIPPON ELECTRICALS LIMITED

Regd. Office: 11 & 13, Patullos Road, Chennai 600 002

CIN: L31901TN1984PLC011021

Ph: 044-2846 0063

E-mail: inelcorp@inel.co.in

Website: www.indianippon.com

Notice to Shareholders

NOTICE is hereby given that the 34th Annual General Meeting of the Shareholders of India Nippon Electricals Limited will be held on Friday the 16th August 2019 at Kasturi Srinivasan Hall, No.168 T.T.K. Road, Chennai 600014 at 10.00 A.M. to transact the following business.

ORDINARY BUSINESS

1. **Adoption of audited accounts for the year ended 31st March 2019 and the Directors' and Auditors' report thereon.**

   To consider and if thought fit, to pass with or without modification, the following resolution as an ordinary resolution:

   RESOLVED THAT the audited balance sheet as at 31st March 2019, the statement of profit and loss, notes forming part thereof, the cash flow statement for the year ended on that date and the consolidated financial statements together with auditors' report thereon and the Board's report as presented to the meeting be and are hereby approved and adopted.

2. **Declaration of Dividend for the year 2018-19**

   To consider and if thought fit, to pass with or without modification, the following resolution as an ordinary resolution:

   RESOLVED THAT the first interim dividend of Rs.3 declared and paid for every equity share of face value of Rs.5 each on 22621424 equity shares and the second interim dividend of Rs.4 declared and paid for every equity share of face of value of Rs.5 each on 22621424 equity shares, by the Board of Directors of the Company as per Resolutions passed on 9th February 2019 and 6th April 2019 respectively, absorbing a total sum of Rs.1583.50 lacs (excluding dividend tax of Rs.325.49 lacs paid) in the aggregate, be and are hereby noted and confirmed as the final dividend for the year ended 31st March 2019.

3. **Election of Mr T K Balaji as Director liable for retirement by rotation**

   To consider and if thought fit, to pass with or without modification, the following resolution as an ordinary resolution:

   RESOLVED THAT Mr T K Balaji (DIN: 00002010), Director, who retires by rotation and being eligible, offers himself for re-appointment, be and is hereby re-appointed as a Director of the Company liable for retirement by rotation.

SPECIAL BUSINESS

4. **Appointment of Independent Director: Mr Anant Jaivant Talaulicar**

   To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

   RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions if any of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr Anant Jaivant Talaulicar (holding DIN 00031051), who, based on the recommendations of the Nomination and Remuneration Committee of the Company, was appointed as an Independent additional Director on the Board and has submitted a declaration that he meets the criteria for independence as provided under Section 149 (6) of the Act and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director and is eligible for appointment, be and is hereby appointed as an Independent Director of the Company to hold office for four consecutive years from 6th April 2019 and the provisions of Section 152 (6) and (7) in respect of retirement of directors by rotation shall not be applicable to him during his tenure..

5. Re-Appointment of Independent Director: Mr V Balaraman

To consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions if any of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act 2013, Mr V Balaraman (holding DIN 00267829), an Independent Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149 (6) of the Act and who is recommended by the Nomination and Remuneration Committee of the Company for re-appointment and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company to hold office from the conclusion of this Annual General Meeting i.e. 16th August, 2019 until the conclusion of the Annual General Meeting to be held in the year 2022 and the provisions of Section 152 (6) and (7) in respect of retirement of directors by rotation shall not be applicable to him during his tenure.

6. Re-Appointment of Independent Director: Mr K G Raghavan

To consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions if any of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act 2013, Mr K G Raghavan (holding DIN 00359471), an Independent Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149 (6) of the Act and who is recommended by the Nomination and Remuneration Committee of the Company for re-appointment and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company to hold office from the conclusion of this Annual General Meeting i.e. 16th August, 2019 until the conclusion of the Annual General Meeting to be held in the year 2023 and the provisions of Section 152 (6) and (7) in respect of retirement of directors by rotation shall not be applicable to him during his tenure.

7. Re-Appointment of Independent Director: Mr R Vijayaraghavan

To consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions if any of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act 2013, Mr R Vijayaraghavan (holding DIN 00026763), an Independent Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149 (6) of the Act and who is recommended by the Nomination and Remuneration Committee of the Company for re-appointment and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company to hold office from the conclusion of this Annual General Meeting i.e. 16th August, 2019 until the conclusion of the Annual General Meeting to be held in the year 2023 and the provisions of Section 152 (6) and (7) in respect of retirement of directors by rotation shall not be applicable to him during his tenure.

8. Re-Appointment of Independent Director: Dr Jayshree Suresh

To consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions if any of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act 2013, Dr Jayshree Suresh (holding DIN 06861217), an Independent Director of the Company, who has submitted a declaration that she meets the criteria for independence as provided in Section 149 (6) of the Act and who is recommended by the Nomination and Remuneration Committee of the Company for re-appointment and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company to hold office from the conclusion of this Annual General Meeting i.e. 16th August, 2019 until the conclusion of the Annual General Meeting to be held in the year 2022 and the provisions of Section 152 (6) and (7) in respect of retirement of directors by rotation shall not be applicable to him during his tenure.

9. Ratification of the remuneration of Mr K Suryanarayanan, the Cost Auditor for the year 2019-20

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 all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the remuneration not exceeding Rs. 3.16 lacs (Rupees Three Lacs and Sixteen Thousand only) plus taxes as applicable and reimbursement of actual travel and out-of-pocket expenses for the financial year ending 31st March, 2020 to be paid to Mr Suryanarayanan, Cost Accountant (Registration No.24946) as approved by the Board of Directors of the Company to conduct the audit of the cost records, be and is hereby ratified and confirmed.

By order of the Board

Place : Chennai
Date : May 30, 2019

G Venkatram
Company Secretary

NOTES:

A Member entitled to attend and vote at the above meeting is entitled to appoint a proxy and the proxy need not be a member. The instrument appointing proxy and the power of attorney or other authority, if any, should be deposited at the registered office of the Company not later than 48 hours before the time fixed for holding the meeting. A person can act as proxy on behalf of members not exceeding 50 and holding in the aggregate not more than ten percent of the total share capital of the Company. However, a single person may act as a Proxy for a member holding more than ten percent of the total voting share capital of the Company provided that such person shall not act as a Proxy for any other person.

The Register of Members and Share Transfer Books of the Company will remain closed from 10th August 2019 to 16th August 2019 [both days inclusive] for the purpose of Annual General Meeting.

Pursuant to Section 125 of the Companies Act, 2013, dividends declared for the year ended 31st March 2012 and for the subsequent years, which remain unclaimed for a period of 7 years will be transferred to the Investors Education and Protection Fund on due dates. Members who have not encashed their dividend warrants are requested to make their claims with the Company by surrendering the unencashed dividend warrants immediately.

The Notice of the 34th Annual General Meeting of the Company and instructions for remote e-voting, along with the Attendance slip and proxy form, is being sent by electronic mode to all members whose e.mail addresses are registered with the Company / Depository Participant(s) unless a member has requested for a hard copy of the same. For members who have not registered their e.mail addresses, physical copies of the aforesaid documents are being sent by the permitted mode.

Members are requested to affix their signature at the space provided on the attendance slip annexed to proxy form and hand over the slip at the entrance of the meeting hall.

All documents referred to in the accompanying Notice and the Explanatory Statement will be open for inspection at the Registered Office of the Company on all working days between 10.00 am and 12.00 noon.

As a measure of economy, copies of the annual report will not be distributed at the meeting hall. Members are, therefore, requested to bring their copy of the annual report.

IN TERMS OF SEBI (LODR) REGULATIONS 2015 READ WITH SECRETARIAL STANDARDS ON GENERAL MEETING, A BRIEF PROFILE AND OTHER DETAILS OF MR T K BALAJI WHO RETIRES BY ROTATION AND OFFERS HIMSELF FOR RE-APPOINTMENT AT THIS MEETING IS GIVEN BELOW

Mr T K Balaji was born on 12th July 1948. He is a Bachelor of Engineering, securing 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.

He is the Chairman of India Japan Lighting P Ltd and Lucas Indian Service Ltd. He is the Chairman and Managing Director of Lucas TVS Ltd, Managing Director of Delphi TVS Technologies Ltd and Director in Sundaram Clayton Ltd, Titan Company Ltd, TVS Automotive Systems Ltd, TVS Credit Services Ltd, SB Industrial Ventures P Ltd, TVS & Sons P Ltd, TVS Investments P Ltd and Cheema Industrial Ventures P Ltd. Further details as required under the Secretarial Standards are available in the report on Corporate Governance, which forms part of the Board's Report.

The resolution regarding re-appointment of Mr T K Balaji is recommended for the approval of the shareholders. Mr T K Balaji, Chairman, Mr Arvind Balaji, Managing Director and Ms. Priyamvada Balaji, Director are interested in the resolution.

EXPLANATORY STATEMENTS

THE FOLLOWING EXPLANATORY STATEMENTS AS REQUIRED UNDER SECTION 102 OF THE COMPANIES 2013 SET OUT ALL MATERIAL FACTS RELATING TO THE BUSINESSES UNDER ITEM NOS. 4-9 OF THE ACCOMPANYING NOTICE DATED MAY 30, 2019.

ITEM NO.4

At the meeting held on 6th April 2019 the Board, on the recommendation of the Nomination & Remuneration Committee (NRC), appointed Mr Anant Jaivant Talaulicar (DIN 00031051) as an Independent additional Director. The term of his appointment as an additional Director shall be up to the date of AGM while the term as Independent Director was proposed to be 4 (four) years from 6th April, 2019, subject to the approval of the shareholders. Mr Anant Jaivant Talaulicar has given a declaration to the Board that he meets the criteria of independence as provided under section 149(6) of the Act. In the opinion of the NRC and the Board, Mr Anant Jaivant Talaulicar fulfils the conditions specified under the Companies Act, 2013, SEBI (LODR) Regulations, 2015 for appointment as Independent Director and his appointment would benefit the Company in terms of his rich Industry experience and broad range of skill sets. The Company has also received notice in writing from a member proposing the candidature of Mr Anant Jaivant Talaulicar as Independent Director of the Company.

All the relevant documents and the terms and conditions of appointment of Mr Anant Jaivant Talaulicar as Independent Director of the Company shall be open for inspection by the Members at the Registered Office of the Company between 8:30 am to 5:00 pm on all working days (Monday to Saturday) except Sundays and holidays up to the date of Annual General Meeting and the same shall be available at the time of Annual General Meeting. Further, at the meeting of the NRC and the Board held on 6th April, 2019, the Nomination and Remuneration Policy Guidelines was approved. As per the said Policy Guidelines, appointment of Independent Directors shall be for a maximum period of 4 years at a time and Independent Directors above the age of 70 shall be recommended by the Nomination and Remuneration Committee for appointment/ re-appointment in exceptional cases with suitable rationale. The appointment, if approved by the shareholders, will be in line with the requirements of the said Policy Guidelines.

Brief profile of Mr Anant Jaivant Talaulicar is as below:

Mr Anant Jaivant Talaulicar was born on 11th July 1961. He is engaged as an advisor to seven companies including one start-up. He is also a part time advisor and lecturer at the S P Jain Institute of Management & Research. He 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. He was the Chairman and Managing Director of the Cummins Group in India from March 2004 through October 2017. During this timeframe, he also served as the Managing Director of Tata Cummins Pvt. Ltd., a 50:50 joint venture between Cummins Inc. and Tata Motors Limited. He also chaired the boards of four other Cummins legal entities in India.

He started his career with Cummins in the U.S. in 1986 as an intern and subsequently held a number of positions both in the United States and in India. He worked in the U.S. for 16 years as financial analyst, manufacturing engineer, project manager, product manager, strategy manager before taking one various general management positions there. He returned to India in March 2003 as Joint Managing Director of Cummins India Limited and was responsible for the Cummins Power Generation and Distribution Businesses in India for a year and then became the Chairman and Managing Director for Cummins India Limited and the other group companies.

He earned a Bachelor's degree in Mechanical Engineering from Mysore University in India. He received a Master's degree in Engineering from the University of Michigan in 1985 and an MBA from Tulane University in 1987. Presently he holds directorships in Birlasoft Ltd, Trihans Trading LLP, The Hi-Tech Gears Ltd, Remex Finance Pvt Ltd, KPIT Technologies Ltd and Force Motors Ltd. He is the Member of the Audit Committee of KPIT Technologies Ltd and Birlasoft Ltd. Further details as required under the Secretarial Standards are available in the report on Corporate Governance, which forms part of the Board's Report.

He does not hold any shares in the Company and is not related to any director of the Company. Except for Mr Anant Jaivant Talaulicar, none of the Directors or Key Managerial Personnel of the Company are interested in the resolution. Hence, the resolution regarding his appointment is recommended for the approval of shareholders.

ITEM NOS.5 TO 8

Mr V Balaraman (DIN 00267829), Mr K G Raghavan (DIN 00359471), R Vijayaraghavan (DIN 00026763) and Dr Jayshree Suresh (DIN 06861217) were appointed as Independent Directors at the Annual General Meeting held on 27th August, 2014 for a term which extends up to the date of this Annual General Meeting. Their term of appointment, present age and their proposed second term as recommended by the NRC and the Board, at their respective meetings held on 30th May, 2019, is as below:

Name of the Director	Date of Original appointment	Age as on 31st March, 2019	Re-appointment Proposed till
Mr V Balaraman	27th August, 2014	72	AGM, 2022
Mr K G Raghavan	27th August, 2014	64	AGM, 2023
Mr R Vijayaraghavan	27th August, 2014	69	AGM, 2023
Dr Jayshree Suresh	27th August, 2014	66	AGM, 2022

The NRC and the Board had taken on record their declaration of Independence under section 149 (6) of the Act. In the opinion of the NRC and the Board, each of these Directors fulfil the conditions specified in the Act and the Rules framed thereunder for re-appointment as Independent Directors and they are independent of the management. Their vast experience and contribution to the Company so far will help the Company in future business strategies for growth and for ensuring strong Corporate Governance. Further, their varied background and functional expertise will add to Board diversity and robustness of decision making process.

Pursuant to Secretarial Standards on General Meetings, profile of each Independent Director along with the other details required thereunder and as per SEBI (LODR) Regulations, 2015 is as below:

Mr V Balaraman was born on 18th August 1946. He is a B.Tech. in Chemical Engineering from Madras University and M.B.A. from Indian Institute of Management, Ahmedabad. He held the position of Managing Director of Pond's India Ltd. for a period of 7 years. He was Director Exports of Hindustan Lever Limited for a period of 5 years and was a director of Empower Works Limited, New Jersey and AnandaNidra Sleep Medicine Center Pvt. Ltd. Mr V Balaraman was also the past president of Madras Chamber of Commerce and Industry/ Madras Management Association. Currently he is a Consultant for Strategy, Branding and Marketing for a few companies and also coaches and mentors CEOs / Senior Business Leaders. He is a Director in Parry Enterprises India Ltd, Intellect Design Arena Ltd, Delphi TVS Technologies Ltd. He is also the Member of the Audit Committee of Parry Enterprises Ltd, Intellect Design Arena Ltd and Delphi TVS Technologies Ltd. He is the Chairman of Stakeholders Relationship Committe of Intellect Design Arena Ltd. He does not hold any shares in the Company and is not a related to any director of the Company.

Mr K G Raghavan was born on 2nd May 1954. He is a Senior Advocate in Karnataka High Court. He holds a commerce degree and is a Bachelor of Law. His areas of specialisation are Corporate and Commercial Law, Arbitration, Intellectual Property Law, Central Excise, Customs, Labour and Constitutional Law and he has represented parties at pleadings before the Supreme Court, High Courts, Company Law Board, MRTP Commission, CEGAT, Consumer Fora and Civil Courts. He is a director in Karnataka Hybrid Micro Devices Ltd and Pippin Technologies India Pvt Ltd. He does not hold any shares in the company and is not related to any director of the Company.

Mr R Vijayaraghavan was born on 2nd January 1950. He is an Advocate in Chennai and has been practising Law for over 35 years. He has a vast breadth of experience in the fields of Corporate Law, Mergers and Acquisitions, Tax Laws, Commercial aspects of doing business in India. He holds a Master Degree in Science from Madurai University and MBA from Syracuse University, USA besides being a Law graduate from Dr. Ambedkar Law College, Chennai. He is a director of Sanco Trans Ltd, Bimetal Bearings Ltd, T Stanes and Company Ltd, Lucas TVS Ltd, Delphi TVS Technologies Ltd, Lucas Indian Service Ltd and Sundaram Clayton Ltd. He is the Chairman of the Audit committee of Lucas TVS Ltd, Sanco Trans Ltd, Lucas Indian Service Ltd and Delphi TVS Technologies Ltd. He is the Member of Audit Committee of Bimetal bearings Ltd, T Stanes and Company Ltd. He is the Member of Stakeholders Relationship Committee of Sundaram Clayton Ltd. He does not hold any shares in the company and is not related to any director of the Company.

Dr Jayshree Suresh was born on 2nd October, 1952. She had done her Ph.D, M.B.A. and B.A. She was a Dean, Faculty of Management, SRM University. She has won 3 Best Faculty Awards: Citation from Asia, a gold medal from Cognizant Technologies in SRM and silver plate in MOP Vaishnav College. She is author of "Entrepreneurial Development" and co-author of "Human Values and Professional Ethics". She has worked in IIMA for 10 years in the Marketing Area. She was the Vice-President of Society for Entrepreneurship Educators (SEE) at ISB. She does not hold any shares in the company and is not related to any director of the Company. She is a Director of Zwende Design Tech P Ltd.

Further details as required under the Secretarial Standards are available in the report on Corporate Governance, which forms part of the Board's Report.

The summary of performance evaluation of the four Directors proposed to be re-appointed are as follows: Each of the four Directors had brought in perspectives on issues deliberated at the Board/ Committees based on their skills/ competence/ expertise. Their independent professional judgment on the deliberations, especially on the issues of Strategy, Performance, Compliance and Corporate Governance had added substantial depth to the Board decision making process. All of them participate constructively and actively in the meetings of the Board / committees of the Board in which they are a member.

Further, at the meeting of the NRC and the Board held on 6th April, 2019, the 'Nomination and Remuneration Policy Guidelines' was approved. As per the said Policy Guidelines, appointment of Independent Directors shall be for a maximum period of 4 (four) years at a time and Independent Directors above the age of 70 years (which is below the age limit of 75 years prescribed by the SEBI (LODR) Regulations) shall be recommended by the Nomination and Remuneration Committee for appointment/ re-appointment in exceptional cases with suitable rationale. Mr V Balaraman and Mr R Vijayaraghavan would be above the age of 70 years during the proposed second tenure. Considering their skills/ competence/ expertise/ other attributes, contribution to the company so far and on the basis of their performance evaluation, the NRC and the Board had recommended their re-appointment for the second term mentioned above for Shareholders' approval. Considering the need to stagger Independent Directors replacement, the NRC and Board had determined different tenures for the Independent Directors as set out in the table above.

All the four Independent Directors are entitled to receive remuneration by way of fees and reimbursement of expenses for participation in the meetings of the Board and / or Committees and profit related commission in terms of Section 197 and other applicable provisions of the Companies Act, 2013, as determined by the Board from time to time, within the overall limits specified under the Companies Act 2013 and the approval of shareholders, if any.

The approval of shareholders sought by way of special resolution through these items shall also be considered as approval in terms of Regulation 17 of the SEBI (LODR) Regulations for the re-appointment of Mr V Balaraman, whose age may cross 75 years during his second tenure.

Except Mr V Balaraman, Mr K G Raghavan, Mr R Vijayaraghavan and Dr Jayshree Suresh, Directors, being appointees, none of the other directors or key managerial personnel of the company or their relatives are concerned or interested, financially or otherwise, in the appointments as set out under item nos.4 to 8. None of them hold any shares in the Company and is not related to any other director of the Company.

All the relevant documents and the terms and conditions of appointment of the Independent Directors shall be open for inspection by the Members at the Registered Office of the Company between 8:30 am to 5:00 pm on all working days (Monday to Saturday) except Sundays and holidays up to the date of Annual General Meeting and the same shall be available at the time of Annual General Meeting.

In compliance with the provisions of section 149 read with Schedule IV of the Companies Act, 2013, the appointment of these directors as Independent Directors is now being placed before the shareholders for their approval. The Board of Directors recommend each of the special resolutions mentioned in items 4 to 8 for approval of the shareholders.

ITEM NO.9

At the meeting of the Board of Directors held on 30th May 2019, the Board has approved, after considering the recommendation of the Audit & Risk Management Committee, the appointment of Mr K Suryanarayanan, Cost Accountant (Registration No.24946), for the conduct of Cost Audit of the Company at a remuneration of Rs.3.16 lacs and reimbursement of actual travel and out-of-pocket expenses for the financial year ending March 31, 2020. The remuneration approved by the Board of Directors needs to be ratified by the shareholders under Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014.

The resolution at Item No.9 of the Notice is set out as an Ordinary Resolution for approval and ratification by the members in terms of Section 148 of the Companies Act, 2013.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives is concerned or interested in the resolution.

The resolution is recommended for the approval of shareholders.

Important note to Shareholders: Until last year, the company had used the services of NSDL for E-voting by shareholders. For the year 2018-19, the company has engaged the services of CDSL for voting by shareholders electronically. Hence the instructions for e-voting pertains to CDSL and the shareholders are requested to take note of this.

The instructions for shareholders voting electronically are as under:

(i) The voting period begins from 9 AM on 13th August 2019 and ends at 5 PM on 15th August 2019. 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., 10th Aug 2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) The shareholders should log on to the e-voting website www.evotingindia.com.

(iii) Click on Shareholders.

(iv) 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. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(v) Next enter the Image Verification as displayed and Click on Login.

(vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	• Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
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 as mentioned in instruction (iv).

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

(ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members 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.

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

(xi) Click on the EVSN for the relevant Company Name viz., India Nippon Electricals Ltd., on which you choose to vote.

(xii) 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.

(xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.

(xiv) 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.

(xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

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

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

(xviii) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xix) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

BOARDS' REPORT

Your Directors have pleasure in presenting the 34th Annual Report and Audited Accounts for the year ended 31st March 2019.

1. Financial Highlights (on standalone basis)

(Rs. in lacs)

Particulars	Year ended 31st March '19	Year ended 31st March '18
Total Income	53955	47877
Profit before depreciation, exceptional items and taxes	9164	7681
Less:		
Depreciation	773	597
Profit before tax & exceptional items	8391	7084
Exceptional items	-	-
Profit before tax	8391	7084
Taxation	2440	2074
Profit after tax	5951	5010
Add:		
Balance in statement of profit and loss including general reserve	31255	27062
Total Comprehensive income available for appropriation	37206	32072
Appropriation:		
Dividends and Dividend Distribution tax	1773	817
Surplus carried forward	35433	31255

2. Financial and Operational Performance

Your Company's sales have gone up as compared to the previous year by 16% in value terms. Profit before tax and exceptional items, has increased by around 19% over the previous year because of increase in market share of our customers pan India and favourable profitable sales product mix and continual cost reduction measures in material cost and control on employee cost. Your company also invested in BS VI requirements and to meet out higher demand from the customers. The company also purchased land to set up Advance Engineering Centre.

3. Management Discussion and Analysis

a. Overall economic view:

GDP growth for 2018-19 is projected at 7.2% against the expectation of 7.5% as the domestic demand tapers on higher borrowing cost and wait and watch approach adopted by consumers due to elections. Revival of growth was seen in the last quarter in agriculture and service sectors. Manufacturing sector is expected to accelerate to 8.3%, up from 5.7%. However, Core Inflation showed restraint and is pegging at 1.9%. Government has introduced various measures to rationalise GST in the first year of full implementation. Focus was more given on rehabilitation of MSME. Global Trade wars resulted in increase in local commodity prices in the first half of the fiscal.

b. Industry structure and developments:

The two-wheeler industry registered a growth of 5.8% led by 8.8% growth in motorcycle and negative growth of 0.3% in scooter segment. Moped showed negative growth of 4%. Three-wheeler segment recovered and showed 24% against negative growth of 16% last year. Motorcycle volumes increased mainly from exports which showed growth of 17% against domestic growth of 5%. Substantial increase in insurance premium, sluggish rural demand and fewer no. in launch of new models before BS VI migration have crippled the growth of two-wheeler industry. However, after market showed steady increase. Two-wheeler OEMs have started focussing more on speedy implementation of BS VI norms ahead of government timelines.

Automobile industry recorded moderate growth of nearly 6.3% in FY 18-19 compared to 5.4% in FY17-18. LCVs and Commercial Vehicles showed more than 20% whereas high volume passenger car segment witnessed no growth. Favourable macro economy factors inflation and good forecast monsoon lifted the demand in the first half. Kerala floods followed by high insurance cost, liquidity crunch and increased fuel prices played a spoiler and dampened the spirit of festive season. This has resulted in huge inventory pile up at dealers across the country. Headwinds were seen till March end forcing the vehicle manufacturers to shut down the operations for some period. However, vehicle manufacturers increased the prices around 2-5% due to increase in raw material costs and implementation of new safety measures.

c. Performance review:

Your company had a sales growth of around 16% in sales against two-wheeler industry growth of 6%, mainly due to increase in market share of our customers pan India, robust growth in sales of higher value of BS VI products and higher value of business from three-wheeler segment. Persistent pricing pressures from customers was managed through alternate sourcing and value-added solutions. Customers were continuously engaged with constant support in their migration activities to comply with BS VI norms. The measures taken earlier to increase export market started yielding dividends and the company was able to bag order from new customer in non-automotive sector. Your company showed sales growth in motorcycle and scooter outperforming the industry growth. Your company was able to increase its market share by 1%. Efforts are on way to introduce EFI in motorcycles through trials at customer end. Aftermarket sales has witnessed 20% increase and exports has increased by 28% despite increased protectionist measures in USA.

Your company has invested in state-of-the-art equipment energising the core operations resulting in efficient and more reliable production processes. Customer Quality satisfaction index has improved considerably compared to last year. Vendor quality support activities helped in feeding the raw material direct online increasing the effectiveness of the supply chain. Tight supply constraints from electronic component manufacturers continued throughout the year resulting in longer leader times of supply. Close vigil and monitoring of accounts receivables and inventory improved the working capital. Focussed cost reduction activities in indirect expenses improved the profits of the company. Your company continues to be debt-free and maintain enough cash to meet our strategic and operational requirements.

d. Business outlook, Opportunities and Threats:

We have developed a roadmap for future product areas that your company can work towards as the industry moves towards newer technologies. We are confident that these new areas will continue to generate growth for the company in the coming years and increase business with existing customers while acquiring new customers.

The automotive industry growth will be muted due to various factors like phase out of few products during BS VI migration, decline in liquidity in the markets etc. This is in line with the slowdown in the larger Indian economy and exacerbated by global factors such as trade wars and an overall increase in protectionism in all global markets. We are closely watching the market trends for opportunities to improve our position during these challenging times. However, disruptions due to BS VI transition will have an impact on supply chain system due to development of various new components in the short span of time. Similarly, focus on electric vehicles by Government will change the face of automotive sector but it will happen over a period. We are confident we remain on the right path to meet the electric connectivity of two wheelers.

As the vehicles are getting more automated electronically and more complexities are expected, the company stands to gain by offering comprehensive solutions through controllers and sensors. Your company is examining how to build its electronics capabilities so that it can develop and supply products for electric vehicles and other industries and the new R&D centre that is being established is meant to increase focus in this area.

Your company will commercialise business in sensors, ISG controllers and export orders received last year. Your company is taking aggressive cost reduction measures through rejigging of designs of various products. More and more efforts are taken to introduce new products in the aftermarket and through restructuring the product portfolio. Digitalisation in many areas are planned in many areas to reap the benefit increased efficiency and faster delivery to customers.

Your company has received new business enquiries from reputed customers in USA and Europe. The company also plans to expand after market business in overseas markets.

e. Human resources and industrial relations:

The long-term wage settlement for the units in Hosur, Pondy and Rewari is due and negotiations are in advanced stages. The industrial relations in all the units of the company continue to be harmonious and cordial.

f. Risks and concerns:

Protectionist measures adopted by few countries, global trade war and entry of start ups in providing efficient engineering solutions continue to haunt the industry. Similarly, rising trend in raw material prices in steel, copper and petroleum products result in increasing product costs. Minimum wages policy pushes the cost of operation up. It poses challenge to maintain the profitability as customers may not fully offset the cost escalations. Frequent changes in emission norms make the customer postpone their purchases and makes few existing products obsolete.

Your Company is focussing on development of newer range of products which offer customers good value propositions, improving productivity and cost reduction in every possible area of operation to protect the bottom line.

g. Risk management policy:

Your Company takes cognizance of each business risk and has a risk management plan and policy in line with the overall objectives of the Company. The Company tracks the ever-changing business risks and evaluates their impact on business results. Mitigation plan and counter measures are prepared and monitored to keep the impact minimal. Your Company had also formulated Risk Management Policy to identify and address the various risks.

h. Internal Audit and Internal Control Systems:

Your Company views internal audit as a continuous process to keep the management regularly appraised on the existence, adequacy and effectiveness of the internal control systems/processes in the company.

Based on the annual review and feedback received from the units and statutory auditors, audit plan is prepared and updated every year and approved by the Audit & Risk Management Committee. Internal auditors independently verify and test the adequacy and operating effectiveness of internal control systems and this provides assurance to the Audit Committee of continued compliance. The internal audit reports are also shared with statutory auditors.

Your Company improves internal control systems and accuracy of information on costs in real time through the effective use of ERP system which will help to analyse and exercise better control.

4. Internal Financial Controls

The company has established internal financial framework including internal controls over financial reporting and anti-fraud framework. The framework is reviewed regularly by the management and strengthened, from time to time to ensure adequacy and effectiveness of internal financial controls.

5. Corporate Social Responsibility

Your Company has constituted the Corporate Social Responsibility Committee (CSR Committee) and laid down the CSR policy which is available on the Company's website.

During the year, the Company had spent Rs. 92 lacs towards CSR activities through Swami Dayananda Educational Trust, an eligible institution, which is the equivalent to the full budget of CSR spending approved for the year 2018-19 in line with the requirements of Schedule VII of the Companies Act, 2013.

The annual report on CSR activities is annexed to this report.

6. Subsidiary Company and Associate Company and the Consolidated Financial Statements

6.1 Subsidiary company

Your subsidiary company, PT Automotive Systems Indonesia, has been granted approval from the Capital Investment Coordinating Board (BKPM) on January 19, 2017 for a further period of three years to explore business opportunities. However, as mentioned in the previous report, the manufacturers of two wheelers in that country have their own sources for the products in the subsidiary's range of manufacture and the Company is evaluating different options of exiting the country.

6.2. Associate company

Synergy Shakthi Renewable Energy Private Limited (SSREPL) was not in operation from 2017-18 onwards due to unviable tariff and adverse regulatory policies. SSREPL had made many attempts to liaise and represent Government and various authorities to make changes in regulations but the efforts had not yielded favourable results. SSREPL has incurred loss of Rs 257.34 lacs during the year against Rs 98.45 lacs in previous year. The company is evaluating alternate options to make it profitable and mitigate the losses. However, the diminution in value due to non-operation of the plant, appropriate provision has been made in the accounts considering the fair market value.

Financial position of the subsidiary and the associate company are provided in AOC-1 as required under Section 129 (3) of the Companies Act 2013 as part of the financial statements.

6.3. Consolidated financial statements

The Consolidated Financial Statements of the Company 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 along with a separate statement containing salient features of the financial performance of the subsidiary / associate, in the prescribed format form part of the Annual Report.

Pursuant to the provisions of Section 136 of the Companies Act, 2013, the audited financial statements of the subsidiary have been placed on the website of the Company at www.indianippon.com and the same will be made available to the shareholders on receipt of a request from them. This will also be available for inspection by the shareholders at the registered office of the company during the business hours.

7. Dividend

Your Company had declared and paid two interim dividends worth Rs. 6.5 per share during the year under review, comprising of second interim dividend for 2017-18 of Rs. 3.5 per share and first interim dividend for 2018-19 of Rs. 3 per share (on Face value of Rs. 5 each). A further dividend of Rs. 4 per share was declared as second interim dividend for the year 2018-19 taking the total dividend declared for the year 2018-19 to Rs. 7 per share. Your directors recommend consideration of the same as the final dividend for the year. The final dividend for the year will absorb a sum of Rs. 1583.50 lakhs besides an additional outgo on dividend distribution tax of Rs. 325.49 lacs.

8. Public Deposits

Your Company has not accepted any deposits falling within the ambit of Section 73 or Section 76 of the Companies Act, 2013 read with Companies [Acceptance of Deposits] Rules 2014.

9. Conservation of Energy, Technology Absorption and Foreign Exchange Outgo and Earnings

Details of Conservation of Energy, technology absorption and Foreign Exchange outgo and earnings are given as Annexure to the Report.

10. Particulars of Employees

The information required under Section 197 of the Companies Act, 2013 and Rule 5(2) made thereunder, as amended, is given as Annexure to this report. In terms of second proviso to Section 136(1) of the Companies Act 2013, the Annual Report, excluding the aforesaid annexure is being sent to the shareholders of the company. The annexure is available for inspection at the registered office of the company during business hours and any shareholder interested in obtaining a copy of said annexure may write to the Company Secretary at the registered office of the company.

The Comparative Analysis of the remuneration paid to Directors and Key Managerial Personnel with the Company's performance is given in annexure to the Report.

11. Annual Return

Extract of Annual Return is given as an annexure to this report.

12. Corporate Governance

Pursuant to the Listing Regulations 2015, the 'Report on Corporate Governance' is enclosed with this report as an annexure. A certificate from the Secretarial Auditors of your Company regarding compliance of the conditions of the Corporate Governance as stipulated by the SEBI (LODR) Regulations 2015, is given as annexure to this report. The certificate required from Managing Director / CFO, is also given as annexure to this report.

13. Directors' Responsibility Statement

As required under Section 134 (5) of the Companies Act, 2013, the Board of Directors hereby confirm: -

i. That in the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

ii. That the Directors had 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 the affairs of the Company at the end of the Financial Year and of the profit of the Company for that period;

iii. That the Directors had taken proper and sufficient care for the 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 fraud and other irregularities;

iv. That the Directors had prepared the Annual Accounts on a going-concern basis;

v. That the directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively;

vi. That the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

14. Directors & Key Managerial Personnel (KMP)

Mr. Anant Jaivant Talaulicar was appointed as an Independent Additional Director at the meeting of the Board of Directors held on 6th April 2019 for a period of four years from that date, subject to approval of shareholders. The same is proposed for approval of shareholders at the ensuing Annual General Meeting and included in the Notice of the Annual General Meeting.

Mr. G Chidambar, resigned from the Board with effect from 6th April 2019 due to his decision to retire from active work. The Board wishes to place on record its appreciation of the contributions made by Mr. G Chidambar for the development of the Company during his long tenure as an Independent Director of the Company. In the same meeting, your Company had also adopted the amended Nomination and Remuneration Policy Guidelines of which more details are given as part of the Corporate Governance report.

Mr V Balaraman, Mr K G Raghavan, Mr R Vijayaraghavan and Dr Jayshree Suresh, Directors complete their first tenure of five years as Independent Directors of the Company on the date of the forthcoming Annual General Meeting i.e. 16th August, 2019 and they are proposed to be re-appointed as Independent Directors for the second term commencing from the date of the ensuing Annual General Meeting. The Nomination and Remuneration Committee and the Board had taken on record their declaration of Independence under section 149 (6) of the Act. In the opinion of the Nomination and Remuneration Committee and the Board, each of these Directors fulfill the conditions specified in the Act and the Rules framed thereunder for re-appointment as Independent Directors and they are independent of the management. Their vast experience and contribution to the Company so far will help the Company in future business strategies and in ensuring strong Corporate Governance. Their varied background and functional expertise will add to Board diversity and robustness of decision making process.

Further, each of the four Directors had brought in perspectives on issues deliberated at the Board/ Committees based on their skills/ competence/ expertise. Their independent professional judgment on the deliberations, especially on the issues of Strategy, Performance, Compliance and Corporate Governance had added substantial depth to the Board decision making process. All of them participate constructively and actively in the meetings of the Board / committees of the Board in which they are a member.

Considering the above and the notices recommending their re-appointment received from shareholders, the Board recommends the following term of appointment as shown in the table below:

Name of the Director	Date of Original appointment	Age as on 31st March, 2019	Re-appointment Proposed till
Mr V Balaraman	27th August, 2014	72	AGM, 2022
Mr K G Raghavan	27th August, 2014	64	AGM, 2023
Mr R Vijayaraghavan	27th August, 2014	69	AGM, 2023
Dr Jayshree Suresh	27th August, 2014	66	AGM, 2022

As per the amended Nomination and Remuneration Policy Guidelines, Independent Directors above the age of 70 years may be appointed/ re-appointed for another term in exceptional cases based on the recommendation of the Nomination and Remuneration Committee with suitable rationale. Mr V Balaraman and Mr R Vijayaraghavan, Independent Directors would be above the age of 70 years during the tenure of their proposed second term. The Nomination and Remuneration Committee and the Board, considering their skills/ competence/ expertise/ other attributes, contribution to the company so far and on the basis of their performance evaluation, recommends their re-appointment for the second term. Further, considering the need to stagger Independent Directors replacement, the NRC and Board had determined different tenures for the Independent Directors as set out in the table above.

Further, Mr T K Balaji, Chairman of the Company will be retiring by rotation at the ensuing Annual General Meeting and is eligible for re-appointment.

A brief resume of all the Directors who are proposed to be appointed/ re-appointed and other relevant information have been furnished in the Notice of the Annual General Meeting including the resolutions for the same. The Directors recommend these businesses for approval.

Mr. Arvind Balaji, Managing Director, Mr. Elango Srinivasan, Chief Financial Officer and Mr. G Venkatram, Company Secretary are KMPs in terms of Section 2(51) and Section 203 of the Companies Act 2013.

14.1 Declaration by independent directors as required u/s 149:

Declaration of Independence comprising all the requirements of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 were received by the Company, and was taken on record by the Board after verifying the veracity of the declarations, from Mr V Balaraman, Mr K G Raghavan, Mr R Vijayaraghavan, Dr Jayshree Suresh and Anant Jaivant Talaulicar. Further, a report by Practising Company Secretary highlighting that none of the Directors of the Company are debarred or disqualified is given as part of the Corporate Governance report.

14.2 Terms of appointment of independent directors of India Nippon Electricals Limited:

The terms of appointment of the Independent Directors are available on the website of the company viz., www.indianippon.com/policies/

14.3 Number of meetings of the board

Four meetings of the Board were held during the year. For details of the meetings of the Board, please refer to the corporate governance report, which forms part of this report.

14.4 Board evaluation

The Nomination & Remuneration Committee of the company approved evaluation guidelines which provides for evaluation of the Board, the Committees of the Board and individual Directors. Pursuant to Schedule IV of the Companies Act 2013, the Independent Directors of the company met on 9th February, 2019 without the attendance of Non-independent Directors and members of management and reviewed

(i) the performance of non-independent Directors of the Board as a whole;

(ii) the performance of the Chairman of the Company; and

(iii) 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.

At the meeting held on 30th May, 2019, the Board took on record the performance evaluation of the Independent Directors and noted that the Independent Directors had expressed satisfaction on the overall performance of the Board, Committees, Non-executive & Executive Directors and the quality, quantity and timeliness of flow of information. After recording the same, the evaluation process was completed by the Board by evaluating the performance of each Director on Board, the Committees and of itself.

14.5 Policy on directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of directors, key managerial personnel and other employees

On 6th April, 2019, your Company adopted a revised Nomination and Remuneration Policy Guidelines, which details the principles underlying Directors/ Key Managerial Personnel appointment, remuneration etc and the summary of the said policy is presented as part of the Corporate Governance Report. The policy can be accessed at www.indianippon.com/policies/ Additional details including various ratios required under the Companies Act 2013 is given as separate annexure to this report.

15. Auditors

(i) Statutory Auditors

Pursuant to Section 139 of the Companies Act, 2013 and Rules made thereunder, M/s Deloitte, Haskins & Sells LLP, Chartered Accountants, were appointed for a period of five years from the conclusion of the 32nd Annual General Meeting held on 24th August 2017 until the conclusion of the 37th Annual General Meeting to be held in the year 2022. Since the requirement of ratification has been done away with, no ratification is proposed for approval of shareholders.

(ii) Cost Auditor

The Company maintains Cost records as required under the Companies Act, 2013 and relevant Rules/ Orders made thereunder. Pursuant to the Companies (Cost Records and Audit) Rules, 2014, the Company filed the Cost Audit Report, with the Ministry of Corporate Affairs, for the financial year 2017-18 in XBRL format.

Mr. K Suryanarayanan who was appointed as Cost Auditor for the financial year 2018-19 will be submitting his report within the time limit applicable under the Companies (Cost Record and Audit) Rules 2014.

The Board has re-appointed Mr. K Suryanarayanan as cost auditor for the financial year 2019-20 also and a remuneration of Rs. 3.16 lacs has been fixed for the audit. The ratification of his remuneration is included as an item in the Notice of the Annual General Meeting as required under Section 148 (3) of the Companies Act 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules 2014.

(iii) Secretarial Auditor & the Secretarial Audit Report

Ms. B Chandra, Practicing Company Secretary was appointed as Secretarial Auditor by the Board of Directors for the financial year 2018-19 whose report is attached separately to this report. Ms. B Chandra, Practicing Company Secretary was re-appointed as Secretarial Auditor for carrying out the secretarial audit, issuing the annual Compliance Certificate under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Certificate on Corporate Governance Compliance for the financial year 2019-20.

(iv) Qualification/reservation/adverse remark in Audit Report

There were no qualification / reservation / adverse remark in the Auditor's Report or in the Secretarial Audit Report.

16. Particulars of contracts or arrangements with related parties

During the year, the Audit Committee had accorded omnibus approval to Related Party Transactions which are foreseen and repetitive in nature. The Audit Committee reviews, on a quarterly basis, the details of the Related Party Transactions entered pursuant to the aforementioned omnibus approval.

All the existing and proposed transactions with related parties are in the ordinary course of business and on arm's length basis and the details of 'material' related party transactions are disclosed in form AOC–2 which is annexed to and forms part of this report.

The Company has a policy on Related Party Transactions and the same is displayed on the Company's website viz., www.indianippon.com/policies/

17. 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 5 on Accounts for the financial year 2018-19. The same is within the prescribed limits under provisions of Section 186 of the Companies Act 2013.

18. Prevention of sexual harassment of women at workplace:

As per the requirements of the Sexual Harassment of women at workplace (Prevention, Prohibition & Redressal) Act 2013 and Rules made thereunder, your Company has constituted Internal Complaints Committee. During the year under review, your Company has not received any complaint(s) of sexual harassment from any of the women employees of the Company.

19. Material changes and commitments

There have been no material changes and commitments affecting the financial position of the Company, which have occurred between the end of the financial year to which the financial statements relate and the date of the report.

20. Acknowledgements

Your Directors also acknowledge the continued support received from Lucas TVS Limited, Lucas Indian Service Ltd, Mahle Electric Drives Japan Corporation and also wish to thank the Governments at the Centre and in the States of Tamil Nadu, Haryana, Maharashtra and Puducherry, Bank of Baroda, ICICI Bank Ltd, Axis Bank Ltd and SIPCOT for the assistance rendered by them from time to time.

For and on behalf of the Board of Directors

Place : Chennai
Date : May 30, 2019

T K BALAJI
DIN No.:00002010
Chairman

Annexures to Boards' Report
Information as required under Section 134 of the Companies Act, 2013

1. Conservation of Energy

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

The power consumed per Standard Unit of Production is being monitored as a part of energy conservation measures and achieved the targeted level of 0.80 EU by implementing various activities as below.

1. Installed and commissioned a 250 KW Rooftop solar power system in Pondicherry plant and 150 KW Rooftop solar system in Rewari plant.
2. Replaced around 72 nos of old 150 Watts Magnetic Induction lamps (High bay fittings) with new highly energy efficient 100 Watts LED fittings.
3. Provided around 1,500 Sq. meters of GI louvers in SMT Block wall panels to enhance the natural ventilation & air circulations.
4. The 3.0HP capacity hot water circulation pumps which is being used in all Rotor lines have been replaced with 0.5HP high pressure pump to save energy.
5. Provided an Automated Power Factor Controller (APFC) in Pondicherry unit and achieved a Unity Power factor in the 22KV/440V system.
6. Provided a Variable Frequency Drive controller in 30 KW Air compressor to conserve energy.

b) Future plans for energy conservation:

The company is aiming at greater energy conservation by implementing measures like installing solar street light system with inbuilt lux level sensors, waste heat recovery system in Air compressors, installing solar hot water system for Bin Washing Machine etc. Also, the company is planning to conduct a compressed air audit with BEE certified agency to identify the opportunity for improvements.

2. Technology Absorption, Adaptation and Innovation:

The Company's focus has been to carryout development to meet forthcoming April 2020 BS VI emission norms in order to retain Business of all the applicable existing products. Your company has been largely successful in meeting the new requirements of Customers.

Your company has progressed in setting up of a New R&D Centre with state of the art facilities for Performance and Emission testing of two wheelers, three wheelers and general purpose engines. The new facility expected to be in operation by the year end.

Your company has been actively progressing development of adjacent products in the areas of display, sensors, high efficiency converters etc., considering future needs.

Expenditure on R&D:	Rs. in Lacs
Capital	280.75
Revenue	653.09
Total	933.84
% on net turnover	1.79%

3. Foreign Exchange Outgo and Earnings:

Export Activities

Exports during the year ended 31st March 2019 amounted to Rs.2272 lacs as against Rs.1765 lacs of the previous year.

Total foreign exchange used and earned:

The foreign exchange outgo and earnings for the Company for the period under review were Rs.5948 lacs and Rs.2126 lacs respectively.

For and on behalf of the Board of Directors

Place : Chennai
Date :May 30, 2019

T K BALAJI
DIN No.:00002010
Chairman

Disclosure under Rule 5 (1) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014

S. No.	Name of Director / KMP	Designation	% Increase in remuneration	Ratio to median remuneration
1.	Mr. T K Balaji	Non-Executive Chairman	47.29	1:1.55
	Mr. Arvind Balaji	Managing Director	39.48	1:47.22
	Mr. V Balaraman	Independent Director	22.63	1:1.90
	Mr. G Chidambar	Independent Director	0 (refer to note 1)	1:1.61
	Mr. K G Raghavan	Independent Director	44.00	1:1.47
	Mr. R Vijayaraghavan	Independent Director	9.20	1:1.45
	Dr. Jayshree Suresh	Independent Director	14.81	1:1.26
	Mr. Mukesh Somani	Non-Executive Director	20.00	1:0.98
	Ms. Priyamvada Balaji	Non-Executive Director	NA (refer to note 2)	1:0.98
	Mr. Tadaya Momose	Non-Executive Director	NA (refer to note 3)	NA
	Mr. Elango Srinivasan	CFO	12.48	NA
	Mr. S Sampath	CS	NA (refer to note 4)	NA
	Mr. G Venkatram	CS	NA (refer to note 4)	NA
2.	Percentage increase in median remuneration of employees	7.25%		
3.a.	Average percentile increase already made in the salaries of employees other than the managerial personnel			13.01%
3.b.	Percentile increase in the managerial remuneration (refer to note 4)			25.98%
3.c.	There are no exceptional circumstances for increase in the managerial remuneration.Furthar, both the increase in managerial remuneration and non-managerial personnel remuneration is in line with industry standards to attract and retain the best talent.			
4	The total number of permanent employees on the rolls of the Company as on 31st March 2019			546
5.	It is hereby affirmed that the remuneration paid during the year is as per the remuneration policy of the Company			

Notes :

1. Mr. G Chidambar,Independent Director resigned from Directorship w.e.f. 6th April, 2019.
2. Ms. Priyamvada Balaji, Director was appointed on 29th January, 2018. Since the remuneration for last year is not comparable the percentage increase in remuneration was treated as not applicable
3. Mr. Tadaya Momose, Director did not receive remuneration for both the years. Hence, percentage increase in remuneration is treated as not applicable
4. Mr G Venkatram was designated as Company Secretary on 8th May, 2018 and hence there was no comparable figure for the previous year. Mr S Sampath ceased to be the Company Secretary w.e.f. 8th May, 2018. Hence, variation in remuneration of Company Secretary was not considered for the purpose of calculating the increase.

For and on behalf of the Board of Directors

Place : Chennai
Date : May 30, 2019

T K BALAJI
DIN No.:00002010
Chairman

Form MGT - 9

Extract of Annual Return

as on the financial year ended on 31.03.2019
[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

CIN	L31901TN1984PLC011021
Registration Date	12th July 1984
Name of the Company	India Nippon Electricals Ltd
Category / Sub-Category of the Company	Public Company
Address of the Registered office and contact details	11 & 13, Patullos Road, Chennai 600 002 Tel: 2846 0063; E.mail: inelcorp@inel.co.in
Whether listed company Yes / No	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s Sundaram Clayton Ltd, Jayalakshmi Estates 29, Haddows Road, Chennai-600006. Tel: 28272233/ 28284959 Fax:28257121; E.mail: raman@scl.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
Manufacture of parts and accessories for motor vehicles and their engines	34300	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

Name and Address of the company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable section
PT Automotive Systems Indonesia	Not Applicable	Subsidiary company	99.97%	2(87)
Synergy Shakthi Renewable Energy P Ltd	U40108TN1995PTC030884	Associate Company	40%	2(6)

IV. (i) SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

Category of shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	% change during the year
A. Promoters									
(1) Indian									
a. Individual / HUF									
b. Central Govt									
c. State Govt(s)									
d. Bodies Cop.	10377332	-	10377332	45.87	10377332	-	10377332	45.87	-
e. Banks/ FI									
f. Any other									
Sub-total (A) (1)	**10377332**	**-**	**10377332**	**45.87**	**10377332**	**-**	**10377332**	**45.87**	**-**
(2) Foreign									
a. NRIs-Individuals									
b. Other – Individuals									
c. Bodies Corp.	4641000	-	4641000	20.52	4641000	-	4641000	20.52	-
d. Banks / FI									
e. Any other									
Sub-Total (A) (2)	**4641000**	**-**	**4641000**	**20.52**	**4641000**	**-**	**4641000**	**20.52**	**-**
Total shareholding of promoter (A) = (A) (1) + (A) (2)	**15018332**	**-**	**15018332**	**66.39**	**15018332**	**-**	**15018332**	**66.39**	**-**
B. Public shareholding									
(1) Institutions									
a. Mutual Funds	30396	-	30396	0.13	214442	-	214442	0.95	0.82
b. Alternative Investment Fund	476312	-	476312	2.11	476312	-	476312	2.11	-
c. Banks / FI	70363	-	70363	0.31	73973	-	73973	0.33	0.02
d. Central Govt.	-	-	-	-	-	-	-	-	-
e. State Govt(s)	-	-	-	-	-	-	-	-	-
f. Venture Capital Funds	-	-	-	-	-	-	-	-	-
g. Insurance companies	-	-	-	-	-	-	-	-	-
h. Foreign portfolio investor- Corporate	15909	-	15909	0.07	15645	-	15645	0.07	-
Individual	-	-	-	-	1200	-	1200	0.01	0.01
i. Others (specify)									
Sub-total (B) (1)	**592980**	**-**	**592980**	**2.62**	**781572**	**-**	**781572**	**3.47**	**0.85**

(2)	**Non-Institutions**								
a)	Bodies Corp								
i)	Indian	920784	3188	923972	4.08	886584	2888	889472	3.93	(0.15)
ii)	Overseas									
b)	Individuals									
i)	Individual shareholders holding nominal share capital in excess of Rs.2 lakh	499422	-	499422	2.21	462053	-	462053	2.04	(0.17)
ii)	Individual shareholders holding nominal share capital upto Rs.2 lakh	4835550	553268	5388818	23.82	4897790	328616	5226406	23.10	(0.72)
c)	Others (specify)									
i)	IEPF Authority	40606	-	40606	0.18	78320	-	78320	0.35	0.17
ii)	Clearing Member									
iii)	Trust									
iv)	Foreign national									
v)	HUF									
vi)	Non-resident Indians	147394	9900	157294	0.70	162441	2828	165269	0.72	0.02
	Sub-total (B) (2)	**6443756**	**566356**	**7010112**	**30.99**	**6487188**	**334332**	**6821520**	**30.14**	**(0.85)**
	Total public shareholding (B) = (B) (1)+(B) (2)	**7036736**	**566356**	**7603092**	**33.61**	**7268760**	**334332**	**7603092**	**33.61**	**-**
C. Shares held by custodian for GDRs & ADRs										
	Grand Total(A+B+C)	**22055068**	**566356**	**22621424**	**100**	**22287092**	**334332**	**22621424**	**100**	**-**

(ii) Shareholding of Promoters

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1.	Lucas Indian Service Ltd	10377332	45.87	-	10377332	45.87	-	-
2.	Mahle Electric Drives Japan Corporation	4641000	20.52	-	4641000	20.52	-	-

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

S. No.		Shareholding at the beginning of the year		Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g allotment / transfer / bonus/ sweat equity etc)	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company		No. of shares	% of total shares of the company
1.	At the beginning of the year	15018332	66.39	No change during the year	15018332	66.39
2.	At the end of the year	15018332	66.39	No change during the year	15018332	66.39

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

S. No.	Name of shareholders	Shareholding at the beginning of the year		Date wise Increase / (Decrease)			Cumulative shareholding during the year	Shareholding at the end of the year	%
		No. of shares	% of total shares of the company	Date	No. of shares	Reason			
1	Sundaram Alternative Opportunities Fund - Nano Cap Series I	3,63,510	1.61	-	-	-	-	3,63,510	1.61
2	Harita Sheela P Ltd	2,32,260	1.03	-	-	-	-	2,32,260	1.03
3	Vibgyor Investors and Developers P Ltd	2,00,000	0.88	-	-	-	-	2,00,000	0.88
4	Ketu R Mehta	2,10,000	0.93	03.08.2018	37,369	Trf/Sold	1,72,631	1,72,631	0.76
5	Harita Balaji P Ltd	1,64,782	0.73	-	-	-	-	1,64,782	0.73
6	Mayank R Mehta	1,40,000	0.62	-	-	-	-	1,40,000	0.62
7	Sundaram Mutual Fund A/C Sundaram Emerging Small Cap - Series II	-	-	27-07-2018	1,326	Trf/Pur	1,326		
				03-08-2018	38,794	Trf/Pur	40,120		
				17-08-2018	3,849	Trf/Pur	43,969		
				20-08-2018	3,693	Trf/Pur	47,662		
				24-08-2018	4,316	Trf/Pur	51,978		
				31-08-2018	5,773	Trf/Pur	57,751		
				07-09-2018	1,315	Trf/Pur	59,066		
				14-09-2018	466	Trf/Pur	59,532		

S. No.	Name of shareholders	Shareholding at the beginning of the year		Date wise Increase / (Decrease)			Cumulative shareholding during the year	Shareholding at the end of the year	%
		No. of shares	% of total shares of the company	Date	No. of shares	Reason			
				21-09-2018	99	Trf/Pur	59,631		
				28-09-2018	34,446	Trf/Pur	94,077		
				05-10-2018	8,140	Trf/Pur	1,02,217		
				16-11-2018	27	Trf/Pur	1,02,244		
				23-11-2018	6,498	Trf/Pur	1,08,742		
				30-11-2018	3,269	Trf/Pur	1,12,011		
				07-12-2018	5,919	Trf/Pur	1,17,930		
				14-12-2018	5,005	Trf/Pur	1,22,935		
				28-12-2018	388	Trf/Pur	1,23,323		
				04-01-2019	1,644	Trf/Pur	1,24,967		
				01-02-2019	400	Trf/Pur	1,25,367		
				08-02-2019	3,216	Trf/Pur	1,28,583		
				15-02-2019	1,988	Trf/Pur	1,30,571		
				08-03-2019	3,030	Trf/Pur	1,33,601	1,33,601	0.59
8	Sundharam Alternative Opportunities Fund –Nano Cap Series II	1,12,802	0.50	-	-	-	-	1,12,802	0.50
9	Essel Mutual Fund - Essel Equity Hybrid Fund	30,396	0.13	01.04.2018	30,396	Trf/Pur	30,396		
				11-05-2018	2,250	Trf/Pur	32,646		
				18-05-2018	3,972	Trf/Pur	36,618		
				25-05-2018	5,013	Trf/Pur	41,631		
				01-06-2018	2,320	Trf/Pur	43,951		
				08-06-2018	5,849	Trf/Pur	49,800		
				29-06-2018	900	Trf/Pur	50,700		
				03-08-2018	2,700	Trf/Pur	53,400		
				10-08-2018	396	Trf/Pur	53,796		
				31-08-2018	234	Trf/Pur	54,030		
				07-09-2018	3,600	Trf/Pur	57,630		
				28-09-2018	2,403	Trf/Pur	60,033		
				12-10-2018	5,390	Trf/Pur	65,423		

S. No.	Name of shareholders	Shareholding at the beginning of the year		Date wise Increase / (Decrease)			Cumulative shareholding during the year	Shareholding at the end of the year	%
		No. of shares	% of total shares of the company	Date	No. of shares	Reason			
				18-01-2019	1,980	Trf/Pur	67,403		
				01-02-2019	4,222	Trf/Pur	71,625		
				08-02-2019	1,715	Trf/Pur	73,340		
				15-02-2019	2,635	Trf/Pur	75,975		
				01-03-2019	3,264	Trf/Pur	79,239		
				15-03-2019	900	Trf/Pur	80,139		
				22-03-2019	702	Trf/Pur	80,841	80,841	0.36
10.	Nitin Kapil Tandon	78,000	0.34	-	-	-	-	78,000	0.34

(v) Shareholding of Directors and Key Managerial Personnel:

S. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Cumulative Shareholding during the year	
	DIRECTORS	No. of shares	% of total shares of the company		No. of shares	% of total shares of the company
1	T K Balaji	-	-	-	-	-
2	Arvind Balaji	-	-	-	-	-
3	Mukesh Kumar Somani	-	-	-	-	-
4	T Momose	-	-	-	-	-
5	Priyamvada Balaji	-	-	-	-	-
6	KG Raghavan	-	-	-	-	-
7	V Balaraman	-	-	-	-	-
8	G Chidambar*	-	-	-	-	-
9	R Vijayaraghavan	-	-	-	-	-
10	Jayshree Suresh	-	-	-	-	-
Key Managerial Personnel						
1	S Sampath, CS**	-	-	-	-	-
2	G Venkatram, CS***					
2	Elango Srinivasan, CFO	100	0.0004	No change during the year	100	0.0004

- Resigned w.e.f. 6th Apr'19; ** resigned w.e.f. 8th May'18; *** joined as CS on 8th May'18.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year i. Principal Amount	-	-	-	-
ii. Interest due but not paid	-	-		
iii. Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year • Addition	-	-		
• Reduction	-	-	-	
Net Change	-	-	-	-
Indebtedness at the end of the financial year				
i. Principal Amount	-	-	-	-
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Director and / or Manager:

Sl no	Particulars of Remuneration	Name of MD/ WTD/ Manager (Mr.)	Total Amount Rs. in lacs
1.	Gross Salary a. salary as per provisions contained in Section 17 (1) of the Income-tax Act		85.60
	b. Value of perquisites u/s 17 (2) of the Income-tax Act 1961		7.86
2.	Stock Option		-
3.	Sweat Equity	Arvind Balaji Managing Director	-
4.	Commission -As % of profit -Others specify		196.50 2.48% -
5.	Others, please specify		-
	Total (A)		**289.96**
	Ceiling as per the Act		**396.08**

B. Remuneration to other Directors:

Sl no	Particulars of remuneration	Name of directors (Mr./Mrs)					Total amount Rs. in lacs
1.	**Independent directors**	**K G Raghavan**	**V Balaraman**	**G Chidambar***	**R Vijayaraghavan**	**Jayshree Suresh**	
	Fees for attending board/ committee meetings	1.20	2.20	2.00	2.00	1.20	**8.60**
	Commission	9.00	11.65	9.90	8.90	7.75	**47.20**
	Others (Separate Meeting of IDs)	0.20	0.20	0.20	0.20	0.20	**1.00**
	Total (1)	10.40	14.05	12.10	11.10	9.15	**56.80**
2.	**Other Non-executive Directors**	**TK Balaji**	**Priyamvada Balaji**	**Mukesh Kumar Somani**	-	-	-
	Fee for attending board / committee meetings	2.20	0.80	0.60	-	-	**3.60**
	Commission	9.50	6.00	6.00	-	-	**21.50**
	Others, please specify	-	-	-	-	-	**-**
	Total (2)	11.70	6.80	6.60	-	-	**25.10**
	Total = B (1+2)	**22.10**	**20.85**	**18.70**	**11.10**	**9.15**	**81.90**
	Total Managerial Remuneration (A+B)						
	Overall ceiling as per the Act (Ceiling excludes sitting fees)						

IDs: Independent Directors; * Mr G Chidambar was a Director of the Company till 6th April, 2019.

C. Remuneration to Key Managerial Personnel other than MD/ Manager/ WTD.

Sl no	Particulars of Remuneration	Key Managerial Personnel (Mr.) (Rs. in lacs)		
		Elango Srinivasan CFO	**S Sampath, CS (till 8th May, 2018)**	**G Venkatram CS (from 8th May, 2018)**
1.	Gross Salary a. salary as per provisions contained in Section 17 (1) of the Income-tax Act	51.18	2.55	20.00
	b. Value of perquisites u/s 17 (2) of the Income-tax Act 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission As % of profit	-	-	-
5.	Others, please specify	-	-	-
	Total	**51.18**	**2.55**	**20.00**

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES: NIL

For and on behalf of the Board of Directors

Place : Chennai
Date : May 30, 2019

T K BALAJI
DIN No.:00002010
Chairman

Report on CSR activities as prescribed under the Companies (Corporate Social Responsibility Policy) Rules, 2014

1)	A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken: India Nippon Electricals Limited stands committed to the social and economic development of the communities in which it operates. The company's commitment towards this includes contributing to Institutions which are engaged in activities aligned to CSR policy.
2)	Web-link to the CSR policy and projects or programmes: http://www.indianippon.com/CSRPolicy.htm
3)	The composition of the CSR Committee Dr Jayshree Suresh, Independent Director- Chairperson of the CSR Committee Mr Arvind Balaji, Managing Director- Member of the CSR Committee Ms Priyamvada Balaji, Director –Member of the CSR Committee
4)	Average net profit of the company for last three financial years: Rs.6000.37 lacs
5)	Prescribed CSR expenditure (two percent of the amount as in item 4 above): Rs.92.00 lacs.
6)	Details of CSR spent during the financial year (a) Total amount to be spent for the financial year: Rs.92.00 lacs (b) Amount unspent, if any : NIL (c) Manner in which the amount spent during the financial year is detailed below:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) local area or other (2) specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs subheads: (1) direct expenditure on projects or programs. (2) overheads	Cumulative expenditure up to the reporting period	Amount spent: direct or through implementing agency
1.	Educating Rural India	Providing access and developing facilities to education in the rural areas [Clause ii of Schedule VII]	Projects were located in Thiruvarur District, Tamil Nadu	Rs.92.00 lacs	Rs.92.00 lacs	Rs.92.00 lacs	Spent through Swami Dayananda Educational Trust (SDET).

7) In case the company has failed to spend the two percent, of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report. N.A.

8) The implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the company.

Arvind Balaji
Member, CSR Committee

Jayshree Suresh
Chairperson of the Committee

Disclosure of particulars of contracts / arrangements entered into by the company with related parties

A.	**Details of contracts or arrangements not at arm's length basis: NIL**	
B.	**Details of material contracts or arrangement or transactions at arm's length basis:**	
1.	Name(s) of the related party and nature of relationship	TVS Motor Company Limited, - relative of ultimate parent company
2.	Nature of contracts/ arrangements / transactions	a) Sale of Goods (Products, Components etc) b) Design and development services c) Purchase of Raw materials
3.	Duration of contracts/ arrangements/ transactions	2018-19
4.	Salient terms of the contracts or arrangements or transactions including the value, if any.	a) All the transactions were on continuing basis and were undertaken on arm's length basis and in the ordinary course of business. b) The transactions were based on RFQs, Purchase / Service Orders issued from time to time. c) In case of proprietary products, prices are negotiated and agreed mutually based on product specification and degree of customization/ technology involved. d) Value of Transaction in 2018-19 – Rs.350.66 Crores.
5.	Date (s) of approval by the Board, if any.	Approval of the Audit Committee/ Board had been obtained on 8th May 2018 and the shareholders' ratification / approval pursuant to the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 was obtained at the Annual General Meeting held on Aug 27, 2018.
6.	Amount paid as advances, if any	Nil

For and on behalf of the Board of Directors

Place : Chennai
Date : May 30, 2019

T K BALAJI
DIN No.:00002010
Chairman

Secretarial Auditor's Cerrtificate on Corporate Governance

To

The Members,
INDIA NIPPON ELECTRICALS LIMITED,
NO. 11 & 13, (OLD NO. 6 & 7) PATULLOS ROAD
CHENNAI 600002

1. I have examined the compliance of conditions of Corporate Governance by M/s. India Nippon Electricals Limited, for the year ended on 31st March, 2019, as stipulated under the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as referred to in the Listing Regulations for the period 1st April 2018 to 31st March 2019, with the relevant records and documents maintained by the Company and furnished to us and the Report on Corporate Governance as approved by the Board of Directors.
2. The compliance of conditions of Corporate Governance is the responsibility of the management. My examination was limited to review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of corporate governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. Based on the aforesaid examination and according to the information and explanations given to us, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations.
4. I further state that, such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place : Chennai
Date : May 30, 2019

B.CHANDRA
Practising Company Secretary
ACS No.: 20879
C P No.: 7859

Form No. MR-3
Secretarial Audit Report
For the Financial Year Ended 31.03.2019

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To

The Members,
INDIA NIPPON ELECTRICALS LIMITED,
NO. 11 & 13, (OLD NO. 6 & 7) PATULLOS ROAD
CHENNAI 600002

Dear Sir,

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s **INDIA NIPPON ELECTRICALS LIMITED** bearing CIN L31901TN1984PLC011021 (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my 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, I hereby report that, in my opinion, the company has, during the audit period covering the financial year ended on 31.03.2019, 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

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31.03.2019, according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made there under;

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

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

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

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

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

   b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

   c. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

   d. The Securities and Exchange Board of India (Listing obligations and Disclosure requirements) Regulations 2015

I am informed that the company, during the year, was not required to comply with the following regulations and consequently not required to maintain any books, papers, minute books or other records or file any forms/ returns under:

a. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018

b. The Securities and Exchange Board of India (Share Based Employee Benefits)Regulations, 2014

c. The Securities and Exchange Board of India (Issue and Listing of Debt securities) Regulations 2008 and

d. The Securities and Exchange Board of India (Buy back of Securities) Regulations, 2018;

(vii) The Company has its factories located in Hosur, Puducherry, Rewari (Haryana) and Kolhapur (Maharashtra), which manufacture Electronic Ignition System for two wheelers, three wheelers and portable engines. The Company is in the process of setting up systems and processes for ensuring compliance with the laws applicable specifically to the industry in which the Company operates over and above the existing system of submission of compliance reports by the Company Secretary and Compliance Officer of the Company to the Board of Directors and review of the compliance by the Internal auditor. Based on a review of the compliance reports given by Internal Auditors submitted to the Board and the compliance reports made by the Company Secretary and Compliance Officer of the Company which are submitted to the Board of Directors of the Company, I report that the Company has complied with the provisions of the applicable statutes to the Company including Factories act alongwith other connected legislations, labour related legislations and the following statutes and the rules made there under to the extent it is applicable to them:

1. The Explosive Act, 1884
2. The Petroleum Act, 1934
3. The Environment (Protection) Act, 1986
4. The Water (Prevention and Control of Pollution) Act, 1974
5. The Air (Prevention and Control of Pollution) Act, 1981

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

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

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

I further report that

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors are in line with the provisions of the Companies Act, 2013 and all other applicable regulations and there are no changes in the composition
- Adequate notice is given to all directors to schedule the Board Meetings, 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 the meeting and for meaningful participation at the meeting.
- Based on the minutes made available to us, we report that Majority decision is carried through and that there were no dissenting votes from any Board member that were required to be captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor, report deviations, if any, to the Board, take corrective actions and ensure compliance with applicable laws, rules, regulations and guidelines.

Place : Chennai
Date : May 30, 2019

B.CHANDRA
Practising Company Secretary
ACS No.: 20879
C P No.: 7859

To
The Members,
INDIA NIPPON ELECTRICALS LIMITED
NO. 11 & 13, (OLD NO. 6 & 7) PATULLOS ROAD
CHENNAI 600002

My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on audit.
2. I 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. I believe that the processes and practices followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
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.

Place : Chennai
Date : May 30, 2019

B.CHANDRA
Practising Company Secretary
ACS No.: 20879
C P No.: 7859

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

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of India Nippon Electricals Limited having CIN L31901TN1984PLC011021 and having registered office at 11 & 13 (Old no 6 & 7) Patullos Road, Chennai 600002 (hereinafter referred to as 'the Company'), produced before me/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 my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority

Name of Director	DIN	Date of initial appointment in the Company
Tirumala Kumara Balaji	00002010	28/07/1986
Ranganathan Vijayaraghavan	00026763	28/05/2013
Venkataratnam Balaraman	00267829	25/10/2008
Raghavan Kadaba Gopivallabhiyengar	00359471	25/03/2005
Arvind Balaji	00557711	25/10/2008
Thirumalaikumarabalaji Priyamvada	00730712	29/01/2018
Mukesh Kumar Somani	06608983	28/05/2016
Jayshree Suresh Parekh	06861217	26/03/2014
Tadaya Momose	06984707	27/08/2014

Ensuring the eligibility of 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 on these based on our verification. 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.

Place : Chennai
Date : May 30, 2019

B.CHANDRA
Practising Company Secretary
ACS No.: 20879
C P No.: 7859

Certificate of MD / CFO

To

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

We certify that we have reviewed the financial statements prepared based on the Indian Accounting Standards for the year ended 31st March 2019 and to the best of our knowledge and belief:

- these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- these statements together present a true and fair view of the Company's affairs and are in compliance with applicable Indian Accounting Standards, Laws and Regulations.
- no transactions entered into by the Company during the year are fraudulent, illegal or violative of the Company's code of conduct.

We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit & Risk Management Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and steps taken or proposed to be taken for rectifying these deficiencies.

We have indicated to the Auditors and the Audit & Risk Management Committee:

(1) significant changes, if any, in internal control over financial reporting during the year;

(2) significant changes in accounting policies, if any, during the year and that the same have been disclosed in the notes to the financial statements; and

(3) that there were no instances of significant fraud of which we have become aware and the involvement therein, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Elango Srinivasan	**Arvind Balaji**
Chief Financial Officer	Managing Director
Place: Chennai	Date : May 30, 2019

Compliance with Code of Conduct and Business Ethics

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) Regulation 2015, it is hereby certified that both the members of the Board and the Senior Management Personnel of the Company have affirmed compliance with the respective provisions of the Code of Business Conduct and Ethics of the Company as laid down by the Board for the year ended 31st March 2018.

Place : Chennai	**Arvind Balaji**
Date : May 30, 2019	Managing Director

REPORT ON CORPORATE GOVERNANCE

A. MANDATORY REQUIREMENTS

1. Company's Philosophy:

The Company believes in transparency, accountability, professionalism, risk management and code of ethics, which are the basic principles of Corporate Governance and would constantly endeavour to improve on these aspects.

2. Board of Directors and Key Managerial Personnel:

2.1 Composition of Board of Directors and changes in 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 and authorities and duties towards this end.

The Chairman of the company is a non Whole-time director. However, since he is a nominated Director of Lucas Indian Service Limited (Promoter), in terms of Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (Listing Regulations), the Board is required to have fifty percent of its Directors as Independent Directors. The Board has 10 Directors. Both the Promoters of the Company i.e. Lucas Indian Service Limited and Mahle Electric Drives Japan Corporation had nominated 3 Directors and 2 Directors respectively to the Board. The rest of the Board is independent comprising of 5 Directors. The Board has two women Directors - one who is nominated by Promoter Lucas Indian Service Limited and the other being an Independent Director.

Mr Arvind Balaji was appointed as Whole-time Director for a period of 5 years w.e.f. 1st April, 2013 subject to renewal for further periods of five years at a time. The Board of Directors, at their meeting held on 27th August, 2014, re-designated him as Managing Director pursuant to the provisions of the Companies Act 2013 read with Schedule V to the Companies Act 2013 which was approved by the shareholders in the AGM held on 27th August, 2015. Subsequently, he was re-appointed as Managing Director for a further period of 5 years starting 1st April, 2018 at the Board meeting held on 29th January, 2018. This was approved by the shareholders through Postal Ballot on 8th March, 2018.

Mr G Chidambar had resigned from the directorship of the Company on 6th April, 2019 as he had decided to retire from active work and had also confirmed that there are no other material reasons for his resignation other than the reason mentioned above.

On 6th April, 2019, the Company had adopted the amended Nomination and Remuneration Policy Guidelines specifying the following criteria for Independent Directors:

a) The age of Independent Directors, at the time of appointment/ re-appointment, shall not be more than 70 years. However, in exceptional cases, the Nomination and Remuneration Committee may recommend to the Board, the appointment/ re-appointment of Independent Directors who are above the age of 70 years with suitable rationale.

b) The initial term of appointment of Independent Directors shall be for any period up to 4 years. Re-appointment for another term of up to 4 years shall be on the basis of recommendations of the Nomination and Remuneration Committee and approval of shareholders by special resolution. After two such terms, an Independent Director, after the cooling off period as per law, may be considered by the Committee for re-appointment, subject to fulfilling all the Statutory criteria.

Mr Anant Jaivant Talaulicar was inducted into the Board as an Independent Additional Director effective 6th April, 2019. In line with the revised Nomination and Remuneration Policy Guidelines, Mr Anant Jaivant Talaulicar's appointment was for a period of 4 years effective 6th April, 2019 subject to shareholders' approval. As required by the provisions of the Companies Act, 2013 and Listing Regulations, approval of appointment of Mr Anant Jaivant Talaulicar is being placed for the approval of shareholders at the forthcoming Annual General Meeting along with necessary details.

Further, the other Independent Directors' (viz., Mr V Balaraman, Mr R Vijayaraghavan, Dr Jayshree Suresh and Mr K G Raghavan) first term of appointment ends on the date of forthcoming Annual General Meeting. The Nomination and Remuneration Committee had considered their re-appointment for second term in line with the Nomination and Remuneration Policy Guidelines. The following table shows the recommended second term of appointment:

Name of the Director	Date of Original appointment	Age as on 31st March, 2019	Re-appointment Proposed till
Mr V Balaraman	27th August, 2014	72	AGM, 2022
Mr K G Raghavan	27th August, 2014	64	AGM, 2023
Mr R Vijayaraghavan	27th August, 2014	69	AGM, 2023
Dr Jayshree Suresh	27th August, 2014	66	AGM, 2022

Considering their contribution to Governance as Independent Directors and the diverse expertise they bring to the Board, the Nomination and Remuneration Committee had recommended the re-appointment of Mr. V Balaraman (who is already above 70 years at the time of proposal for second tenure) and Mr R Vijayaraghavan (who shall be past 70 years of age during the second tenure). Re-appointment of Independent Directors for second term shall be with the special resolution approval of the shareholders which is being placed for the approval of shareholders at the forthcoming Annual General Meeting along with necessary details.

In the opinion of the Board, all the independent directors fulfill the conditions specified in Listing Regulations as applicable for Independent Directors and are independent of the management.

The company received a Certificate of Non-Disqualification of Directors for the financial year 2018-19 from Ms B Chandra, Practising Company Secretary, pursuant to Regulation 34 read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 stating that none of the Directors of the company have been debarred or disqualified by SEBI, MCA or any such Statutory Authority from being appointed or continuing as director of companies.

Except Mr. Arvind Balaji, Managing Director and Mr. Mukesh Kumar Somani, Director, other Non-Independent directors who are on the Board as on 31st March, 2019 are liable to retire by rotation. In the forthcoming Annual General Meeting, Mr T K Balaji, Non-executive Chairman retires by rotation and being eligible, offers himself for re-appointment.

The Board and Committees meet at regular intervals. Policy formulation, evaluation of performance and control functions vest with the Board, while the Committees attend to specific areas in depth and recommends action plan to the Board.

Mr T K Balaji, Non-Executive Chairman of the Company is related to Mr Arvind Balaji, Managing Director and Ms Priyamvada Balaji, Director and Mr Arvind Balaji, Managing Director and Ms Priyamvada Balaji, Director are also related to the each other. Other directors are not related to any other director.

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

Comprehensively drafted notes for each agenda item along with background materials, wherever necessary, are circulated well in advance to the Committee / Board, to enable them for making value addition as well as exercising their business judgement in the Committee / Board meetings.

Presentations are also being made by the business heads on the Company's operations, marketing strategy, IT strategy, Internal Financial Controls in Committees / Board Meetings.

2.2. Key Managerial Personnel:

Mr Arvind Balaji, Managing Director, Mr Elango Srinivasan, CFO and Mr G Venkatram, Company Secretary are the Key Managerial Personnel pursuant to Section 203 of the Companies Act, 2013. Mr G Venkatram is also the Compliance Officer of the Company as well as Chief Invester Relations Officer.

2.3. Familiarisation program:

The Listing Regulation requires listed companies to conduct familiarisation programme for the Independent Directors so as to familiarize them with the company, their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company, etc. The Company facilitates the members of its Board to familiarise themselves with the industry and its operation.

In this regard, the company regularly communicates with all Independent Directors to provide detailed understanding of the activities of the company including specific projects either at the meeting of the Board of Directors or otherwise. The induction 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, nature of the industry, business model etc., by way of presentations and discussions. The details are available in the Company's website: www.indianippon.com/policies/

2.4. Board Skills/Expertise/Competency Matrix:

The list of core skills/ expertise/competencies identified by the Board as required in the context of the business and sector for it to function effectively and those that are actually available with the Board are given below:

Skill	Description
Leadership / Strategy	Experience of playing leadership roles in reputed Companies, with competencies around strategy development & implementation, sales & marketing, business administration, operations and people management.
Industry Experience	Strong knowledge and experience in 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.
Financial knowledge	Practical knowledge and experience in accounting and finance to analyze statements, assess financial viability, contribute to financial planning, oversee budgets and funding.
Executive management	Experience in evaluating performance of senior management, and overseeing strategic human capital/ succession planning. Experience in industrial relations and organizational change management programmes.
Technology	Sound knowledge of IT governance and systems including privacy, data management and security.
Risk & Compliance	Ability to monitor risk and compliance and knowledge of legal and regulatory requirements (including industry specific laws).

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

The Board met 4 times during 2018-19 as detailed below. The company informs the Directors through the notice of the meeting regarding the options available to them to participate through video conferencing mode in the meetings except in respect of matters not to be dealt with through video conferencing:

Date of meeting	Directors present
08.05.2018	6
30.07.2018	10
03.11.2018	8
09.02.2019	8

The last AGM was held on 27th August 2018 and 8 Directors attended. The composition of Board of Directors, their directorship(s) in other Companies and membership in Committees (Audit Committees, Stakeholders Relationship Committees) and the details of their attendance at the Board Meetings, AGM of the Company is given below:

Name	Attendance particulars		Number of directorships and committee memberships/ chairmanships		
	Board meeting	Last AGM	Other Directorships*	Other Committee Memberships	Other Committee Chairmanships
Non-Executive Directors					
Mr. T K Balaji	4	Yes	12	2	Nil
Ms Priyamvada Balaji	4	Yes	10	1	-
Mr. T Momose	1	No	-	-	-
Mr. Mukesh Kumar Somani	3	Yes	3	-	-
Managing Director					
Mr. Arvind Balaji	4	Yes	10	Nil	Nil
Independent Directors					
Mr. V Balaraman	4	Yes	3	4	1
Mr. G Chidambar** (resigned w.e.f.6th April, 2019)	3	Yes	**	**	**
Dr. Jayshree Suresh	4	Yes	1	-	-
Mr. K G Raghavan	3	No	2	Nil	Nil
Mr. R Vijayaraghavan	2	Yes	7	9	5

(*) includes private companies; (**) Resigned w.e.f. 6th April, 2019. + Anant Jaivant Talaulicar was appointed as an Independent Director with effect from 6th April, 2019.

Listed entities in which the Directors hold position as Director other than the Company and category of directorship as on 31st March, 2019:

Name of the Director (M/s)	Name of the Listed Company	Category of Directorship
T K Balaji	Titan Company	Independent Director
	Sundaram Clayton Ltd	Director
Priyamvada Balaji	-	-
T Momose	-	-
Mukesh Kumar Somani	-	-
Arvind Balaji	-	-
V Balaraman	Intellect Design Arena Limited	Independent Director
G Chidambar (resigned w.e.f.6th April 2019)	-	-
Jayshree Suresh	-	-
K G Raghavan	-	-
R Vijayaraghavan	Bimetal Bearings Limited	Independent Director
	Sundaram Clayton Limited	Independent Director
	Sanco Trans Limited	Independent Director
Anant Jaivant Talaulicar (appointed as an Independent Director w.e.f. 6th April, 2019)	The Hi-Tech Gears Limited	Director
	Force Motors Limited	Independent Director
	Birlasoft Limited	Independent Director

None of the non-executive directors holds directorships in more than eight listed entities and serves as an Independent Director in more than seven listed entities. As far as Managing Director is concerned, he does not serve as an Independent Director

The number of directorships and Committee memberships of all directors, including independent directors, are within the limits specified in the Companies Act 2013 as per the declarations received from them. None of the Directors hold any equity shares of the Company.

4. Committees of the Board:

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

5. Audit & Risk Management Committee (A&RMC):

5.1. The Committee has 4 members consisting of independent directors with Mr K G Raghavan being the Chairman of the A&RMC. The role and terms of reference of the A&RMC cover the areas mentioned in Regulation 18 read with Part C of Schedule II of the Listing Regulations and Section 177 of the Companies Act, 2013, as amended from time to time. Under this, the Committee was entrusted with the responsibility to assist the Board in overseeing and approving the Company's enterprise wide risk management framework and overseeing/ identifying/ assessing all risks that the organization faces and evaluating adequate risk management infrastructure in place to address those risks.

Consequent to the resignation of Mr G Chidambar at the meeting held on 6th April, 2019, Mr Anant Talaulicar was inducted as a member of the A&RMC at the meeting held on 30th May, 2019.

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

The Company Secretary is the Secretary to the A&RMC. The Committee met 4 times during the year 2018-19 on 08.05.2018, 30.07.2018, 03.11.2018 and 08.02.2019.

5.3. The composition of Audit Committee of the Board and the details of their attendance in the meetings of the Audit Committee are given below:

Name of Director	Status	No. of meetings attended	Date of meeting
Mr K G Raghavan, Chairman	Independent Director	3	30.07.2018, 03.11.2018, 08.02.2019
Mr V Balaraman, Member	Independent Director	4	08.05.2018, 30.07.2018, 03.11.2018, 08.02.2019
Mr G Chidambar*, Member	Independent Director	3	30.07.2018, 03.11.2018, 08.02.2019
Mr R Vijayaraghavan, Member	Independent Director	3	08.05.2018, 30.07.2018, 08.02.2019

*Resigned w.e.f. 6th April, 2019; Mr Anant Jaivant Talaulicar, Independent Director became a Member of the Committee after its re-constitution on 30th May, 2019.

6. Stakeholders Relationship Committee (SRC):

The Committee has 3 members consisting of 2 independent directors (Mr R Vijayaraghavan as Chairman of the Committee and Dr Jayshree Suresh as member) and the Non-executive Chairman Mr T K Balaji as a member. Dr Jayshree Suresh was inducted into the Committee on 6h April, 2019 consequent upon the resignation of Mr G Chidambar with effect from the said date. During the year, the terms of reference of the Committee was amended at the meeting of the Board of Directors held on 9th February, 2019 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 effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.
- Any other role/ responsibility and function as may be specified by the Board from time to time.

The details of attendance of directors in the meetings are as given below:

Name of Directors	Status	No. of meetings attended	Date of meeting
Mr R Vijayaraghavan, Chairman of SRC	Non-Executive Independent Director	3	30.04.2018, 30.07.2018, 08.02.2019
Mr T K Balaji, Member	Non-Executive Director	4	30.04.2018, 30.07.2018, 03.11.2018, 08.02.2019
Mr G Chidambar, Member* (Resigned w.e.f. 06.04.2019)	Non-Executive Independent Director	3	30.07.2018, 03.11.2018, 08.02.2019

Dr Jayshree Suresh, an Independent Director was inducted into the Committee w.e.f. 6th Apr 19.

The Company Secretary is the Secretary to the SRC. In addition to the abovementioned terms of reference, the SRC approves transfers, transmission, consolidation and splitting of share certificates and authorises the officials to make necessary endorsements on the share certificates etc. The Board has authorised severally the President, CFO and the Company Secretary & Compliance Officer to approve share transfer, transmissions, transpositions etc., periodically, which shall be ratified by the SRC. As required by Securities and Exchange Board of India, Mr G Venkatram, Company Secretary has been appointed as Compliance Officer. For any clarification, shareholders may contact the Company Secretary at the dedicated e.mail ids: investorscomplaints@inel.co.in / investorscomplaintssta@scl.co.in. During the financial year 2018-19, the company has not received any complaint(s) from the shareholders.

7. Corporate Social Responsibility Committee:

The Corporate Social Responsibility Committee (CSR Committee) comprises of 3 directors as members with Chairperson being Dr Jayshree Suresh, an Independent director. The remaining two members are Mr Arvind Balaji, Managing Director and Ms Priyamvada Balaji, Non-executive Director (who was inducted into the Committee on 6h April, 2019 consequent upon the resignation of Mr G Chidambar with effect from the said date). The CSR policy of the company has been approved by the Board of Directors and is available on the website of the company viz., www.indianippon.com/policies/. During the year 2018-19, the Committee met on 8th May'18 and 8th Feb'19 and the attendance details were as below:

Name of Directors	Status	No. of meetings attended	Date of meeting
Mr G Chidambar, Chairman-CSR Committee* (resigned w.e.f. 06.04.2019)	Non Executive Independent Director	1	08.02.2019
Mr Arvind Balaji, Member	Managing Director	2	08.05.2018, 08.02.2019
Dr Jayshree Suresh, Member (the present Chairperson of the Committee)	Non-Executive Independent Director	2	08.05.2018, 08.02.2019

- Ms Priyamvada Balaji was inducted as a Member of the CSR Committee w.e.f. 06.04.2019 following the resignation of Mr G Chidambar from directorship.

8. Nomination & Remuneration Committee:

The Nomination & Remuneration Committee (N&RC) has 3 directors with the Chairman of the N&RC being Mr V Balaraman, an Independent Director. The remaining two members are Mr T K Balaji, Non- executive Chairman and Mr R Vijayaghavan, an Independent Director. During the year 2018-19, the Committee of Directors met 3 times viz., 08.05.2018, 03.11.2018 and 08.02.2019, as detailed below:

Name of Directors	Status	No. of meetings attended	Dates of meeting
V Balaraman, Chairman	Non-Executive Independent Director	3	08.05.2018, 3.11.2018, 08.02.2019
T K Balaji, Member	Non-Executive Director	3	08.05.2018, 03.11.2018, 08.02.2019
R Vijayaraghavan, Member	Non-Executive Independent Director	2	08.05.2018, 08.02.2019

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 are as under:

- formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- formulation of criteria for evaluation of performance of independent directors and the board of directors;
- devising a policy on diversity of board of directors;
- identifying persons who are qualified to become directors and who may be appointed in 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, on the basis of the report of performance evaluation of independent directors.
- recommend to the board, all remuneration, in whatever form, payable to senior management.

Summary of the Nomination and Remuneration Policy Guidelines:

On 6th April, 2019, the Company had adopted the amended Nomination and Remuneration Policy Guidelines. The salient features of the policy are:

- The age of Independent Directors, at the time of appointment/ re-appointment, shall not be more than 70 years. However, in exceptional cases, the Committee may recommend to the Board, the appointment/ re-appointment of Independent Directors who are above the age of 70 years with suitable rationale.
- The initial term of appointment of Independent Directors shall be for any period up to 4 years. Re-appointment for another term of up to 4 years shall be on the basis of recommendations of the Committee and approval of shareholders by special resolution. After two such terms, an Independent Director, after the cooling off period as per law, may be considered by the Committee for re-appointment, subject to fulfilling all the Statutory criteria.
- Non-Executive Non-Independent Directors, shall be appointed to the Board subject to the age limit as per Companies Act, the Listing Regulations and in addition the Articles of Association of the Company.
- Appointment of such Non-Executive Non-Independent Directors shall be subject to Compliance with the requirements of the Listing Regulations requirements and the requirements of Companies Act, 2013 and Rules made thereunder.
- Appointment of Managing Director/ Whole Time director shall be as per the Articles of Association of the Company which provides the right to appoint Managing Director/ Whole Time director to Lucas Indian Service Limited (Promoter Company) so far as certain conditions specified are satisfied.

- All Non-executive directors shall be entitled to receive remuneration by way of sitting fees, reimbursement of expenses for participation in the Board / Committee meetings and commission as detailed hereunder.

  a. sitting fees for each meeting of the Board or Committee of the Board attended by him of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 and the Rules notified thereunder;

  b. commission on an annual basis of such sum as may be approved by the Board, not exceeding the limits as specified under the Companies Act/ the Regulations, on the recommendation of the Committee. The Committee shall take into consideration factors like attendance, participation and contribution during meetings and such other parameters the Committee may deem fit for the purpose of deciding the quantum of commission to be paid to each Non-Executive Director.

- Remuneration of the Managing Director/ Whole Time Director may be fixed in accordance with the provisions of SEBI Listing Regulations, Companies Act, 2013 and Rules made thereunder, subject to approval of the Committee/ Board and Shareholders, as the case may be.

- Non-executive Directors may be compensated for services rendered which are professional in nature and in the opinion of the Committee such Director possesses requisite qualification for the practice of the profession. However, this shall not apply for an Independent Director.

- The Board shall appoint and remove all KMPs based on the recommendation of the Committee by way of a resolution.

- All KMPs and Senior Management Personnel shall be issued a Letter of Appointment clearly setting out the terms and conditions of appointment which shall govern their term/ tenure/ increments/ evaluation criteria etc.

- The committee authorizes the Chairman / Managing Director to evaluate the performance of the KMP and Senior Management Personnel at regular intervals applying suitable criteria as per the industry practice.

- The remuneration and other benefits to the KMPs shall be fixed by the Chairman / Managing Director and shall be placed before the Committee for recommendation to the Board. For Senior Management Personnel, the remuneration and other benefits shall be determined by the Chairman/ Managing Director based on suitable criteria as per the industry practice.

More details on criteria of evaluation etc., and the policy can be referred from http://indianippon.com/policies.

9. Remuneration of Directors:

9.1. Managing Director:

Remuneration: The Board, on the recommendation of the N&RC shall review and approve the remuneration payable to the Managing Director within the overall limits approved by the shareholders. The remuneration structure to the MD shall include: basic pay, perquisites and allowances, commission and retirement benefits. The details of remuneration of MD are given in the annexure to the Boards Report.

As per the terms of appointment, the Board of Directors at their meeting held on May 30, 2019 approved payment of commission of Rs.196.50 lacs to Mr Arvind Balaji, Managing Director for the year 2018-19 and provision has been made in the books for the same.

9.2. Non-Executive Directors:

The Board, on the recommendation of the N&RC, shall review and approve the remuneration payable to the Non-executive Directors of the company within the overall limits approved by the shareholders.

Non-Executive Directors shall be entitled to sitting fees for attending the meetings of the Board and the Committees thereof. The Non-Executive Directors shall also be entitled to profit related commission in addition to the sitting fees.

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. The Shareholders have passed a resolution at their meeting held on 27th August, 2018 approving the commission payable to Non-executive Directors as per the limits of Companies Act, 2013.

The Board had approved the payment of commission to Non-executive Directors at the meeting held on 30th May, 2019 based on the recommendations of the N&RC. The N&RC had recommended to distribute the commission to all directors on a formula basis to give due weightage to the membership and chairmanship of various committees and the overall attendance. The Commission has been determined taking 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 during the year 2018-19:

Name of the Directors (Mr./ Ms.)	Amount (Rs. in lacs)
T K Balaji	9.50
K G Raghavan	9.00
V Balaraman	11.65
G Chidambar*	9.90
R Vijayaraghavan	8.90
Jayshree Suresh	7.75
Priyamvada Balaji	6.00
Mukesh Kumar Somani	6.00
Total	**68.70**

(*) ceased to be a director w.e.f. 6th April, 2019

Mr Tadaya Momose, who is a Japanese national, was not paid any Sitting Fees/ Commission for the year 2018-19 since he had waived his rights to receive the same. However, the Company bears all the expenses of the incidental expenditure for his attendance in meetings.

b. Sitting fees:

Remuneration by way of Sitting Fee for attending Board/ Committee Meetings paid to non-executive Directors for the year 2018-19 is tabulated hereunder (Rs.in actuals).

Name of the Directors	Board	Audit & Risk Management Committee	Stakeholders Relationship Committee	Nomination & Remuneration Committee	Corporate Social Responsibility Committee	Total
Mr T K Balaji	80000	-	80000	60000	-	220000
Mr K G Raghavan	60000	60000	-	-	-	120000
Mr V Balaraman	80000	80000	-	60000	-	220000
Mr G Chidambar*	60000	60000	60000	-	20000	200000
Mr R Vijayaraghavan	40000	60000	60000	40000	-	200000
Dr Jayshree Suresh	80000	-	-	-	40000	120000
Mr Mukesh Kumar Somani	60000	-	-	-	-	60000
Ms Priyamvada Balaji	80000	-	-	-	-	80000
Total	**540000**	**260000**	**200000**	**160000**	**60000**	**1220000**

(*) ceased to be a director w.e.f. 6th April, 2019

In addition to the sitting fee paid for Board / Committee meetings as given above, all the Independent Directors were paid a sitting fee of Rs.20,000 each for the Separate Meeting of Independent Directors held on 9th February, 2019.

10. Other Disclosures:

10.1. Related party transactions, RPT Policy and materially significant Related Party Transactions:

At the Annual General Meeting of the company held on 27th August, 2018, the Shareholders approved entering into contracts/ arrangements/ transaction with related parties as regards sale, purchase or supply of goods or materials leasing of property of any kind availing or for rendering of any services appointment of agent for purchase or sale of goods materials services or property or appointment of such parties any office or place of profit in the company or any other transactions of whatever nature at arm's length basis and in the ordinary course of business, notwithstanding that such transactions may exceed 10% of the consolidated turnover as per the last audited financial statements. The approval granted along with other details are given below:

Sl. No	Name of Related Party	Name of Director/ KMP interested	Nature of relationship	Aggregate maximum value of the contract/ arrangement/ transaction in any financial year	Nature and material terms of Contract/ arrangement/ transaction
1	TVS Motor Company Limited	None	Subsidiary of the ultimate parent Company i.e. TV Sundram Iyengar & Sons Private Limited	Up to 70% of the consolidated turnover of the Company for the previous financial year	The contracts/ arrangements/ transactions relate to sale /purchase of goods/services or any other transaction(s), which shall be governed by the Company's Related Party Transaction Policy and shall be approved by the Audit Committee within the overall limits approved by the members. Some of the arrangements could be in the form of Purchase Orders/ Service Orders based on negotiations whose terms and conditions shall satisfy arm's length criteria.
2	Lucas TVS Limited	Mr T K Balaji, Chairman, Mr Arvind Balaji, MD and Ms Priyamvada Balaji, Director are Directors	Associate Company	Up to 25% of the consolidated turnover of the Company for the previous financial year	
3	Lucas Indian Service Limited	Mr T K Balaji, Chairman, Mr Arvind Balaji, MD and Ms Priyamvada Balaji, Director are Directors	Associate Company/ Joint Venturer	Up to 15% of the consolidated turnover of the Company for the previous financial year	
4	Mahle Electric Drives Japan Corporation	Mr Tadaya Momose and Mr Mukesh Somani, Directors, are nominees on Board	Associate Company/ Joint Venturer	Up to 15% of the consolidated turnover of the Company for the previous financial year	
5	India Japan Lighting Private Limited	Mr T K Balaji, Chairman is a Director	Private Company where Directors are Directors	Up to 10% of the consolidated turnover of the Company for the previous financial year	

During the year under review, transactions with TVS Motor Company Limited was material in nature. Other transactions were not material. There were also no transactions with related parties in the form of royalty etc exceeding 2% of the Consolidated turnover as per last audited financial statements.

Transactions that are supported by written agreement which is approved by the Audit & Risk Management Committee are not again subjected to omnibus/ prior approval, so far as the terms of the written agreement does not vary or is not proposed to be varied. Any variations in terms of contract are also placed for approval of the Audit & Risk Management Committee. In all such cases, the Audit & Risk

Management Committee takes note of the transactions covered under the agreement every quarter. For all other transactions, the Audit & Risk Management Committee accords omnibus approval with clear threshold limits. Transactions that are not foreseeable and for which transaction details are not available, are granted omnibus approval up to Rs. 1 Crore per transaction. All omnibus approvals are valid till the end of the concerned financial year. Transactions entered into under omnibus approval is also placed before the Audit & Risk Management Committee every quarter for review and the limits are enhanced when required. All the existing and proposed transactions with related parties are in the ordinary course of business and on arm's length basis and the details of 'material' related party transactions are disclosed in form AOC–2 which is annexed to and forms part of the Board's report. Further, transactions with the related parties, namely its promoters, and subsidiary company etc., of routine nature have been reported elsewhere in the annual report, as per the applicable Accounting Standards

In line with the changes in the Listing Regulations, the Board, on the recommendation of the Audit & Risk Management Committee, had adopted the amended Policy on materiality of Related Party Transactions and dealing with Related Parties at the meeting held on 30th May, 2019. The revised policy is available on the website of the company viz., www.indianippon.com/policies/

10.2. Whistle-blower Policy & Vigil Mechanism:

The Company had established a vigil mechanism, also called the Whistle Blower Policy, which is adopted by the Board. The said mechanism provides for directors and employees reporting of concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct and ethics policy etc. It provides for adequate safeguards against victimization of persons who use such mechanism and makes provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases.

The said policy was amended on 30th May, 2019 by the Board to incorporate, inter-alia, appointment of dedicated external ethics helpline, provision for investigating into leakage of Unpublished Price Sensitive Information (UPSI) and the procedure to be followed for such investigation. The said policy as approved by the Board is available on the website of the company viz., www.indianippon.com/policies/

10.3. Prevention of insider trading and code of corporate disclosure practices:

Pursuant to the amendments in SEBI (Prohibition of Insider Trading) Regulations 2015, the company had adopted a revised Code of Conduct to Regulate, Monitor and Report trading by its Designated Persons and their Immediate Relatives and a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information at the Board meeting held on 30th May, 2019. The company has appointed the Company Secretary as Compliance Officer for this purpose. Trading in the securities of the Company is prohibited during the period where the trading window is closed and the Designated persons have to obtain pre-clearance for trading beyond a threshold, during a valid trading window period. The trading window is closed for a period of 15 days prior to the UPSI remaining unpublished and till the same is considered in a Board meeting and 48 hours after the same is disseminated in public domain. In case Board meeting is not required to consider the UPSI, the Compliance Officer shall fix the trading window closure period taking into consideration the nature of information.

In case of financial results, the trading window remains closed from the end of the quarter/ year and till 48 hours of submission of the results with the Stock Exchanges. The Compliance Officer is responsible for reporting Compliance with the Insider Trading Regulations and the Codes to the Board/ Audit Committee.

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

10.4. Subsidiary company:

The minutes of the Board meetings of the subsidiary are tabled for approval of the Board of Directors. The financial statements of the subsidiary company are presented to the Audit & Risk Management Committee and are also placed for consideration and approval of the Board. The Board has formulated a policy for determining “material” subsidiaries as per which the company does not have a material subsidiary i.e. subsidiary of the Company does not have income or net worth exceeding twenty percent of the consolidated income or net worth respectively of the Company in the immediately preceding accounting year. The said Policy is available in the Company’s website www.indianippon.com/policies/

10.5. Quarterly report on share capital audit:

Regulation 76 of SEBI (Depositories and Participants) Regulations, 2018 requires all the Companies to carry out a secretarial 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 15 days and by explaining the reasons if any, for pending beyond 15 days. The Audit Report titled Report on Reconciliation of Share Capital should contain changes in share capital consequent to rights, bonus, preferential issues, buy-back of shares, amalgamation and de- merger, etc. during the quarter. The auditor has to report, whether in-principle approval for listing the shares has been obtained from the Stock Exchanges in respect of further issue of capital. The Report on Reconciliation of Share Capital was submitted by the Company to the Stock Exchanges on a quarterly basis within 30 days through on-line submission from the end of each quarter and for the quarter ended 31st Mar’19 this was submitted on 13th April 2019.

There were no transactions of material nature with the promoters, directors or the management or their subsidiaries or relatives, etc, potentially conflicting with company’s interest at large, during the year.

10.6. Commodity Price & Foreign Exchange Risk and hedging:

As per the Company’s policy on determining the materiality of events/ information, exposure to a particular commodity in value terms, as on 31st March, 2019, shall be material if the value exceeds the lower of the following: 5% of the total income or 5% of the profit before tax or 5% of the net worth as on/ for the period ended 31st March, 2018.

Considering the above, the Company’s exposure to Copper was material for the year under review. Any exposure to Commodities are managed through cost compensation provisions with all major customers which provides for compensation for major Raw Material cost variations as also Forex 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, 2019:

Commodity Name	Exposure in INR lacs towards the particular commodity	Exposure in Quantity terms towards the particular commodity (in Kgs)	% of such exposure hedged through commodity derivatives				
			Domestic market		International market		Total
			OTC	Exchange	OTC	Exchange	
Copper	3995.87	8,36,246	-	-	-	-	-

10.7. Disclosure on Financial Ratios:

The following table provides the comparison of various financial ratios as required by the Listing Regulations along with the remarks where necessary.

Financial Parameter	2017-18	2018-19	Remarks
Debtors Turnover	4.81	5.01	Change does not exceed 25% when compared to previous year
Inventory Turnover	14.51	14.91	Change does not exceed 25% when compared to previous year
Interest Coverage Ratio	-	-	Not Applicable
Current Ratio	2.45	2.82	Change does not exceed 25% when compared to previous year
Debt Equity ratio	-	-	Not Applicable
Operating Profit Margin (%)	13.02%	13.36%	Change does not exceed 25% when compared to previous year
Net Profit Margin (%)	11.16%	11.43%	Change does not exceed 25% when compared to previous year
Return on Net Worth	14.52%	14.83%	The return on Net worth has marginally increased due to increase in sales volume and favourable sales mix

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

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

10.10. The Board, in line with the requirements of the Listing Regulations, had formulated following policies:

a) Policy for determining 'materiality' for disclosure of events / information to Stock Exchanges;

b) Policy for preservation and Archival of documents

c) Nomination and Remuneration Policy Guidelines

d) Code of Conduct and Business Ethics

e) Corporate Social Responsibility Policy

f) Code of Conduct to Regulate, Monitor and Report trading by Designated Persons and their Immediate Relatives

g) Material Subsidiary policy

h) Related Party Transaction Policy

i) Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information

j) Whistle-Blower Policy & Vigil Mechanism

k) Risk Management Policy

10.11. The company has complied with all applicable mandatory requirements in terms of Listing Regulations and adopted non-mandatory requirements in an appropriate manner as applicable. Further, it is specifically declared that the Company has complied with the requirements of Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.

10.12. Management Discussion & Analysis report, details of separate meeting of independent directors, board evaluation, risk management policy form part of the boards report.

10.13. The company's Code of Conduct and Business Ethics has been displayed on the website of the company viz., www.indianippon.com/policies/

10.14. All the members of Board and senior management personnel have confirmed compliance with the code for the year ended 31st March 2019. The annual report contains a declaration to this effect signed by the Managing Director.

10.15. The Company had constituted the Internal Complaints Committee (ICC) at all its units where it was required to be constituted under The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 as amended and no Complaint has been received during the year under review by any of the ICC and no Complaint is outstanding as of 31st March, 2019.

10.16. A certificate from the Secretarial Auditor of the Company regarding non-disqualification and non-disbarment of any of the Directors of the Company is annexed to this report.

10.17. The total fee paid to the Statutory Auditors of the Company inclusive of fee paid for all the services received by the company for the year 2018-19: Rs.18.75 Lacs.

11. 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
31st AGM	2016	Satguru Gnanananda Hall, 314, T.T.K. Road, Chennai-18	27th Aug 2016	10:35 AM
32nd AGM	2017	Satguru Gnanananda Hall 314, T.T.K. Road, Chennai-18	24th Aug 2017	10:30 AM
33rd AGM	2018	Kasturi Srinivasan Hall 168, TTK Road, Chennai-14	27th August 2018	10.30 AM

12. Special resolutions passed in the previous annual general meetings/ through Postal Ballot:

During the last three years viz., 2015-16 to 2017-18, approval of the shareholders was obtained by passing the following special resolutions:

A.G.M. – 2015-16	-
A.G.M.-2016-17	-
Postal Ballot – 2017-18	Approval for alteration of Article 3 of the Articles of Association of the Company
	Re-appointment of Managing Director for a period of 5 years from 01.04.2018
A.G.M. – 2017-18	Approval of payment of Commission to Directors

No item of business in relation to matters specified in Listing Regulations and or Section 110 of the Companies Act, 2013 which requires voting by postal ballot is included in the notice convening the AGM of the Company for the year 2018-19.

13. Means of Communication:

a) Quarterly results were published in Business Line and the Tamil version of the same was published in Dinamani. The Company had published the audited annual results for the year ended 31st March 2019 within the stipulated time.

b) The quarterly results and also the annual audited results are published in the Company's website viz. www.http://indianippon.com/investors/#tab-1538379212092-4-3

14. General Information for Shareholders:

Date, Time and Venue of the Annual General Meeting	**16th August 2019 at 10:00 A.M.** **Kasturi Srinivasan Hall** **168, TTK Road, Chennai 600014**
Financial Reporting for the Quarter ending:	
30th June 2019	1st fortnight of August 2019
30th September 2019	1st fortnight of November 2019
31st December 2019	1st fortnight of February 2020
31st March 2020	May 2020
1st Interim Dividend for 2018-19 @ Rs.3 per share	Declared by Board: 9th February 2019 Record Date: 22nd February 2019 Payment date: 27th February 2019
2nd interim dividend for 2018-19 @ Rs.4 per share	Declared by Board: 6th April 2019 Record Date: 15th April 2019 Payment date: 22nd April 2019
Book closure period for the purpose of AGM	From 10th August 2019 to 16th August 2019 (both days inclusive)
Listing on Stock Exchange & payment of Listing Fee	The Company's Shares are listed on BSE Limited. The address of the exchange is as follows: • BSE Limited - Floor 25, Phiroze Jheejeebhoy Towers Dalal Street, Mumbai – 400 001. • National Stock Exchange of India Ltd - Exchange Plaza, 5th Floor, Plot no C 1, G Block, IFB Centre, Bandra Kurla Complex, Bandra (East), Mumbai 400051 • The Annual Listing fees for the Financial Year 2018-19 has been paid on time.
Stock Code	NSE: INDNIPPON BSE: 532240
ISIN	INE092B1025

14.1. Share price data:

a) High, Low during each month of Financial Year 2018-19: **Share price in Rs.**

Month	National Stock Exchange of India Ltd.		BSE Ltd	
	High	Low	High	Low
Apr'18	578.00	454.60	574.90	460.00
May'18	600.00	509.05	600.00	510.00
Jun'18	535.00	458.00	539.90	463.00
Jul'18	554.70	471.50	555.00	471.00
Aug'18	570.00	476.00	568.95	478.00
Sep'18	549.00	420.00	540.00	425.80
Oct'18	470.00	405.00	511.00	388.00
Nov'18	493.20	421.10	500.00	420.00
Dec'18	456.60	408.00	455.00	407.00
Jan'19	451.61	386.50	454.15	382.25
Feb'19	420.00	372.40	438.00	369.00
Mar'19	465.00	381.05	469.95	385.00

b) Share price performance in comparison to broad-based indices – NSE Nifty and BSE Sensex.

Company's share price performance in comparison to NSE Nifty based on the share price as on 31st March, during the last three years:

Date	Company's Share Price Close (Rs.)	Nifty Points (Close)	Percentage Change in	
			Company's share price	Nifty
31.03.2017	549	9173	50	18
31.03.2018	463	10114	69*	10
31.03.2019	424	11624	(8)	15

(*) the % change was calculated taking into account the corporate action by way of sub-division of face value of equity shares from Rs.10 to Rs.5

Company's share price performance in comparison to BSE Sensex based on the share price as on 31st March, during the last few years is as follows:

Date	Company's Share Price Close (Rs.)	Sensex Points (Close)	Percentage Change in	
			Company's share price	Sensex
31.03.2017	552	29620	54	17
31.03.2018	463	32969	68*	11
31.03.2019	422	38673	(9)	17

(*) the % change was calculated taking into account the corporate action by way of sub-division of face value of equity shares from Rs.10 to Rs.5

14.2. Distribution of Equity Shareholding as on 31st March 2019:

Number of Shares held	No. of Shareholders	% of Shareholders	No. of Shares held	Shareholding (%)
1 – 100	7121	58.23	240804	1.06
101-500	2732	22.34	693113	3.06
501-1000	867	7.09	657869	2.91

1001-2000	1034	8.46	1643988	7.27
2001-3000	159	1.30	403667	1.78
3001-4000	110	0.90	401341	1.77
4001-5000	54	0.43	247013	1.10
5001-10000	84	0.69	578775	2.56
10001 & above	68	0.56	17754854	78.49
Total	12229	100.00	22621424	100.00

14.3. Pattern of Equity Shareholding as on 31st March 2019:

Shareholders	No. of Shares held	% of Total shares held
Promoter-Indian	10377332	45.87
Promoter-Foreign	4641000	20.52
Directors and Relatives	7432	0.03
Mutual Funds	214442	0.95
Alternative Investment Fund	476312	2.11
Financial Institutions/ Banks	73973	0.33
Foreign Portfolio Investor-Corporate	15645	0.07
Foreign Portfolio Investor-Individual	1200	0.01
Bodies Corporate	889472	3.93
IEPF Authority	78320	0.35
Individuals	5681027	25.11
NRIs	165269	0.72
Total	**22621424**	**100.00**

14.4. Share Transfer System:

Securities and Exchange Board of India [SEBI] in its circular No.D & CC / FITTC / Cir-15 dated 27th December 2002 stipulated that a Company should have a common agency for handling the share registry work for both physical and electronic transfers i.e., either in-house or by way of a SEBI registered Registrar and Transfer Agent [RTA]. The Board of Directors appointed M/s Sundaram-Clayton Ltd [SCL] as Share Transfer Agents to carry out the registry work pertaining to transfer of shares and to provide connectivity with the depositories for handling transactions taking place in electronic form.

With effect from 15th October 2004, M/s Sundaram-Clayton Ltd, [Registration No.INR200003942 issued by SEBI) currently located at 'Jayalakshmi Estates' I Floor, No.29, Haddows Road, Chennai-600006. Tel: (44) 28272233, 28284959, Fax: (44) 28257121, have been acting as the RTA for providing the connectivity with NSDL and CDSL and also for transfer of shares held in physical form. The agreement entered into by the company with the RTA is being renewed once in three years and the current agreement is valid till 15th October, 2019.

Share transfer is normally effected within a maximum period of 15 days from the date of receipt, if the documents submitted are in order. The Stakeholders Relationship Committee approves share transfers / transmissions at the Committee meeting. All requests for dematerialization of securities are processed and the confirmation is given to the depositories within 15 days. Grievances received from shareholders and other miscellaneous correspondence on changes of addresses, bank mandates etc., is processed by the RTA promptly.

14.5. Dematerialisation of Shares and Liquidity:

Your Company's shares have been compulsorily dematerialised effective 28th April, 2001. In accordance with SEBI Circular No.SEBI/Cir/ISD/3/2011 dated 17th June 2011 and the amendments thereof, the entire shareholding of promoters has been dematerialised.

As on 31st March, 2019, there were 22287092 shares in electronic mode, including 15018332 shares held by promoters. Shares held in electronic mode accounted for 98.52% of total holding. The shareholding pattern in physical and demat is as given under: (shares in numbers)

	Particulars	Physical Mode	Electronic mode	Total holding
	No. of shareholders as on 31.03.2019	289	11940	12229
a)	Promoters holding: M/s Lucas Indian Service Ltd, Chennai	-	10377332	10377332
	M/s Mahle Electric Drives Japan Corporation	-	4641000	4641000
b)	Non Promoters holding	334332	7268760	7603092
	Total (a+b)	334332	22287092	22621424
	%	1.48	98.52	100

Securities and Exchange Board of India (SEBI) has notified amendments to SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (Listing Regulations) on 8th June 2018 and as per the amendments, with effect from 1st April 2019 request for transfer of securities shall not be processed unless the securities are held in dematerialised with a depository participant. However, transmission and transposition of securities can be processed in physical form.

In view of the aforesaid amendments in the Listing Regulations, the company advised the shareholders who are holding shares in physical form to have the shares dematerialized. The company had sent 3 reminders to all the shareholders who were holding shares in physical mode and posted the list of shareholders on the website of the company besides releasing paper advertisements to this effect. The company also updated the list every month and posted them on the website for the reference of the shareholders. With the result, the total number of shareholders holding shares in physical mode reduced significantly i.e., from 469 shareholders holding 566356 shares physically as at the beginning of the year reduced to 289 shareholders holding 334332 shares as at the close of the year. The list of shareholders as of date is available on the website of the company. The shareholders who are still holding in physical mode are requested to dematerialize it as transfer in physical mode is not permitted effective 1st Apr'2019.

14.6. Plant Locations:

India Nippon Electricals Ltd - CIN: L31901TN1984PLC011021

Unit 1	Hosur-Thalli Road, Uliveeranapalli, Hosur-635114. Tamilnadu Tel: (4347) 233438. E.mail: inelhsr@inel.co.in.
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
Unit 4	B-36, Five Star Industrial Area, Kagal Hatknangale City. Kolhapur – 416 216. Maharashtra, India
Address for Correspondence:	
Registered Office:No.11 & 13, Patullos Road, Chennai 600002. Ph. (44) 28460063/73. For investors complaints: investorscomplaints@inel.co.in; investorscomplaintssta@scl.co.in.	

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

As per Section 124(6) of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules") as amended from time to time, all the shares in respect of which dividend has remained unpaid / unclaimed for seven consecutive years or more are required to be transferred to a Demat Account opened in the name of IEPF Authority with Punjab National Bank by the Ministry of Corporate Affairs. During the year, the Company has sent individual notices to all the shareholders whose dividends are lying unpaid/ unclaimed against their name for seven consecutive years or more and also advertised on the Newspapers seeking action from the shareholders. The list of such shareholders is displayed on the website of the Company. In compliance with the aforesaid provisions, the Company has transferred 37,714 shares [16434 (16314 on 19.05.2018; 120 shares on 06.06.2018] shares and 21280 shares on 25.03.2019] to IEPF account bearing Demat account no 10656671 and DPID IN300708 opened with Punjab National Bank. In case the dividends are not claimed within the due date(s) mentioned above, 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 accrues in relation to the above shares will also be credited to the said IEPF Account. In the event of transfer of shares and the unclaimed dividends to IEPF, shareholders are entitled to claim the same from IEPF by submitting an online application in the prescribed Form IEPF-5 available on the website www.iepf.gov.in and sending a physical copy of the same duly signed to the Company along with the requisite documents enumerated in the Form IEPF-5, as per the following procedures:

- Download the Form IEPF - 5 from the website of IEPF (http://www.iepf.gov.in) for filling the claim for refund of shares and dividends.
- Read the instructions provided on the website / instructions kit along with the e-form carefully before filling the form.
- After filling / completing the form, to save it and submit the duly completed form by following the instructions given in the upload link on the website.
- On successful uploading, the acknowledgment will be generated indicating the SRN. This SRN is to be used for future tracking of the form.
- 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., Mr G Venkatram, (Company Secretary & Compliance Officer of the Company) in an envelope marked "Claim for refund from IEPF Authority". In the process, general information about the Company which have to be provided are as under: (a) Corporate Identification Number (CIN) of the Company:- L31901TN1984PLC011021, (b) Name of the company:-India Nippon Electricals Ltd, (c) Address of registered office of the Company: No.11 & 13, Pattulos Road, Chennai-600002, (d) email ID:- investorscomplaints@inel.co.in.

Pursuant to Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amount lying with companies) Rules, 2012, the Company shall provide / host the required details of unclaimed dividend amount referred in relevant sections of the Act, 2013 on its website and also in the Ministry of Corporate Affairs (MCA) website in the relevant form every year.

16. Request to Investors

Members who have not enchased their dividend warrants in respect of dividends declared for the year ended 31st March 2013 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.

Particulars of unclaimed dividend of India Nippon Electricals Limited.

Financial Year	Date of Declaration	% of dividend	Date of transfer to special account	Due Date for transfer of dividend to IEPF	As of 31.03.2019 Rs.
2011-12 2nd interim	30.05.2012	50	05.07.2012	04.08.2019	310955
2012-13					
1st interim	06.02.2013	40	14.03.2013	13.04.2020	289416
2nd interim	28.05.2013	50	03.07.2013	02.08.2020	315235
2013-14					
1st interim	28.01.2014	40	05.03.2014	04.04.2021	283012
2nd interim	23.05.2014	50	28.06.2014	27.07.2021	319645
2014-15					
1st interim	09.02.2015	45	17.03.2015	16.04.2022	328872
Final dividend	27.08.2015	45	02.10.2015	01.11.2022	355653
2015-16					
1st interim	29.01.2016	40	05.03.2016	04.04.2023	415420
2nd interim	26.03.2016	50	01.05.2016	31.05.2023	469740
2016-17					
1st interim	27.01.2017	40	26.02.2017	25.03.2024	378976
2nd interim	30.03.2017	60	29.04.2017	28.05.2024	588048
2017-18					
1st interim	29.01.2018	60	06.03.2018	05.04.2025	554892
2nd interim	08.05.2018	70	13.06.2018	12.07.2025	664871
2018-19					
1st interim	09.02.2019	60	17.03.2019	16.04.2026	342693*
2nd interim	06.04.2019	80	12.05.2019	11.06.2026	Paid in April 2019

- As of 15th May 2019

17. 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 unauthorised persons.
- Investors who have not availed nomination facility are requested to fill in the nomination form and submit the same to the Company along with the requisite proof of nomination.

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

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

- The Company has already sent three reminders to the shareholders 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.

Details	**Number of shareholders**	**Number of equity shares**
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on 1st April 2018	46	17,090
Number of shareholders and aggregate number of shares transferred to the unclaimed suspense account during the year Dt 28/02/2019	36	51,636
Total (see note below)	**76**	**68,726**
Number of shareholders who approached the company for transfer of shares and shares transferred from suspense account during the year	6	2,430
Unclaimed Shares Transfer to IEPF Authority on 28/03/2019	31	10,708
Total	**37**	**13,138**
Aggregate number of the shareholders and the outstanding shares in the suspense account lying as on 31st March 2019	39	55588

Note: The shares held by six shareholders have been transferred twice, first during January 2015 (shown as opening balance) and again February 2019 (transfer during the year 2018-19). Since they are common in both opening balance and transfer during the year, we have reduced the total shareholders by 6 (46+36= 82-6 = 76) in the aforesaid table.

B. Non Mandatory Requirement:

1. Modified opinion(s) in audit report

There was no qualification by the auditors on the financial statements of the Company.

2. Reporting of Internal Auditor

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

INDEPENDENT AUDITOR'S REPORT

To The Members of Indian Nippon Electricals Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Indian Nippon Electricals Limited("the Company"), which comprise the Balance Sheet as at 31st March 2019, 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 then ended, and a summary of significant 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 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31stMarch 2019, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). 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	Recognition of Deferred Tax Asset The Company has recognised deferred tax asset on deductible temporary differences between the book base and tax base of the carrying value of investments in a subsidiary and an associate, which aggregated to Rs.893.80 lacs. Refer Note No. 33.3 of the financial statements.	Principal audit procedures performed: Our audit procedures included, amongst others, testing the company's controls relating to computation of deferred tax as well as assessment of probability of utilisation of deferred tax asset.

	The management has assessed the probability of availability of taxable profits against which the temporary differences can be utilised. Assessment of recognition of deferred tax asset involves significant management judgements and estimations and accordingly, we deemed this to be a key audit matter. Principal audit procedures performed:	Our audit included assessing the Company's assumptions in estimating the availability of taxable profits in the foreseeable future against which the temporary differences can be utilised and its ability to control the timing of disposal of investments and utilisation of temporary differences.

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 Director's report and related Annexures and Report on Corporate Governance, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon. The Director's report and related Annexures and Corporate Governance Report are expected to be made available to us after the date of this auditor's report.
- Our opinion on the standalone financial statements does not cover the other information and will 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 identified above when it becomes available 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.
- When we read the Director's report and related Annexures and Corporate Governance Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'.

Management's Responsibility 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 Ind AS and other accounting principles generally accepted in India.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 standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control 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 system 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 control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company.

   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 relevantbooks of account.

   d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2019 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 over financial reporting 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 over financial reporting.

   g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended,

      In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

   h) 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.

      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.

2. As required by the Companies (Auditor’s Report) Order, 2016 (“the Order”) issued by the Central Government in terms of Section 143(11) of the Act, we give in “Annexure B” a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm’s Registration No. 117366W/W-100018)

Place : Chennai
Date : May 30, 2019

Ananthi Amarnath
(Partner)
(Membership No. 209252)

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 Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of India Nippon Electricals Limited ("the Company") as of 31st March, 2019 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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, 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 over financial reporting 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. 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 over financial reporting 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting 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 over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2019, based on the criteria for internal financial control over financial reporting 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)

Place : Chennai
Date : May 30, 2019

Ananthi Amarnath
(Partner)
(Membership No. 209252

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(b) The Property, Plant and Equipment were physically verified during the year by the Management in accordance with a regular programme of verification, which in our opinion provides for physical verification of all the Property, Plant and Equipment at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) With respect to immovable properties of land and buildings that are freehold, according to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed provided to us, we report that, the title deeds of such immovable properties are held in the name of the Company as at the balance sheet date.

(ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposit during the year and hence compliance with the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014, as amended, with regard to the deposits accepted is not applicable to the Company.

(vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. 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) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Goods and Service Tax,Customs duty, Cess and other material statutory dues applicable to it to the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Goods and Service Tax,Customs duty,Cess and other material statutory dues in arrears as at 31st March 2019 for a period of more than six months from the date they became payable.

(c) Details of dues of Service Tax, Local Area Development Tax, Value Added Tax, Sales Tax and Income Tax which have not been deposited as on 31st March 2019 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute	Period to which the Amount Relates	Amount Involved (Rs.) in lacs	Amount Unpaid (Rs.) in lacs
Service tax under Finance Act,1994	Non- payment of service tax on commercial	Customs, Excise and Service Tax Appellate Tribunal (CESTAT)	2012-2015 and 2015-2016	10.08	10.08
Service tax under Finance Act ,1994	Disallowance of Service Tax credit availed.	Customs, Excise and Service Tax Appellate Tribunal (CESTAT)	2005-06 and 2006-07	11.49	11.49
Service tax under Finance Act ,1994	Disallowance of Service Tax Credit availed.	Commissioner of Central Excise (Appeals).	2006-07	0.27	0.27
Service tax under Finance Act ,1994	Disallowance of Service Tax Credit availed.	Office of the Superintendent Central Excise	2007-08 2012-13	1.50	1.50
Local Area Development Tax of Haryana state.	Local Area Development Tax Assessment demand	Joint Excise Taxation Commissioner	2003-04 and 2004-05	0.41	0.41
Tamil Nadu VAT Act 2006	VAT ineligible credits	Assistant Commissioner of Commercial Taxes	2007-08 to 2015-16	193.41	193.41
Central Sales Act 1956	Penalty for issuing C-Forms without inclusion of B-Certificate	Assistant Commissioner of Commercial Taxes	2010-11 to 2015-16	1.63	1.63
Income Tax Act 1961	Deduction under Sec 80IB-with respect to Disallowance of Royalty payment, Apportionment of R&D Expenditure	Commissioner of Income Tax (Appeals)	2012-13	64.77	64.77

(viii) The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause (viii) of CARO 2016 is not applicable to the Company.

(ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the CARO 2016 is not applicable.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Sections 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 as required by the applicable accounting standards.

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Place : Chennai
Date : May 30, 2019

Ananthi Amarnath
(Partner)
(Membership No. 209252

BALANCE SHEET (STANDALONE) AS AT 31-MARCH-2019

Rs. in lacs

S.No.	Particulars	Note No.	As at 31-Mar-2019	As at 31-Mar-2018
1	ASSETS			
1.1	**Non-current assets**			
a)	Property, Plant and Equipment	4.1	5,905.01	5,661.52
b)	Capital Work-in-progress		685.36	693.59
c)	Intangible Assets	4.2	174.25	193.12
d)	**Financial Assets**			
	(i) Investments	5	13,953.32	13,155.30
	(ii) Loans	6	93.49	92.98
	(iii) Others financial assets	7	40.90	39.46
e)	Deferred Tax Assets (Net)	8	-	245.51
f)	Other Non-current Assets	9	1,105.36	164.07
	Non-current Assets - Total		**21,957.69**	**20,245.55**
1.2	**Current assets**			
a)	Inventories	10	3,533.75	3,127.14
b)	**Financial Assets**			
	(i) Investments	11	13,477.24	10,935.78
	(ii) Trade Receivables	12	10,397.86	9,334.69
	(iii) Cash and cash equivalents	13.1	600.24	400.27
	(iv) Other bank balances	13.2	56.91	334.36
	(v) Others financial assets	14	88.65	101.19
c)	Other Current assets	15	409.79	284.33
			28,564.44	**24,517.76**
1.3	Assets classified as held for sale	4.1	526.74	-
	Current Assets - Total		**29,091.18**	**24,517.76**
	Assets - Total		**51,048.87**	**44,763.31**

Rs. in lacs

S.No.	Particulars	Note No.	As at 31-Mar-2019	As at 31-Mar-2018
2	**EQUITY AND LIABILITIES**			
2.1	**EQUITY:**			
a)	Equity Share Capital	16	1,131.07	1,131.07
b)	Other Equity	-	38,995.60	33,371.43
	Equity - Total		**40,126.67**	**34,502.50**
2.2	**LIABILITIES**			
2.2.1	**Non-current liabilities**			
a)	Provisions	17	346.00	260.60
b)	Deferred Tax Liability (Net)	18	261.54	-
	Non-current Liabilities - Total		**607.54**	**260.60**
2.2.2	**Current Liabilities**			
a)	**Financial Liabilities**			
	(i) Trade payables	19		
	Total outstanding dues to micro enterprises and small enterprises		2,064.91	-
	Total outstanding dues to other than micro enterprises and small enterprises		5,461.92	7,639.10
	(ii) Others financial liabilities	20	1,085.19	286.04
b)	Provisions	21	88.64	189.26
c)	Current tax liabilities (Net)	22	171.31	387.99
d)	Other current liabilities	23	1,442.70	1,497.82
	Total Current Liabilities		**10,314.67**	**10,000.21**
	Equity and Liabilities - Total		**51,048.87**	**44,763.31**

See accompanying notes to Standalone Financial Statements

In terms of our report attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Ananthi Amarnath
Partner

For and on behalf of the Board of Directors

T K Balaji
Chairman

Arvind Balaji
Managing Director

Elango Srinivasan
Chief Financial Officer

G Venkatram
Company Secretary

Place : Chennai
Date : May 30, 2019

Place : Chennai
Date : May 30, 2019

INDIA NIPPON ELECTRICALS LIMITED

STATEMENT OF PROFIT AND LOSS (STANDALONE) FOR THE YEAR ENDED 31-MARCH-2019

Rs. in lacs

S.No.	Particulars	Note No.	Apr'18 To Mar'19	Apr'17 To Mar'18
I	Revenue from Operations	24	52,521.21	46,639.73
II	Other Income	25	1,433.88	1,237.03
III	**TOTAL INCOME**		**53,955.09**	**47,876.76**
IV	**Expenses**			
	Cost of Material Consumed	26	34,229.27	29,936.44
	Changes in inventories of Finished Goods and Work-in-Progress	27	(48.73)	(223.47)
	Excise duty	-	-	1,401.19
	Other Operating Expenses	28	2,260.46	2,065.27
	Employee Benefit Expenses	29	5,748.79	5,163.13
	Finance Costs	30	8.22	7.19
	Depreciation and Amortisation Expenses	4.1 & 4.2	772.98	597.13
	Other Expenses	31	2,592.71	1,846.09
	TOTAL EXPENSES		**45,563.70**	**40,792.97**
V	Profit Before Tax (III - IV)		8,391.39	7,083.79
			8,391.39	**7,083.79**
VI	**TAX EXPENSES**			
	(1) Current Tax	33.1	2,221.29	1,987.01
	(2) Deferred Tax	33.1	219.21	87.22
			2,440.50	**2,074.23**
VII	Profit for the year (V-VI)		5,950.89	5,009.56
VIII	**OTHER COMPREHENSIVE INCOME (OCI)**			
	A (i) Items that will not be reclassified to Profit or Loss	32	1,733.75	1,821.52
	(ii) Income tax relating to items that will not be reclassified to Profit or Loss		(287.84)	(310.45)
	Total other comprehensive income for the year, net of tax		**1,445.91**	**1,511.07**
IX	**Total Comprehensive Income for the year (VII+VIII) (Comprising Profit for the year and other comprehensive income)**		7,396.80	6,520.63
X	**Earnings per equity share**			
	1.Basic	44	26.31	22.15
	2.Diluted	44	26.31	22.15

See accompanying notes to Standalone Financial Statements

In terms of our report attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Ananthi Amarnath
Partner

Place : Chennai
Date : May 30, 2019

For and on behalf of the Board of Directors

T K Balaji
Chairman

Arvind Balaji
Managing Director

Elango Srinivasan
Chief Financial Officer

G Venkatram
Company Secretary

Place : Chennai
Date : May 30, 2019

STATEMENT OF CASH FLOWS (STANDALONE) FOR THE YEAR ENDED 31-MARCH 2019

Rs. in lacs

S.No.	Particulars	Apr'18 To Mar'19	Apr'17 To Mar'18
A.	**Cash flows from Operating Activities:**		
	Net Profit before tax	8,391.39	7,083.79
	Adjustments for		
	Add/(Less): - Depreciation and amortization expenses	772.98	597.13
	- Dividend Income recognised in profit or loss	(210.70)	(184.11)
	- Interest Income recognised in profit or loss	(220.96)	(239.68)
	- Increase in Fair value of investments	(348.81)	(592.09)
	- Profit on sale of investments(net)	(594.11)	(173.12)
	- Investments written off	114.53	-
	- Property, plant and equipment written off	3.31	9.35
	- Advances written off	4.05	5.30
	- Finance costs recognised in profit or loss	8.22	7.19
	Operating Profit before Working Capital changes	**7,919.90**	**6,513.76**
	Adjustments for (increase) / decrease in operating assets:		
	- Loans	(0.51)	(3.18)
	- Other Non-current Financial Assets	(1.44)	(2.45)
	- Other Non-current assets	(919.84)	(4.02)
	- Trade Receivables	(1,067.22)	(2,696.14)
	- Inventories	(406.61)	(885.01)
	- Other Current Financial Assets	2.83	1.24
	- Other Current assets	(125.46)	107.48
	Adjustments for increase / (decrease) in operating liabilities:		
	- Trade Payables	(112.27)	1,393.64
	- Other Financial Liabilities	799.15	(739.37)
	- Other Liabilities	(55.12)	751.92
	- Non-current Provisions	85.40	120.32
	- Current Provisions	(183.48)	(79.84)
	Cash generated from operations	5,935.33	4,478.35
	Income taxes paid	(2,437.97)	(1,835.61)
	Net Cash generated by Operating Activities (A)	**3,497.36**	**2,642.74**
B.	Cash flows from Investing Activities:		
	Purchase of Property, Plant & Equipment (including CWIP)	(1,540.87)	(1,762.35)
	Acquisition of investments	(14,622.65)	(2,848.72)
	Proceeds on sale of investments	13,928.16	2,794.78
	Interest Received	230.67	238.12
	Dividend Received	210.70	184.11
	Increase / (decrease) in other bank balances	277.45	(281.11)
	Net Cash used in Investing Activities (B)	**(1,516.54)**	**(1,675.17)**
C.	**Cash flows from Financing Activities:**		
	Finance costs	(8.22)	(7.19)
	Dividends and taxes on dividend paid	(1,772.63)	(816.79)
	Net Cash used in Financing Activities (C)	**(1,780.85)**	**(823.98)**

Rs. in lacs

S.No.	Particulars	Apr'18 To Mar'19	Apr'17 To Mar'18
D.	Net Increase / (decrease) in Cash and Cash Equivalents (A+B+C)	199.97	143.59
E.	Add : Cash & Cash Equivalents as at beginning of the year - Refer Note 13.1	400.27	256.68
F.	Cash & Cash Equivalents as at end of the year - Refer Note 13.1	600.24	400.27

Note: The above Cash Flow Statement has been prepared under Indirect method as set out in Ind AS 7 on Cash Flow Statement.

See accompanying notes to Standalone Financial Statements

In terms of our report attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Ananthi Amarnath
Partner

Place : Chennai
Date : May 30, 2019

For and on behalf of the Board of Directors

T K Balaji
Chairman

Arvind Balaji
Managing Director

Elango Srinivasan
Chief Financial Officer

G Venkatram
Company Secretary

Place : Chennai
Date : May 30, 2019

STATEMENT OF CHANGES IN EQUITY (STANDALONE) FOR THE YEAR ENDED 31st MARCH 2019

Rs. in Lacs

Particulars	No.of.Shares	Amount
Equity shares of Rs. 10 each issued, subscribed and fully paid		
As at 01-April-2017	11,310,712	1,131.07
Add: Issued during the year/Share split	11,310,712	-
As at 31-March-2018 (refer Note 16 (d) for shares split)	22,621,424	1,131.07
Add: Issued during the year	-	-
As at 31-March-2019	**22,621,424**	**1,131.07**

Other Equity

Rs. in Lacs

Particulars	Reserves and Surplus			Other Comprehensive Income	Total Equity attributable to equity share holder
	Capital Redemption Reserve	Retained Earnings	General Reserve	Other items of Other Comprehensive Income	
Balance as of April 1, 2017	39.56	3,153.01	23,909.26	565.76	27,667.59
Changes in the equity for the year March 31, 2018					
Dividends	-	(678.64)	-	-	(678.64)
Dividend Tax	-	(138.15)	-	-	(138.15)
Profits for the year	-	5,009.56	-	-	5,009.56
Other Comprehensive Income	-	-	-	1,511.07	1,511.07
Balance as of March 31, 2018	**39.56**	**7,345.78**	**23,909.26**	**2,076.83**	**33,371.43**
Balance as of April 1, 2018	**39.56**	**7,345.78**	**23,909.26**	**2,076.83**	**33,371.43**
Changes in the equity for the year March 31, 2019					
Dividends	-	(1,470.39)	-	-	(1,470.39)
Dividend Tax	-	(302.24)	-	-	(302.24)
Profits for the year	-	5,950.89	-	-	5,950.89
Other Comprehensive Income	-	-	-	1,445.91	1,445.91
Balance as of March 31, 2019	**39.56**	**11,524.04**	**23,909.26**	**3,522.74**	**38,995.60**

Additional Disclosures:

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:

This reserve represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income, net of amounts reclassified to retained earnings when those assets have been disposed of.

In terms of our report attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Ananthi Amarnath
Partner

Place : Chennai
Date : May 30, 2019

For and on behalf of the Board of Directors

T K Balaji
Chairman

Arvind Balaji
Managing Director

Elango Srinivasan
Chief Financial Officer

G Venkatram
Company Secretary

Place : Chennai
Date : May 30, 2019

Notes to the Standalone Financial Statements for the year ended March 31, 2019:

1) Company overview and significant Accounting Policies:

India Nippon Electricals Ltd. ("the Company") is a public limited company incorporated and domiciled in India and has its registered office at No.11 & 13, Patullos Road, Chennai-600 002, Tamilnadu, India.

The shares of the Company are listed on the BSE Limited and National Stock Exchange of India Ltd.

The Company is a leading manufacturer of Electronic Ignition Systems for auto industry with special focus on two-wheeler industry in technical collaboration with Mahle Electric Drives Japan Corporation, Japan. In addition to the support from the collaborators, the Company has a developed Research & Development centre recognised by DSIR,Govt of India. The Company has four manufacturing facilities in India and supplies to domestic as well as overseas markets.

2) Basis of preparation of Financial Statements:

The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention under accrual basis of accounting except for certain financial assets and liabilities (as per the accounting policy below), which have been measured at fair value, the provisions of The Companies Act, 2013 (The Act) and where applicable, the guidelines issued by the Securities and Exchange Board of India (SEBI). The IND AS.s are notified under Section 133 of the Act, Companies (Indian Accounting Standards) Rules, 2015, and Companies (Indian Accounting Standards) Amendment Rules, 2016.

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.

Use of estimates:

The preparation of financial statements requires management to make certain estimates and assumptions that affect the amounts reported in the financial statements and notes thereto. The management believes that these estimates and assumptions are reasonable and prudent. However, actual results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in the current and future period.

This note provides an overview of the areas that involved a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed.

The areas involving critical estimates or judgments are:

i) **Estimation of fair value of unlisted securities -** The fair value of unlisted securities is determined using the valuation techniques. The company uses its judgement to select the methods and make assumptions at end of each reporting period. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

ii) **Defined benefit obligation -** The cost of the defined benefit plans and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, etc. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each Balance Sheet date.

iii) **Impairment testing -** Property, plant and equipment and Intangible assets are tested for impairment when events occur or changes in circumstances indicate that the recoverable amount of the cash generating unit is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to sell. The calculation involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.

iv) **Estimation and evaluation of provisions and contingencies relating to tax litigation -** Provision for tax liabilities require judgements on the interpretation of tax legislation, developments in case law and the potential outcomes of tax audits and appeals which may be subject to significant uncertainty. Therefore the actual results may vary from expectations resulting in adjustments to provisions, the valuation of deferred tax assets, cash tax settlements and therefore the tax charge in the statement of profit or loss.

v) **Estimation Warranty claims -** Provision is made for estimated warranty claims in respect of product sold which are still under warranty at the end of the reporting period. The claims are expected to be settled in the next financial year. The company estimates the provision based on historical warranty claim information and any recent trends that may suggest future claims could differ from the historical amounts.

Standards issued but not yet effective:

Ind AS 116 Leases : On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:

- Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application.

  Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

- Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application.

Certain practical expedients are available under both the methods.

The amendment will come into force from April 1, 2019. The Company is currently evaluating the effect of the above on its standalone financial statements.

Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments : Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments: On March 30, 2019, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 containing Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments which clarifies the application and measurement requirements in Ind AS 12 when there is uncertainty over income tax treatments. The current and deferred tax asset or liability shall be recognized and measured by applying the requirements in Ind AS 12 based on the taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates determined by applying this appendix. The amendment is effective for annual periods beginning on or after April 1, 2019.

Amendment to Ind AS 12 – Income taxes : On March 30, 2019, the Ministry of Corporate Affairs has notified limited amendments to Ind AS 12 – Income Taxes. The amendments require an entity to recognise the income tax consequences of dividends as defined in Ind AS 109 when it recognises a liability to pay a dividend. The income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to when the entity originally recognised those past transactions or events. The amendment will come into force for accounting periods beginning on or after April 1, 2019.

Amendment to Ind AS 19 – plan amendment, curtailment or settlement- On March 30, 2019, the Ministry of Corporate Affairs has notified limited amendments to Ind AS 19 – Employee Benefits in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement and to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. The amendment will come into force for accounting periods beginning on or after April 1, 2019, though early application is permitted.

3) Significant Accounting Policies:

a) Current and Non-current classification:

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.

b) Revenue Recognition:

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. Revenues and costs relating to sales contracts are recognized as the related goods are delivered, and titles have passed, at which time all the following conditions are satisfied-:

- the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the company ; and
- the costs incurred or to be incurred in respect of the transactions can be measured reliably.

The Company accounts for volume discounts and pricing incentives to customers as a reduction of revenue based on the relatable allocation of the discounts/ incentives to each of the underlying performance obligation that corresponds to the progress by the customer towards earning the discount/ incentive. Also, when the level of discount varies with increases in levels of revenue transactions, the Company recognizes the liability based on its estimate of the customer's future purchases. If it is probable that the criteria for the discount will not be met, or if the amount thereof cannot be estimated reliably, then discount is not recognized until the payment is probable and the amount can be estimated reliably. The Company recognizes changes in the estimated amount of obligations for discounts in the period in which the change occurs.

Interest income

Income in the form of dividends and interest – Please refer to note no. 3 (o)

c) Property, Plant & Equipment:

Cost includes purchase price, taxes and duties, labour cost and directly attributable overheads incurred up to the date the asset is ready for its intended use. However, cost excludes Excise Duty, Value Added Tax and Service Tax, 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).

Capital work in progress, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

d) Depreciation and Amortization:

i) Depreciation on tangible fixed assets (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 less the number of years the asset had been used prior to 1st April, 2015.

ii) Tools and dies are depreciated based on quantity of components manufactured and the life of tools and dies, subject to a maximum of two years.

iii) 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

iv) 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.

e) Intangible Assets:

i) 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.

ii) Expenditure on projects which are not yet ready for intended use are carried as intangible assets under development.

iii) 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.

iv) 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 three years

d) Technical Knowhow - Over a period of five years

f) Impairment of Assets:

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in Statement of Profit and Loss.

g) Foreign currency translation:

i) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). i.e. in Indian rupee (INR).

ii) Transactions and balances

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of transaction.

a) Foreign currency monetary assets and liabilities such as cash, receivables, payables, etc., are translated at year end exchange rates.

b) Non-monetary items denominated in foreign currency such as investments, fixed assets, etc., are valued at the exchange rate prevailing on the date of transaction.

c) Exchange differences arising on settlement of transactions and translation of monetary items are recognised as income or expense in the year in which they arise.

d) Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

h) Inventories:

i) Inventories are valued at the lower of cost and net realisable value.

ii) Cost of raw materials, components, stores, spares, work-in-process and finished goods are ascertained at weighted average cost.

iii) Cost of finished goods and work-in-process comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Materials and supplies held for use in production of inventories are not written down if the finished products in which they will be used are expected to be sold at or above cost.

i) Employee benefits:

i) Short term obligations:

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services upto the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

ii) Other Long term employee benefits:

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of the expected future payments to be made in respect of services provided by employee upto the end of reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation.

Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss. The obligations are presented as current liabilities in the balance sheet if the entity does not have an when the actual settlement is expected to occur.

iii) Post-employement obligation:

Payments to defined contribution retirement benefit schemes (provident fund & superannuation) are charged as an expense as they fall due for defined benefit schemes (Gratuity), the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognized in full in Other Comprehensive Income for the period in which they occur.

The retirement benefit obligation recognized in the balance sheet represents the present value of the defined obligation as adjusted for unrecognized past service cost, and as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost plus the present value of available refunds and reductions in future contributions to the scheme.

j) Taxes on income - Current 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.

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.

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.

Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where there is a legally enforceable right to offset.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

k) Provisions and Contingent Liabilities:

i) Provisions:

A provision is recorded when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reasonably estimated. The estimated liability for product warranties is recorded when products are sold based on technical evaluation.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as finance cost.

ii) Contingent Liabilities:

Wherever there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognised because (a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or (b) the amount of the obligation cannot be measured with sufficient reliability. The company does not recognise a contingent liability but discloses its existence in Financial Statements.

l) Cash & Cash equivalents:

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

m) Investments & Other financial assets:

i) Classification:

The Company classifies its financial assets in the following categories:

a) Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss)

b) Those measured at amortized cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flow.

ii) Measurement:

At Initial recognition, the Company measures a financial asset at its fair value plus (in the case of a financial asset not at fair value through profit or loss) transaction cost that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

iii) Debt instruments:

Subsequent measurement of debt instruments depends on the company's business model for managing the asset and the cash flow characteristics of the asset. There are two measurement categories into which the Company classifies its debt instruments.

iv) 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 amortised cost. A gain or loss on debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is de-recognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

v) Fair value through Other Comprehensive Income:

A ‘debt instrument’ is classified as at the FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset’s contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

vi) Fair value through Profit & Loss:

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as ‘accounting mismatch’). The Company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

vii) Equity Instruments:

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

viii) Derecognition:

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company’s balance sheet) when:

- The rights to receive cash flows from the asset have expired, or

- 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 (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) 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 pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises 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.

ix) Impairment of Financial Assets:

The company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been significant increase in credit risk.

n) Financial Liabilities:

a) Classification

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

b) Initial recognition and measurement:

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

c) Financial liabilities at fair value through profit or loss :

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as 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. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

d) Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss:

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind-AS 109 – "Financial Instruments" are satisfied. For liabilities designated as Fair Value through Profit and Loss ("FVTPL"), fair value gains/ losses attributable to changes in own credit risk are recognized in Other Comprehensive Income ("OCI"). These gains/loss are not subsequently transferred to the Statement of Profit and Loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Statement of Profit and Loss. The Company has not designated any financial liability as at fair value through profit or loss.

e) Derecognition:

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

f) Offsetting of financial instruments:

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

g) Equity instruments:

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

o) Income Recognition

a) Interest Income:

Generally, interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying value of a financial asset. While calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options), but does not consider the expected credit losses.

b) Dividends:

Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of dividend can be reliably measured.

c) Export benefits:

Export benefits in the nature of Merchandise Exports from India Scheme (MEIS) under Foreign Trade Policy are recognised in the Statement of Profit and Loss when there is no uncertainty in receiving / utilizing the same, taking into consideration the prevailing regulations.

p) Earnings per share:

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year including potential equity shares, if any, on compulsory convertible debentures. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

q) Cash flow Statements:

Cash flow statements are prepared using the indirect method whereby profit for the period is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows are segregated into Operating, Investing and Financing activities of the Company.

r) Dividends Paid:

Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Board of Directors of the Company.

s) Operating Segment:

The Chief Operational Decision Maker (MD) monitors the operating results of the business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit and loss reported by the segment periodically. The operations of the company relate to only one segment which is Electronic products for two/three wheelers and engines.

t) Leases:

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement. For arrangements entered into prior to 1st April 2016, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Company as a lessee : A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

u) Expenditure on Corporate Social Responsibility (CSR)

The Company accounts the expenditure incurred towards Corporate Social Responsibility as required under the Act as a charge to the statement of profit and loss account.

Notes to the Standalone Financial Statements for the year ended March 31, 2019 - Continued :

4.1. Property, Plant & Equipment

Following are the changes in the carrying value of Property, Plant & Equipments for the year ended 31-March-2019:

Rs. in lacs

Particulars	Land	Building	Plant & Equipments	Furniture & Fixtures	Office Equipments	Vehicles	Total
Gross carrying value as on 01-April-2018	1,239.82	1,170.81	4,236.77	160.39	128.18	41.03	6,977.00
Additions	-	176.70	1,183.72	51.20	87.96	3.41	1,502.99
Deletions	-	-	43.87	0.06	0.40	0.28	44.61
Transfer to Assets held for Sale (Refer Note 1)	526.74	-	-	-	-	-	526.74
Gross carrying value as on 31-March-2019 = (A)	**713.08**	**1,347.51**	**5,376.62**	**211.53**	**215.74**	**44.16**	**7,908.64**
Accumulated depreciation as on 01-April-2018	-	131.90	1,082.14	42.04	47.77	11.63	1,315.48
Depreciation	-	86.10	579.05	24.11	35.17	5.02	729.45
Accumulated depreciation on deletions	-	-	40.88	-	0.22	0.20	41.30
Accumulated depreciation as on 31-March-2019 = (B)	**-**	**218.00**	**1,620.31**	**66.15**	**82.72**	**16.45**	**2,003.63**
Carrying value as on 31-March-2019 = (A - B)	**713.08**	**1,129.51**	**3,756.31**	**145.38**	**133.02**	**27.71**	**5,905.01**

Note 1 - On November 03, 2018, the Board of Directors have given in principle approval for disposal of the lands held at Gurgaon (Pataudi) and Haridwar. Accordingly, for Gurgaon (Pataudi) land, a buyer has been identified and the sale is expected to be concluded in the next year . With respect to Haridwar land, the company is in the process of identifing a buyer and the sale is expected to happen in the next year. Therefore, as per requirements of Ind AS 105, these lands have been classified as assets held for sale.

Following are the changes in the carrying value of Property, Plant & Equipments for the year ended 31-March-2018:

Rs. in lacs

Particulars	Land	Building	Plant & Equipments	Furniture & Fixtures	Office Equipments	Vehicles	Total
Gross carrying value as on 01-April-2017	1,239.82	1,107.26	3,166.45	129.40	65.57	28.11	5,736.61
Additions	-	63.55	1,087.18	32.13	62.87	15.72	1,261.45
Deletions	-	-	16.86	1.14	0.26	2.80	21.06
Gross carrying value as on 31-March-2018 = (A)	**1,239.82**	**1,170.81**	**4,236.77**	**160.39**	**128.18**	**41.03**	**6,977.00**
Accumulated depreciation as on 01-April-2017	-	80.90	630.85	26.12	27.21	8.51	773.59
Depreciation	-	51.00	460.61	16.60	20.77	4.62	553.60
Accumulated depreciation on deletions	-	-	9.32	0.68	0.21	1.50	11.71
Accumulated depreciation as on 31-March-2018 = (B)	**-**	**131.90**	**1,082.14**	**42.04**	**47.77**	**11.63**	**1,315.48**
Carrying value as on 31-March-2018 = (A - B)	**1,239.82**	**1,038.91**	**3,154.63**	**118.35**	**80.41**	**29.40**	**5,661.52**

Notes to the Standalone Financial Statements for the year ended March 31, 2019 - Continued :

4.2. Intangible Asset:

Following are the changes in the carrying value of Intangible assets for the year ended 31-March-2019:

Rs. in lacs

Particulars	Softwares	SAP	Licenses	Technical Knowhow	Total
Gross carrying value as on 01-April-2018	66.83	177.66	19.83	33.32	297.64
Additions	2.41	-	22.25	-	24.66
Deletions	-	-	-	-	-
Gross carrying value as on 31-March-2019 = (A)	**69.24**	**177.66**	**42.08**	**33.32**	**322.30**
Accumulated amortization as on 01-April-2018	31.50	39.26	10.03	23.73	104.52
Amortization	13.02	18.95	3.65	7.91	43.53
Accumulated amortization on deletions	-	-	-	-	-
Accumulated amortization as on 31-March-2019 = (B)	**44.52**	**58.21**	**13.68**	**31.64**	**148.05**
Carrying value as on 31-March-2019 = (A - B)	**24.72**	**119.45**	**28.40**	**1.68**	**174.25**

Following are the changes in the carrying value of Intangible assets for the year ended 31-March-2018:

					Rs. in lacs
Particulars	**Softwares**	**SAP**	**Licenses**	**Technical Knowhow**	**Total**
Gross carrying value as on 01-April-2017	49.29	164.91	9.53	33.32	257.05
Additions	17.54	12.75	10.30	-	40.59
Deletions	-	-	-	-	-
Gross carrying value as on 31-March-2018 = (A)	**66.83**	**177.66**	**19.83**	**33.32**	**297.64**
Accumulated amortization as on 01-April-2017	18.48	20.31	6.38	15.82	60.99
Amortization	13.02	18.95	3.65	7.91	43.53
Accumulated amortization on deletions	-	-	-	-	-
Accumulated amortization as on 31-March-2018 = (B)	**31.50**	**39.26**	**10.03**	**23.73**	**104.52**
Carrying value as on 31-March-2018	**35.33**	**138.40**	**9.80**	**9.59**	**193.12**

Note: Amortization expense is included in depreciation and amortization expenses in the Statement of Profit and Loss Account.

5 NON-CURRENT INVESTMENTS - UNQUOTED:

Rs. in lacs

Note No.	Particulars	Subsidiary/ Associate/ Others	Face value	No. of Shares/Units	As at 31-March-2019	No. of Shares/Units	As at 31-March-2018
(a)	**Investments in Equity instruments fully paid up**						
	i) Investment carried at cost:						
	PT Automotive Systems Indonesia Limited	Subsidiary	4,474	27,000	1,207.98	27,000	1,207.98
	ii) Investment carried at fair value through other comprehensive income:						
	Synergy Shakthi Renewable Energy Pvt Ltd (net of impairment in value)	Associate	10	18,000,000	502.00	18,000,000	742.80
	Lucas TVS Ltd	Others	100	97,351	9,187.37	97,351	7,129.94
	IRIS Ecopower Venture Private Limited	Others	10	258,400	25.84	258,400	25.84
					10,923.19		**9,106.56**
(b)	**Investments in Debentures or Bonds**						
	Investments carried at amortised cost:						
	National Highways Authority of India	Others	1,000	12,362	123.62	12,362	123.62
	Hudco Taxfree Bonds			50,000	530.89	50,000	530.89
	Indian Railway Finance Corporation Ltd			50,000	500.00	50,000	500.00
	India Infrastructure Finance Corporation Ltd			50,000	500.00	50,000	500.00
	Power Finance Corporation Limted Series 1			50,000	500.00	50,000	500.00
					2,154.51		**2,154.51**
(c)	**Investments in Venture capital Funds**						
	Investment carried at fair value through profit and loss:						
	TVS Shriram Growth Fund Scheme 1A	Others	1,000	250	12.87	13,627	85.44
	TVS Shriram Growth Fund Scheme 1B			16,204	562.75	30,609	640.95
	TVS Shriram Growth Fund Scheme 3			10,000	100.00	10,000	100.00
	Sundaram Alternative Opportunities series		100,000	200	200.00	100	100
					875.62		**926.39**
(d)	**Investment in Mutual Funds:**						
	Investment carried at fair value through profit and loss:						
	ICICI Prudential FMP Series 73-391 days Plan Growth Regular	Others	10	-	-	7,000,000	967.84
					-		967.84
					13,953.32		**13,155.30**

Other disclosure:

Aggregate value of Un-quoted investments - Carried at Cost	1,207.98		1,207.98
Aggregate value of Un-quoted investments - Carried at FVTOCI	9,715.21		7,898.58
Aggregate value of Un-quoted investments - Carried at FVTPL	875.62		1,894.23
Aggregate value of Un-quoted investments - Carried at Amortised cost	2,154.51		2,154.51
Aggregate carrying value of Un-quoted investments	**13,953.32**		**13,155.30**
Aggregate amount of impairment in value of investments	1,298		1,057

Notes to the Standalone Financial Statements for the year ended March 31, 2019 - Continued :

Rs. in lacs

Note No.	Particulars	As at 31-March-2019	As at 31-March-2018
6	**LOANS (Unsecured and considered good)**		
	Loans & Advances to employees	93.49	92.98
		93.49	**92.98**
7	**OTHER FINANCIAL ASSETS:**		
	Bank deposits with more than 12 months maturity	40.90	39.46
		40.90	**39.46**
8	**DEFERRED TAX ASSETS (NET):**		
	Deferred Tax Assets (Net) - Refer Note 33.3	-	245.51
		-	245.51
9	**OTHER NON-CURRENT ASSETS**		
	(Unsecured and considered good unless otherwise stated):		
a	Capital Advance	110.09	88.64
b	Sundry Deposits	70.06	75.43
c	Land Lease Prepayments	925.21	-
		1,105.36	**164.07**
10	**INVENTORIES:**		
	(Lower of Cost and Net realisable value)		
a	Raw Materials	2,318.92	1,988.75
b	Raw Materials - Goods in Transit	195.56	167.79
c	Work in Progress	278.21	342.36
d	Finished Goods	512.16	464.81
e	Finished Goods in Transit	228.01	162.48
f	Stores and Spares	0.89	0.95
		3,533.75	**3,127.14**

The cost of inventories recognised as an expense during the year was Rs. 34,166.43 lacs (for the year ended March 31, 2018: Rs. 29,712.97 lacs)

The cost of inventories recognised as an expense includes Rs. Nil (for the year ended March 31, 2018: Rs. 14.31 lacs) in respect of write down of inventory to Net realisable value

11 CURRENT INVESTMENTS - UNQUOTED:

Rs. in lacs

Particulars	Subsidiary/ Associate/ Others	Face value	No. of Units 31-March-2019	As at 31-March-2019	No. of Units 31-March-2018	As at 31-March-2018
INVESTMENT IN MUTUAL FUNDS						
Investment carried at fair value through profit and loss:						
Axis Short Term Instant Growth	Others	10	9,456,821	1,913.31	9,456,821	1,782.38
Birla Sun Life Dynamic Bond Fund -Regular Growth	Others	20	-	-	1,185,859	355.55
Birla Sun Life Short Term Fund - Regular Growth Plan	Others	50	1,522,237	1,091.12	1,522,237	1,011.48
Aditya Birla SL Equity Savings -Growth	Others	10	1,941,788	258.45	1,941,788	251.07
ICICI Emerging Sector Fund	Others	100	-	-	4,222	3.66
ICICI Prudential Short Term Regular - Monthly Dividend	Others	10	1,481,543	180.04	1,405,466	173.24
ICICI Pru Short-Term Regular Growth	Others	30	2,936,810	1,134.66	2,936,810	1,063.49
ICICI Prudential Equity Income-Growth	Others	10	1,994,613	274.66	1,994,613	255.51
ICICI Pru Flexible Income -Growth	Others	300	311,634	1,117.92	109,066	363.54
IDFC SSI Medium -term Regular - Quarterly Dividend	Others	10	3,872,665	421.62	3,720,129	400.61

Notes to the Standalone Financial Statements for the year ended March 31, 2019 - Continued :

Rs. in lacs

Particulars	Subsidiary/ Associate/ Others	Face value	No. of Units 31-March-2019	As at 31-March-2019	No. of Units 31-March-2018	As at 31-March-2018
IDFC SSI Medium -term Regular Growth	Others	20	1,659,189	518.09	1,659,189	482.60
IDFC SSI ST Regular Growth		30	3,343,087	1,273.03	3,343,087	1,182.52
Kotak Bond Short Term Plan - Growth		20	3,397,377	1,183.53	3,397,377	1,102.02
Reliance Short Term Fund -Growth		20	3,258,368	1,131.75	5,280,239	1,724.14
Kotak Equity Arbitrage Reg- Growth		20	2,511,910	662.70	1,307,548	325.10
Kotak Treasury Advantage -Growth		20	3,733,536	1,119.00	1,306,393	363.09
Birla SL Cash Plus-Growth		260	100,502	300.51	-	-
ICICI Pru Liquid Plan -Growth		240	109,104	300.49	-	-
Sundaram Mondy Direct-Growth		1,970	508,397	200.37	-	-
SBI Liquid fund - Growth		2,000	10,306	300.55		
HDFC HOF Series 1-Growth		10	1,000,000	95.44	1,000,000	95.78
				13,477.24		**10,935.78**
Aggregate provision for diminution in value of investments				-		-
				13,477.24		10,935.78

	31-March-2019	31-March-2018
Aggregate value of Unquoted investments - carried at FVTPL	13,477.24	10,935.78
Aggregate carrying value of Un-quoted investments	**13,477.24**	**10,935.78**

Rs. in lacs

Note No.	Particulars	As at 31-March-2019	As at 31-March-2018
12	**TRADE RECEIVABLES:**		
a	Trade Receivables - Unsecured		
	- Considered good	10,397.86	9,334.69
		10,397.86	**9,334.69**

The average credit period on sale of goods is 45 days. No interest is charged on overdue trade receivables.

Out of total trade receivables as at 31 March 2019, Rs. 8,929.37 lacs (previous year Rs. 8,211.47 lacs) represent receivable from customers who represent more that 5 % of total receivables.

The company's receivables are predominantly from its related parties and large Original Equipment Manufacturers. The Company has never experienced doubtful debts in earlier years, therefore, there is no credit risk and thus no allowance for expected credit losses have been made. Also refer Note 39 (a) (i) to the standalone financial statements for the year ended March 31, 2019.

Note No.	Particulars	As at 31-March-2019	As at 31-March-2018
13.1	**CASH & CASH EQUIVALENTS:**		
a	Balances with banks		
	- In current Account	598.07	398.59
b	Cash in hand	2.17	1.68
		600.24	**400.27**

Notes to the Standalone Financial Statements for the year ended March 31, 2019 - Continued :

Rs. in lacs

Note No.	Particulars		As at 31-March-2019	As at 31-March-2018
13.2	**OTHER BANK BALANCES:**			
	- in Fixed deposit		-	285.00
	- in Deposit account (Dividend Warrant)		56.91	49.36
			56.91	**334.36**
14	**OTHER FINANCIAL ASSETS:**			
a	Interest Accrued on deposits and employee dues		83.86	93.57
b	Duty draw back receivable		4.79	7.62
			88.65	**101.19**
15	**OTHER CURRENT ASSETS:**			
a	**Advances other than Capital Advances:**			
	- Vendor Advance		202.49	184.88
	- Rental & Others		8.51	5.68
b	**Others:**			
	- Prepaid expenses		150.07	82.15
	- Receivable - Others		48.72	11.62
			409.79	**284.33**
16	**SHARE CAPITAL:**			
a	**Authorised Share Capital:**			
	30,000,000 number of Equity shares of Rs.5 each		1,500.00	1,500.00
	(Previous year 30,000,000 number of Equity shares of Rs. 5 each)			
b	**Issued, Subscribed and Fully Paid up Share Capital:**			
	22,621,424 number of Equity shares of Rs. 5 each		1,131.07	1,131.07
	(Previous year 22,621,424 number of Equity shares of Rs. 5 each)			
c	**Par Value per Share**	Rs.	5.00	5.00
d	Number of equity shares at the beginning of the year		22,621,424	11,310,712
	Add: Rights issue		-	-
	Share split*		-	11,310,712
	Bonus issue		-	-
	Less: Buy back		-	-
	Number of equity shares at the end of the year		22,621,424	22,621,424

* The Board of Directors in their meeting held on 8th March 2018 had approved the split of the company's equity shares of face value of Rs. 10 each into 2 equity shares of face value of Rs. 5 each. Accordingly, the number of shares have increased.

e Rights attached to equity shares: The Company has only one class of equity shares having par value of Re.5 per share (March 31, 2018 - Rs.5/-). Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees.

During the year ended March 31, 2019, the amount of per share dividend recognized as distributions to equity shareholders was Rs. 6.5/- (March 31, 2018: Rs.3/-). Also Refer Note 43.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential payments.The distribution will be in proportion to the number of equity shares held by the shareholders.

f Number of shares held by share holders more than 5% of total shares

Name of the Share holder	nos. current yr	nos. previous yr
Lucas Indian Service Ltd, India	10,377,332	10,377,332
Percentage held	45.87%	45.87%
Mahle Electric Drives Japan Corpn., Japan (formerly Kokusan Denki Co Ltd, Japan)	4,641,000	4,641,000
Percentage held	20.52%	20.52%

Rs. in lacs

Note No.	Particulars	As at 31-March-2019	As at 31-March-2018
17	**NON CURRENT PROVISIONS:**		
	Provision for employee benefits:	346.00	260.60
	- Compensated absences		
		346.00	**260.60**
18	**DEFERRED TAX LIABILITY:**		
	Deferred Tax Liablity (Net) - Refer Note 33.3	261.54	-
		261.54	**-**
19	**TRADE PAYABLES:**		
	Total outstanding dues to micro enterprises and small enterprises (Refer Note 46)	2,064.91	-
	Total outstanding dues to other than micro enterprises and small enterprises	5,461.92	7,639.10
		7,526.83	**7,639.10**
20	**OTHER FINANCIAL LIABILITIES:**		
a	Unpaid Dividend	57.06	49.36
b	Earnest Money Deposit	58.05	50.28
c	Commission to Directors	265.20	186.40
d	Payables for Purchase of Land on Lease	704.88	-
		1,085.19	**286.04**
21	**CURRENT PROVISIONS:**		
a	Provisions for employee benefits:		
	- Compensated absences	62.63	87.90
b	Others:		
	- Provision for Warranty (Note Below)	26.01	101.36
		88.64	**189.26**
Note:	**Product Warranty:**		
	Opening Balance	101.36	101.36
	Additions	-	25.03
	Excess written back	(40.24)	-
	Utilizations	(35.11)	(25.03)
	Closing Balance	**26.01**	**101.36**

Notes to the Standalone Financial Statements for the year ended March 31, 2019 - Continued :

Rs. in lacs

22	CURRENT TAX LIABILITIES:	As at 31-March-2019	As at 31-March-2018
a	Income Tax Payable (Net of advance tax paid as at March 31, 2019 amounting to Rs. 6,695 lacs (As at March 31, 2018 amounting to Rs. 4,268 lacs))	171.31	387.99
		171.31	**387.99**
23	**OTHER CURRENT LIABILITIES:**		
a	Goods and Service Tax payable	488.55	630.64
b	Tax Deducted at source/Tax Collected at Source	59.40	45.71
c	Professional Tax/PF/ESI payable	36.19	31.76
d	Other payable (refer Details below)	858.56	789.71
		1,442.70	**1,497.82**

Details of Other payable:

23 (d)	**Other Payables:**		
a	Provision - Customer	670.36	522.51
b	Tool Advance Payable	42.51	128.00
c	Gratuity - (Refer Note 35)	130.23	132.78
d	Other Liabilities	15.46	6.43
		858.56	**789.72**

Notes to the Standalone Financial Statements for the year ended March 31, 2019 - Continued :

Rs. in lacs

Note No.	Particulars	Apr'18 To Mar'19	Apr'17 To Mar'18
24	**REVENUE FROM OPERATIONS:**		
	Sale of Products:		
a	Export Sales	2,271.91	1,764.84
b	Domestic Sales (including excise duty in the previous year)	50,429.35	45,000.86
		52,701.26	**46,765.70**
c	Discount to Customers (Turnover Discount)	(639.81)	(464.95)
		52,061.45	**46,300.75**
d	Other operating revenues:		
	- Export benefits	101.14	56.04
	- Scrap sales and others	358.62	282.94
		52,521.21	**46,639.73**

24.1 Effective April 1, 2018, the Company adopted Ind AS 115, Revenue from Contracts with Customers and the effect of adoption of IND AS 115 was insignificant.

24.2 Disaggregated revenue information:

Based on the management approach as defined in 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 which is Electrical and Electronic products for two/three wheelers and engines. Refer Note 42.

24.3 Trade Receivables and Contract Balances:

The Company classifies the right to consideration in exchange for deliverables as a trade receivable. A receivable is a right to consideration that is unconditional upon passage of time. In case of customers where the credit is allowed, the same is disclosed in Note 9 - Trade Receivables.

24.4 Transaction price allocated to the remaining performance obligation:

Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures for contracts where the revenue recognized corresponds directly with the value to the customer of the entity's performance completed to date, typically those contracts where invoicing is on time and material basis.

24.5 Information about major customers :

Customers from whom the revenue is more than 10 % of the revenue from external customers of the company are as follows:

Name of the Customers	Apr'18 To Mar'19	Apr'17 To Mar'18
Company A	**32,553.00**	**22,900.91**
Company B	13,096.29	10,244.33
Company C	5,452.85	5,368.25
Others*	959.31	7,787.26
	52,061.45	**46,300.75**

* The Company has no other customers from whom the revenue is more than 10 % of the revenue from external customers of the company.

Notes to the Standalone Financial Statements for the year ended March 31, 2019 - Continued :

Rs. in lacs

Note No	Particulars	Apr'18 To Mar'19	Apr'17 To Mar'18
25	**OTHER INCOME:**		
a	Interest Income earned on financial assets that are not designated as fair value through profit and loss (FVTPL):		
	i) Bank deposits (at amortised cost)	44.72	61.54
	ii) Investments (at amortized cost)	175.84	174.84
	iii) Other financial assets (at amortized cost)	0.40	3.30
b	Dividend Income from equity investments	210.70	184.11
c	Other Non-operating income	59.30	37.54
d	Other gains and losses		
	i) Net gain on sale of investments (carried at FVTPL)	594.11	173.12
	ii) Net gain on foreign currency transactions	-	10.49
	iii) Increase in fair value of investments (carried at FVTPL)	348.81	592.09
		1,433.88	**1,237.03**
26	**COST OF MATERIALS CONSUMED:**		
a	Opening Stock of Raw Materials	2,156.54	1,428.02
b	**Add:** Purchases	34,587.21	30,664.96
		36,743.75	**32,092.98**
c	**Less:** Closing stock of Raw Materials	2,514.48	2,156.54
		34,229.27	**29,936.44**
27	**CHANGE IN INVENTORIES:**		
	Inventories at the end of the period		
	Finished Goods	740.17	627.29
	Work-in-Progress	278.21	342.36
		1,018.38	**969.65**
	Inventories at the begning of the period		
	Finished Goods	627.29	471.39
	Work-in-Progress	342.36	274.79
		969.65	**746.18**
	Net (Increase) / Reduction	**(48.73)**	**(223.47)**
28	**OTHER OPERATING EXPENSES:**		
a	Stores & Other Consumables	727.79	689.13
b	Power & Fuel	650.89	588.26
c	Repairs to Building	225.48	181.41
d	Repairs to Machinery	357.36	325.26
e	Repairs Others	127.92	127.49
f	Royalty/Technical Know-how / Support Fees	37.46	43.42
g	Others	133.56	110.30
		2,260.46	**2,065.27**
29	**EMPLOYEE BENEFIT EXPENSES:**		
a	Salaries & Wages	4,709.69	4,083.71
b	Contribution to Provident and other funds (Refer Note 34 & 35)	279.56	320.71
c	Staff Welfare expenses	759.54	758.71
		5,748.79	**5,163.13**
30	**FINANCE COSTS:**		
a	Bank Charges	8.22	7.19
		8.22	**7.19**

Rs. in lacs

Note No	Particulars	Apr'18 To Mar'19	Apr'17 To Mar'18
31	**OTHER EXPENSES:**		
a	Rent (Refer Note 41)	116.50	113.52
b	Repairs to Vehicles	8.88	9.61
c	Insurance	47.81	57.53
d	Rates and Taxes (Excluding taxes on income)	15.49	21.86
e	Communication Expenses	73.28	41.14
f	Postage, Printing & Stationery	42.78	42.89
g	Sitting Fees	13.20	13.96
h	Travelling and Conveyance Expenses	256.29	171.07
i	Legal and Professional Charges	451.73	382.94
j	Management Charges (Refer Note 36)	309.71	-
k	Donation	3.56	25.88
l	Corporate Social Responsibility (Refer Note 45)	92.00	69.50
m	Recruitment Expenses	9.14	18.99
n	Remuneration to Watch and Ward	114.93	99.77
o	Commisson to Directors	265.20	186.40
p	After Sales service expenses (Warranty)	-	25.03
q	Net loss on foreign currency transactions	57.17	-
r	Freight Outwards	235.99	237.69
s	Advertisement	6.07	5.99
t	Land Lease Prepayments Amortization	4.91	-
u	Sales promotion	169.97	122.42
v	**Audit Fees:**		
	a) Statutory Auditors:		
	i) Statutory Audit	12.00	12.00
	ii) Tax Audit	2.00	2.00
	iii) Other Attestation Matters	4.75	3.85
	iv) Other Services	-	1.10
	v) Reimbursement of Expenses	3.17	3.55
	b) Cost Audit	2.50	2.50
	c) Secretarial Audit	1.75	1.75
	d) Reimbursement - Other audits	1.34	1.17
w	Investment written off	114.53	-
x	Miscellaneous Expenses	156.06	171.98
		2,592.71	**1,846.09**
32	**ITEMS WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS:**		
	Increase/(decrease) in fair value of investments	1,816.61	1,850.83
	Remeasurement of the defined benefit plan	(82.86)	(29.31)
	Increase/(decrease) of DTA on fair value investments	(316.79)	(320.59)
	Increase/(decrease) of DTA on defined benefit plan	28.95	10.14
		1,445.91	**1,511.07**

Rs. in lacs

Note No	Particulars	Apr'18 To Mar'19	Apr'17 To Mar'18
33	**INCOME TAXES AND DEFERRED TAXES:**		
33.1	**Income tax expense in the statement of profit and loss comprise:**		
	Current taxes	2,221.29	1,987.01
	Deferred taxes	219.21	87.22
	Income tax expense	**2,440.50**	**2,074.23**
	The income tax expense for the year can be reconciled to the accounting profit as follows:		
	Profit before income taxes	8,391.39	7,083.79
	Applicable tax rates *	34.944%	34.608%
	Tax expenses using Company's applicable rate*	2,932.29	2,451.56
	Effect on expenses that are not deductible in determining taxable profit	33.55	46.77
	Effect of income that is exempt from taxation	(216.33)	(124.23)
	Effect of different tax rates for long term capital gains	(138.32)	(92.05)
	Effect of concessions on Research and Development expenses	(160.81)	(127.38)
	Others - Permanent differences	(9.88)	(80.44)
	Total	**2,440.50**	**2,074.23**

* The tax rate used for the 2018-2019 and 2017-2018 reconciliations above is the Corporate tax rate of 30%, applicable surcharge and cess payable by corporate entities in India on taxable profits under the India Law.

33.2	**Income Tax on Other Comprehensive Income**		
	Deferred taxes on Remeasurement of defined benefit obligation	28.95	10.14
	Deferred taxes on Fair value measurements of investments	(316.79)	(320.59)
	Total	**(287.84)**	**(310.45)**

33.3 Following is the analysis of the deferred tax asset/(liabilities) presented in the Balance sheet.

Particulars	Apr'18 To Mar'19			
	Opening Balance	**Recognised in Profit & Loss**	**Recognised in OCI**	**Closing balance**
Tax effect of items constituting deferred tax assets:				
Rebates and discounts	59.41	0.58	-	59.99
Leave encashment	120.61	22.18	-	142.79
Early separation scheme	1.26	(1.16)	-	0.10
Investments in Subsidiary & Associate	775.86	-	117.94	893.80
Gratuity	55.08	6.07	28.95	90.10
Bonus	38.91	56.52	-	95.43
Others and provisions	59.71	(20.02)	-	39.69
Tax effect of items constituting deferred tax liabilities:				
Difference between depreciation as per Books of Account and Income Tax Act, 1961	(74.60)	(233.68)	-	(308.28)
Investments other than above	(790.73)	(49.70)	(434.73)	(1,275.16)
Net deferred tax assets / (liabilities)	**245.51**	**(219.21)**	**(287.84)**	**(261.54)**

Notes to the Standalone Financial Statements for the year ended March 31, 2019 - Continued :

Rs. in lacs

Particulars	Apr'17 To Mar'18			
	Opening Balance	Recognised in Profit & Loss	Recognised in OCI	Closing balance
Tax effect of items constituting deferred tax assets:				
Rebates and discounts	59.41	-	-	59.41
Leave encashment	96.45	24.16	-	120.61
Early separation scheme	6.12	(4.86)	-	1.26
Investments in Subsidiary & Associate	592.78	-	183.08	775.86
Gratuity	43.83	1.11	10.14	55.08
Bonus	22.42	16.49	-	38.91
Others (includes ED on Finished Goods and provisions)	12.67	47.04	-	59.71
Tax effect of items constituting deferred tax liabilities:				
Difference between depreciation as per Books of Account and Income Tax Act, 1961	(16.20)	(58.40)	-	(74.60)
Investments other than above	(174.29)	(112.76)	(503.67)	(790.73)
Net deferred tax assets	**643.19**	**(87.22)**	**(310.45)**	**245.51**

34 Employee Benefits:

The company provides for gratuity, a defined benefit retirement plan covering eligible employees. The gratuity plan provides a lumpsum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount on the respective employee's salary and the tenure of employment with the company. The employee benefits notified under section 133 of the companies act are given below:

a) Defined Contribution Plan:

i) Provident Fund:

Eligible employees receive benefits from a provident fund, which is a defined contribution plan. Aggregate contributions along with interest thereon are paid at retirement, death, incapacitation or termination of employment. Both the employee and the Company make monthly contributions to the Employee's Provident Fund scheme administered by Government of India equal to a specified percentage of the covered employee's salary.

ii) Superannuation Fund:

Eligible employees receive benefits from the superannuation fund, which is a defined contribution plan. Aggregate contributions alongwith interest theron are paid at retirement, death, incapacitation or termination of employment. The Company makes yearly contributions to the Superannuation Fund Scheme administered by Life Insurance Corporation of India. Liabilities with regard to the Superannuation fund are determined by the Life Insurance Corporation of India as at 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.

The Company recognised Rs.217.20 Lacs (LY-Rs.212.35 Lacs) for Provident Fund and superannuation fund contribution in the statement of profit and loss.

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. The amount recognised as an expense towards contribution to Employee state Insurance for the year aggregated to Rs. 7.47 lacs (March 31, 2018: Rs. 13.11 lacs) and is included in "Staff Welfare Expenses".

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 30 days. 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 evaluated and accounted in the books.

c) Defined benefit Plan:

Gratuity:

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act, 1972 or the Company scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The Company provides the gratuity benefit through annual contributions to a fund managed by the Life Insurance Corporation of India (LIC).

These plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk: The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. When there is a deep market for such bonds; if the return on plan asset is below this rate, it will create a plan deficit. Currently, for these plans, investments are made in government securities, debt instruments, Short term debt instruments, Equity instruments and Asset Backed, Trust Structured securities as per notification of Ministry of Finance.

Interest risk: A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's investments.

Longevity risk: The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

In respect of the above plans, the most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as at 31 March 2019 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.

35 The following table set out the status of the gratuity plan and the amount recognised in the company's financial statement as at March 31, 2019 and March 31, 2018

Rs. in lacs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Net Employee benefit expense recognized in the employee cost in statement of profit & loss account		
Current service cost	50.14	43.55
Interest cost on benefit obligation	62.70	51.98
Expected return on plan assets	(57.95)	(47.39)
Sub Total	54.89	48.14
Recognised in Other Comprehensive Income		
Net actuarial (gain)/loss recognized in the year		
i. Demographic Assumptions on obligation	-	-
ii. Financial Assumptions on obligation	-	-
iii. Experience Adjustments on obligation	81.22	27.82
iv. Financial Assumptions on plan assets	1.63	1.49
Sub Total	82.85	29.31
Net benefit expense	137.74	77.45
Balance Sheet		
Benefit asset / liability		
Present value of defined benefit obligation	1,011.71	836.66
Fair value of plan assets	881.48	703.88
Assets / (Liability) recognized in the balance sheet	**(130.23)**	**(132.78)**
Change in the present value of the defined benefit obligation		
Opening defined benefit obligation	836.65	721.63
Benefits paid	(19.01)	(19.14)
Expenses Recognised in Statement of Profit and Loss Account		
Current service cost	50.14	43.55
Past service cost	-	10.82
Interest cost on benefit obligation	62.70	51.98
Recognised in Other Comprehensive Income		
Actuarial (gain)/loss on obligation	81.23	27.81
Closing defined benefit obligation	**1,011.71**	**836.65**
Change in the fair value of plan assets		
Opening fair value of plan assets	**703.87**	**554.30**
Contributions by employer	140.29	125.85
Contributions transfer in	-	-
Benefits paid	(19.01)	(19.14)
Expenses Recognised in Profit and Loss Account		
Expected return	57.95	47.39
Recognised in Other Comprehensive Income		
Actuarial (gain) / loss on plan assets	(1.62)	(4.53)
Closing fair value of plan assets	**881.48**	**703.87**

Investment details of the plan assets: Company has deposited with Life Insurance Corporation of India (Group gratuity policy)

Notes to the Standalone Financial Statements for the year ended March 31, 2019 - Continued :

Rs. in lacs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Assumptions		
Discount Rate (%)	7.46%	7.58%
Estimated Rate of Return on Plan Assets	7.58%	7.30%
Attrition Rate	6.00%	9.00%
Expected rate of salary increase (%)	7.00%	6.00%
Expected Average Remaining Service (years)	10.60%	8.60%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The expected future cash flows in respect of gratuity were as follows:

Particulars	For the Year Ended 31-Mar-2019	For the Year Ended 31-Mar-2018
Within 1 year	68.31	95.53
1 - 2 years	87.22	93.37
2 - 3 years	72.90	93.44
3 - 4 years	77.93	81.20
4 - 5 years	123.86	81.65
Above 5 years	533.21	450.51

Sensitivity Analyses

Particulars	For the Year Ended 31-Mar-2019	For the Year Ended 31-Mar-2018
A. Discount Rate + 50 BP	7.96%	8.08%
Defined Benefit Obligation [PVO]	97,261,836	81,083,711
Current Service Cost	5,778,567	4,847,849
B. Discount Rate - 50 BP	6.96%	7.08%
Defined Benefit Obligation [PVO]	105,339,877	86,396,034
Current Service Cost	6,325,850	5,191,407
C. Salary Escalation Rate +50 BP	7.50%	6.50%
Defined Benefit Obligation [PVO]	105,412,803	86,545,703
Current Service Cost	6,318,640	5,196,698
D. Salary Escalation Rate -50 BP	6.50%	5.50%
Defined Benefit Obligation [PVO]	97,154,631	80,918,425
Current Service Cost	5,767,633	4,842,095

Notes to the Standalone Financial Statements for the year ended March 31, 2019 - Continued :

36 Related Party Disclosures:

36.1 a) Related Parties and their relationship where control exists:

Joint Venturers of the Company	:	Mahle Electric Drives Japan Corporation (MEDJC) (formerly Kokusan Denki Company Limited-Japan) Lucas Indian Service Limited (LIS)
Ultimate Parents of Joint Venturers of the Company	:	T V Sundram Iyengar & Sons Private Limited Mahle GmbH
Subsidiary Company	:	PT Automotive Systems Indonesia
Associate Company	:	Synergy Shakthi Renewable Energy Private Limited

b) Related Parties and their relationship where transaction exists:

Relatives of Ultimate Parent Company	:	Lucas TVS Limited Sundaram Clayton Limited Sundram Fasteners Limited TVS Motor Company Limited TVS Capital Funds Private Limited
Entities in which KMP has significant influence	:	Delphi TVS Technologies Limited TVS Educational Society
Entities in which Director(s) are interested	:	India Japan Lighting Private Limited Subbaraya Aiyar, Padmanabhan and Ramamani Advocates

c) Key Managerial Personnel:

Key Managerial Personnel (KMP)	:	Mr Arvind Balaji - Managing Director Mr Elango Srinivasan - Chief Financial Officer Mr G Venkatram - Company Secretary (w.e.f. May 08, 2018) Mr S Sampath - Company Secretary till May 08, 2018

Notes to the Standalone Financial Statements for the year ended March 31, 2019 - Continued :

36.2 Disclosure in respect of transactions and balances with related parties.

Rs. in lacs

Description	Joint Venturers of the company		Subsidiary of the Company		Relatives of Ultimate Parent		Enterprise in which KMP has significant influence		Associate of the Company		Key Managerial Person		Entities in which Director(s) are interested	
Transactions during the Year	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**
MEDJC														
Support fee	3.27	14.44	-	-	-	-	-	-	-	-	-	-	-	-
Royalty	43.86	43.42	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Raw Materials	21.41	48.73	-	-	-	-	-	-	-	-	-	-	-	-
Travel Reimbursement	1.20	5.57	-	-	-	-	-	-	-	-	-	-	-	-
Dividend paid	301.67	139.23	-	-	-	-	-	-	-	-	-	-	-	-
Sales	16.44	14.69	-	-	-	-	-	-	-	-	-	-	-	-
LIS														
Sales	1,648.81	711.19	-	-									-	-
Travel Reimbursement	-	8.51	-	-	-	-	-	-	-	-	-	-	-	-
Rent	20.82	19.77	-	-	-	-	-	-	-	-	-	-	-	-
Dividend paid	674.53	311.32	-	-	-	-	-	-	-	-	-	-	-	-
LTVS														
Sales	-	-	-	-	-	-	381.11	13.31	-	-	-	-	-	-
Purchase of raw materials			-	-		-	-	12.89					-	-
Rent paid	-	-	-	-	-	-	89.17	84.32	-	-	-	-	-	-
Expenses reimbursed	-	-	-	-	-	-	394.33	329.49	-	-	-	-	-	-
Travel reimbursements received			-	-			8.23	-					-	-
Services rendered	-	-	-	-	-	-	574.79	456.71	-	-	-	-	-	-
Dividend received	-	-	-	-	-	-	184.97	165.49	-	-	-	-	-	-
TVS Motors														
Sales	-	-	-	-	32,553.00	22,900.91	-	-	-	-	-	-	-	-
Purchase of Raw Materials	-	-	-	-	25.13	-	-	-	-	-	-	-	-	-
Brakes India Private Limited	-	-					-	-	-	-	-	-		
Purchase of raw materials	-	-	-	-	-	1.33	-	-	-	-	-	-	-	-
Mahle Holding (India) Pvt Ltd	-	-					-	-	-	-	-	-		
Expenses reimbursed	-	-	-	-	0.12	0.50	-	-	-	-	-	-	-	-
Sundaram Clayton Limited	-	-					-	-	-	-	-	-		
Services rendered	-	-	-	-	6.60	4.72	-	-	-	-	-	-	-	-
Sundaram Fastners Limited	-	-					-	-	-	-	-	-		
Purchase of raw materials	-	-	-	-	515.09	249.48	-	-	-	-	-	-	-	-
Delphi TVS Technologies Limited	-	-					-	-	-	-	-	-		
Sales	-	-	-	-	54.74	104.27	-	-	-	-	-	-	-	-

Notes to the Standalone Financial Statements for the year ended March 31, 2019 - Continued :

Rs. in lacs

Description	Joint Venturers of the company		Subsidiary of the Company		Relatives of Ultimate Parent		Enterprise in which KMP has significant influence		Associate of the Company		Key Managerial Person		Entities in which Director(s) are interested	
Transactions during the Year	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**
India Japan Lighting Pvt Ltd	-	-					-	-	-	-	-	-		
Sales	-	-	-	-	-	-	-	-	-	-	-	-	90.70	20.70
Raw Materials Purchase	-	-	-	-	-	-	-	-	-	-	-	-	-	0.18
TVS Educational Society														
Services rendered	-	-	-	-	814.65	128.55	-	-	-	-	-	-	-	-
TVS Capital Funds Private Limited														
Investment in funds	-	-	-	-	-	100.00	-	-	-	-	-	-	-	-
Redemption of funds	-	-	-	-	255.01	279.65	-	-	-	-	-	-	-	-
Increase in fair value	-	-	-	-	104.25	224.55	-	-	-	-	-	-	-	-
Interest received	-	-	-	-	1.01	1.56	-	-	-	-	-	-	-	-
Subbarayya Aiyar Padbhanabhan and Ramamani														
Services rendered	-	-	-	-	-	-	-	-	-	-	-	-	10.00	-
KMP														
Remuneration paid / Payable (Short-term employee benefits):	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mr Arvind Balaji - Managing Director	-	-	-	-	-	-	-	-	-	-	289.96	207.89	-	-
Mr Elango Srinivasan - Chief Financial Officer	-	-	-	-	-	-	-	-	-	-	51.18	45.50	-	-
Mr G Venkatram - Company Secretary (w.e.f May 08, 2018)	-	-	-	-	-	-	-	-	-	-	20.00	-	-	-
Mr S Sampath - Company Secretary (till May 08, 2018)	-	-	-	-	-	-	-	-	-	-	2.55	30.49	-	-

Notes to the Standalone Financial Statements for the year ended March 31, 2019 - Continued :

36.2 Disclosure in respect of transactions and balances with related parties - Continued :

Rs. in lacs

Description	Joint Venturers of the company		Subsidiary of the Company		Relatives of Ultimate Parent		Enterprise in which KMP has significant influence		Associate of the Company		Key Managerial Person		Entities in which Director(s) are interested	
Balances as at year end	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**
Trade Payables:														
LIS	1.59	0.14			-	-	-	-	-	-	-	-		
LTVS	-	-			155.13	188.60	-	-	-	-	-	-		
Sundaram Clayton Limited	-	-			1.33	1.23	-	-	-	-	-	-		
MEDJC	1.01	27.69			-	-	-	-	-	-	-	-		
Mahle Holding (India) Pvt Ltd	-	-			-	0.22	-	-	-	-	-	-		
Subbarayya Aiyar Padbhanabhan And Ramamani	-	-			-	-	-	-	-	-	-	-	9.00	
TVS Educational Society	-	-			-	-	31.95	-	-	-	-	-		
India Japan Lighting Pvt Ltd	-	-			-	-	-	-	-	-	-	-		0.23
Other Financial Liabilities:														
KMP (Commission payable)	-	-			-	-	-	-	-	-	196.50	130.00		
Trade Receivables:														
LIS	383.02	203.79			-	-	-	-	-	-	-	-		
India Japan Lighting Pvt Ltd	-	-			-	-	-	-	-	-	-	-	9.05	20.06
Delphi TVS Technologies Limited	-	-			-	-	6.73	-	-	-	-	-		
TVS Motors	-	-			5,523.05	5,025.39	-	-	-	-	-	-		
MEDJC	16.68	13.31			-	-	-	-	-	-	-	-		
LTVS	-	-			90.67	16.91	-	-	-	-	-	-		
Investments in Equity Shares:														
PT ASI	-	-	1207.98	1207.98	-	-	-	-	-	-	-	-		
SSREL	-	-			-	-	-	-	502.00	742.80	-	-		
LTVS	-	-			9,187.37	7,129.94	-	-	-	-	-	-		
Investments in Venture Capital Fund:														
TVS Capital Funds Private Limited	-	-			675.62	826.39	-	-	-	-	-	-		

37 EXPENDITURE ON R&D:

Rs. in lacs

Description	Apr'18 To Mar'19	Apr'17 To Mar'18
(a) Capital (Refer Note 1 below)	280.75	136.84
(b) Revenue: (Refer Note 2 below)		
Salary	438.99	380.69
Electricity	15.52	11.00
Travel	41.47	18.00
Outsourcing	3.04	26.96
Revenue & Others	154.07	162.66
	653.09	**599.31**
Total R & D expenditure (a) + (b)	**933.84**	**736.15**

Note 1 - This expenditure is included in additions for the year. Refer Note 4.1 and 4.2 to the financial statements.

Note 2 - This expenditure are included in the respective head under Other Expenses. Refer Note 31 to the financial statements.

38 FINANCIAL INSTRUMENTS

The carrying value and fair value of financial instruments by categories as of March 31, 2019 were as follows:

Rs. In lacs

Particulars	Amortised Cost	FVTPL	FVOCI	Total carrying value	Total fair value
Financial assets					
Investments					
Equity Shares	1,207.98	-	9,715.21	10,923.19	10,923.19
Mutual Funds and Bonds	2,154.51	14,352.86	-	16,507.37	16,603.83
Trade receivables	10,397.86	-	-	10,397.86	10,397.86
Loans	93.49	-	-	93.49	93.49
Cash and cash equivalents	600.24	-	-	600.24	600.24
Other bank balances	56.91	-	-	56.91	56.91
Other Financial Assets	129.55	-	-	129.55	129.55
Total	**14,640.54**	**14,352.86**	**9,715.21**	**38,708.61**	**38,805.07**
Financial liabilities					
Trade payables	7,526.83	-	-	7,526.83	7,526.83
Other Financial Liabilities	1,085.19	-	-	1,085.19	1,085.19
Total	**8,612.02**	**-**	**-**	**8,612.02**	**8,612.02**

The carrying value and fair value of financial instruments by categories as of March 31, 2018 were as follows:

Rs. In lacs

Particulars	Amortised Cost	FVTPL	FVOCI	Total carrying value	Total fair value
Financial assets					
Investments					
Equity Shares	1,207.98	-	7,898.58	9,106.56	9,106.56
Mutual Funds and Bonds	2,154.51	12,830.01	-	14,984.52	15,195.50
Trade receivables	9,334.69	-	-	9,334.69	9,334.69
Loans	92.98	-	-	92.98	92.98
Cash and cash equivalents	400.27	-	-	400.27	400.27
Other bank balances	334.36	-	-	334.36	334.36
Other Financial Assets	140.65	-	-	140.65	140.65
Total	**13,665.44**	**12,830.01**	**7,898.58**	**34,394.03**	**34,605.01**

Notes to the Standalone Financial Statements for the year ended March 31, 2019 - Continued :

Rs. In lacs

Particulars	Amortised Cost	FVTPL	FVOCI	Total carrying value	Total fair value
Financial liabilities					
Trade payables	7,639.10	-	-	7,639.10	7,639.10
Other Financial Liabilities	286.04	-	-	286.04	286.04
Total	**7,925.14**	**-**	**-**	**7,925.14**	**7,925.14**

The carrying amounts for trade receivables, trade payables and cash and cash equivalents are considered to be the same as their fair values due to their short-term nature. For Financial assets that are measured at fair value, the carrying amounts are equal to the fair values.

Fair value measurements

(i) Fair value hierarchy

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped 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: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (prices) or indirectly (derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data.

(ii) Financial assets measured at fair value through Profit & Loss (FVTPL) on a recurring basis

Rs. in lacs

31 March 2019	Level 1	Level 2	Level 3	Total
Investments in Venture capital Funds	-	875.62	-	875.62
Investment in Mutual Funds	-	13,477.24	-	13,477.24
Total	**-**	**14,352.86**	**-**	**14,352.86**

31 March 2018	Level 1	Level 2	Level 3	Total
Investments in Venture capital Funds	-	926.39	-	926.39
Investment in Mutual Funds	-	11,903.62	-	11,903.62
Total	**-**	**12,830.01**	**-**	**12,830.01**

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. The investments in mutual funds and venture capital funds are in open ended schemes which are not listed on any recognised stock exchanges. The NAVs are based on the data published by the respective Asset Management Companies. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

(iii) Financial assets measured at fair value through Other Comprehensive Income (FVTOCI) on a recurring basis

Rs. in lacs

31 March 2019	Level 1	Level 2	Level 3	Total
Un listed equity instruments	-	502.00	9,213.21	9,715.21
Total	**-**	**502.00**	**9,213.21**	**9,715.21**

31 March 2018	Level 1	Level 2	Level 3	Total
Un listed equity instruments	-	742.80	7,155.78	7,898.58
Total	**-**	**742.80**	**7,155.78**	**7,898.58**

The investments in equity instruments are not held for trading. Instead, they are held for medium or long-term strategic purpose. Upon the application of Ind AS 109, the Company has chosen to designate these investments in equity instruments as at FVTOCI as the directors believe that this provides a more meaningful presentation for medium or long-term strategic investments, than reflecting changes in fair value immediately in profit or loss.

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 description in any other manner. IND AS 109 requires an equity share other than investments in subsidiaries, associates and joint ventures to be valued at "Fair Value Through Other Comprehensive Income" if elected initially or valued at "Fair Value Through Profit and Loss Account". However, on account of what is stated in the previous paragraph, these shares are shown at cost and the fair value is deemed to be the cost. Accordingly, investment in IRIS Ecopower is considered to be a Level 3 fair valuation.

The company has invested in the equity shares of Synergy Shakthi Renewable Energy Private Limited (SSREL). Fair valuation of this investment is based on the value of land, building and plant and machinery of SSREL wherein building, plant and machinery have been valued at realizable value after considering depreciation and land is valued based on the land rates observable from Tamil Nadu government owned industrial park website. Therefore, this investment is considered to be a level 2 fair valuation.

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).

Significant unobservable inputs - EV/EBITDA Multiple at 6.5x

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 Rs. 7,936.87 lacs and an increase in the multiple by 0.5x would result in a increase in the fair value by Rs. 7,936.87 lacs.

There are no transfer between levels during the periods.

(iv) Fair value of financial assets and financial liabilities that are not measured at fair value

The Company considers that the carrying amount of financial assets and financial liabilities recognised at amortised cost in the balance sheet approximates their fair value. Fair value hierarchy of these financial assets and liabilities are categorized as Level 3.

(v) Reconciliation of Level 3 fair value measurements of unlisted equity shares irrevocably designated as at FVTOCI

Rs. in lacs

Particulars	Apr'18 To Mar'19	Apr'17 To Mar'18
Opening Balance	7,129.94	4,821.13
Total gains recognized in other comprehensive income	2,057.43	2,308.81
Closing Balance	**9,187.37**	**7,129.94**

39 Financial Risk Management Objectives and Policies

a Financial Risk Management Framework

Company's principal financial liabilities comprise trade payables and Other financial liabilities. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include Investments, Trade receivables, loans, cash and bank balances and other financial assets.

Notes to the Standalone Financial Statements for the year ended March 31, 2019 - Continued :

Risk Exposures and Responses

The Company is exposed to credit risk, market risk and liquidity risk. The Board of Directors reviews policies for managing each of these risks, which are summarised below:

i) Credit risk

Credit risk management

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 a 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 March 2019, 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.

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 is perceived.

Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instruments will fluctuate because of changes in foreign exchange rates. The Company is exposed to foreign exchange risk arising from transactions i.e. imports of materials, recognised assets and liabilities denominated in a currency that is not the company's functional currency.

The year end forgien currency Exposures that have not been hedged by a derivative instrument or otherwise are as under:

			March 31, 2019	
Particulars	**Currency**	**Exchange Rate**	**Amount in Foreign Currency**	**Amount in Rs. lacs**
Trade Receivables	EUR	76.36	1.05	80.09
	USD	68.31	6.98	476.48
	JPY	0.64	53.09	33.87
	GBP	91.90	0.10	9.63
Trade Payables	USD	68.31	9.02	616.22
	GBP	91.90	0.01	0.92
			March 31, 2018	
Trade Receivables	EUR	79.80	1.82	144.95
	USD	65.17	3.28	214.00
	JPY	0.61	1.44	0.88
Trade Payables	USD	65.17	10.65	694.14
	JPY	0.61	34.58	21.11

Foreign currency sensitivity

The Company is exposed to the following currencies - Euro, US Dollars and Japan Yen.

The following table details the Company's sensitivity to a 5% increase and decrease in the Rs. against the relevant foreign currencies. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates.

Rs. in lacs

		March 31, 2019		March 31, 2018	
Particulars	**Currency**	**Increase**	**Decrease**	**Increase**	**Decrease**
Effect on profit before tax	EUR	4.00	(4.00)	7.25	(7.25)
Increase/(Decrease)	USD	(6.99)	6.99	(24.01)	24.01
	JPY	-	-	(1.01)	1.01
	GBP	0.44	(0.44)	-	-
Effect on equity	EUR	11.25	(11.25)	7.25	(7.25)
Increase/(Decrease)	USD	(30.99)	30.99	(24.01)	24.01
	JPY	(1.01)	1.01	(1.01)	1.01

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: Rs. in lacs

	At 31 March 2019				
Particulars	**Up to 1 year**	**1 to 3 years**	**3 to 5 years**	**5 years and above**	**Total**
Trade and other payables - Non interest bearing	7,526.83	-	-	-	7,526.83
Other financial liabilities	1,085.19	-	-	-	1,085.19
Total	**8,612.02**	**-**	**-**	**-**	**8,612.02**

	At 31 March 2018				
Particulars	**Up to 1 year**	**1 to 3 years**	**3 to 5 years**	**5 years and above**	**Total**
Trade and other payables - Non interest bearing	7,639.10	-	-	-	7,639.10
Other financial liabilities	286.04	-	-	-	286.04
Total	**7,925.14**	**-**	**-**	**-**	**7,925.14**

The tables below set out the maturities of the company's financial assets: Rs. in lacs

	At 31 March 2019				
Particulars	**Up to 1 year**	**1 to 3 years**	**3 to 5 years**	**5 years and above**	**Total**
Trade receivables (non interest bearing instruments)	10,397.86	-	-	-	10,397.86
Investments (variable interest bearing instruments)	13,477.24	-	-	13,953.32	27,430.56
Other financial assets (variable interest bearing instruments)	745.80	134.39	-	-	880.19
Total	**24,620.90**	**134.39**	**-**	**13,953.32**	**38,708.61**

Particulars	At 31 March 2018				
	Up to 1 year	1 to 3 years	3 to 5 years	5 years and above	Total
Trade receivables (non interest bearing instruments)	9,334.69	-	-	-	9,334.69
Investments (variable interest bearing instruments)	10,935.78	-	-	13,155.30	24,091.08
Other financial assets (variable interest bearing instruments)	835.82	132.44	-	-	968.26
Total	**21,106.29**	**132.44**	**-**	**13,155.30**	**34,394.03**

40 CONTINGENT LIABILITIES & COMMITMENTS

Rs. in lacs

Particulars	As at 31-March-2019	As at 31-March-2018
(i) Contingent liabilities		
Money for which the company is contingently liable	2.00	2.00
(ii) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	389.11	493.75

41 Operating Lease

The Company is obligated under some cancellable operating leases for office premises which are renewable on a periodical basis. The lease payments under cancellable operating leases for the year ended 31 March 2019 amounts to Rs. 31.41 lacs (PY - Rs. 71.98 lacs).

The Company has also entered in to non - cancellable operating lease agreements primarily for factory space at Rewari and Kolhapur plant. The lease period is for 10 years. The lease payments under non-cancellable leases for the year ended 31 March 2019 amounts to Rs. 85.09 lacs (PY - Rs. 42.54 lacs), the future expected minimum lease payments under Operating Leases are as follows:

Rs. in lacs

Particulars	Apr'18 To Mar'19	Apr'17 To Mar'18
i) Not later than one Year	87.93	87.35
ii) Later than one year and not later than five years	339.92	342.13
iii) Later than five years	329.18	446.69
Total	**757.03**	**876.17**

42 OPERATING SEGMENT:

The operations of the company relate to only one segment which is Electrical and Electronic products for two/three wheelers and engines. The Chief Operating Decision Maker (Board of Directors) review the operating results as a whole for purposes of making decisions about resources to be allocated and assess its performance, the entire operations are to be classified as a single business segment. The geographical segments considered for disclosure are – India and Rest of the World. All the manufacturing facilities are located in India. Accordingly, there is no other reportable segment as per Ind AS 108 Operating Segments.

Geographical Information

Revenue and receivables are specified by location of customers while the other geographic information is specified by the location of the assets. The following table presents revenue, expenditure and assets information regarding the Company's geographical segments:

Rs. in lacs

Particulars	Apr'18 To Mar'19	Apr'17 To Mar'18
Revenue from Operations:		
India	50,249.30	44,874.89
Rest of the World	2,271.91	1,764.84
Segment Assets:		
India	50,448.80	44,157.98
Rest of the World	600.07	359.82
Capital Expenditure:		
India	1,540.87	1,762.35
Rest of the World	-	-

43 Amount of dividend paid and proposed to Equity share holders

Rs. in lacs

Particulars	Apr'18 To Mar'19	Apr'17 To Mar'18
Dividends on Equity shares declared and paid:		
Interim dividend for the year ended 31 March 2019, Rs.6.5 per share (31 March 2018, Rs. 3 per share)	1,470.39	678.64
Dividend tax paid on the above	302.24	138.15
Proposed dividends on Equity shares*:		
Second interim and final dividend for the year ended 31 March 2019, Rs. 4 per share (PY: 3.5)	904.86	791.75

* Proposed dividend on equity shares are not recognised as a liability (including DDT thereon) as at 31 March 2019.

44 NOTE ON EARNINGS PER SHARE:

Rs. in lacs

Particulars		Apr'18 To Mar'19	Apr'17 To Mar'18
Profit after tax	(A) (Rs. in Lacs)	5,950.89	5,009.56
Number of equity shares of Rs.5 each at the beginning of the year		22,621,424	11,310,712
Number of equity shares of Rs.5 each at the end of the year (B)		22,621,424	22,621,424
Earnings per share (basic and diluted in Rupees) (A/B)		26.31	22.15

45 DETAILS OF CSR EXPENDITURE:

Rs. in lacs

Particulars	Apr'18 To Mar'19	Apr'17 To Mar'18
a. Gross amount required to be spent by the Company during the year	92.00	69.50
b. Amount spent during the year on:		
Category		
(i) Construction/Acquisition of Asset:		
In cash	- NIL -	- NIL -
Yet to be paid in cash	- NIL -	- NIL -
(ii) On purposes other than (i) above		
In cash	92.00	69.50
Yet to be paid in cash	- NIL -	- NIL -

46 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006:

Rs. in lacs

Particulars	Apr'18 To Mar'19	Apr'17 To Mar'18
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	2,064.91	-
(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	-	-

Micro, Small & Medium Enterprises have been determined to the extent such parties have been identified on the basis of confirmations from such parties collected by the Management till date. Previous year numbers have not been disclosed since such confirmations were not available as at the date of reporting for year ended March 31, 2018.

47 Approval of Financial Statements:

The standalone financial statements were approved for issue by the board of directors on May 30, 2019.

For and on behalf of board

T K BALAJI
Chairman

Arvind Balaji
Managing Director

ELANGO SRINIVASAN
Chief Financial Officer

G Venkatram
Company Secretary

Place: Chennai
Date: May 30, 2019

STATEMENT PURSUANT TO SECTION 129 (3) OF THE COMPANIES ACT, 2013, RELATED TO ASSOCIATE COMPANY

1	Name of Associate	Synergy Shakthi Renewable Energy Pvt. Ltd.,
2	Latest Audited Balance Sheet date	31-Mar-19
3	Share of Associate/Joint Ventures held by the Company on the year end:	
	- No. of shares	18,000,000
	- Amount of investment in Associate	Rs. 1800 Lacs
	- Extend of Holding %	40%
4	Description of how there is significant influnce	Control of 30% of total Share Capital
5	Reason why the associate is not consolidated	Consolidated in accordance with Ind AS 110 (Equity method of accounting)
6	Networth attributable to shareholding as per latest audited balance sheet	Rs. 1,264.50 Lacs
7	Profit / (Loss) for the year:	
	i. Considered in Consolidation	Rs. (102.94) Lacs
	ii. Not considered in Consolidation	Rs. (154.40) Lacs

For and on behalf of board

T K BALAJI
Chairman

Arvind Balaji
Managing Director

ELANGO SRINIVASAN
Chief Financial Officer

G Venkatram
Company Secretary

Place: Chennai
Date: May 30, 2019

STATEMENT PURSUANT TO SECTION 129 (3) OF THE COMPANIES ACT, 2013, RELATING TO SUBSIDIARY COMPANY

1	Name of the Subsidiary	P T Automotive Systems Indonesia	
2	Reporting period for the subsidiary concerned	1-Apr-2018 To 31-Mar-2019	
3	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	Currency : IDR Exchange rate: 1 INR = IDR 205.92 (Balance Sheet) 1 INR = IDR 205.67 (Profit and Loss)	
		Amount in Indonesian Rupiah	**Equivalent amount in Indian Rupees**
		As on 31-March-2019	
4	Share Capital	24,694,328,700	120,838,266
5	Reserves & Surplus	1,288,801,440	5,340,258
6	Total Assets	26,087,058,463	126,683,217
7	Total Liabilities	- NIL -	- NIL -
8	Investments	- NIL -	- NIL -
9	Turnover	- NIL -	- NIL -
10	Profit before Taxation	141,517,751	688,071
11	Provision for Taxation	- NIL -	- NIL -
12	Profit after Taxation	141,517,751	688,071
13	Proposed Dividend	- NIL -	- NIL -
14	% of share holding	99.97%	

Note: PT Automotive Systems Indonesia is yet to commence operations

For and on behalf of board

T K BALAJI
Chairman

Arvind Balaji
Managing Director

ELANGO SRINIVASAN
Chief Financial Officer

G Venkatram
Company Secretary

Place: Chennai
Date: May 30, 2019

INDEPENDENT AUDITOR'S REPORT

To The Members of Indian Nippon Electricals Limited

Report on the Audit of the Consolidated Financial Statement

Opinion

We have audited the accompanyingconsolidated financial statements of Indian Nippon Electricals Limited ("the Parent Company") and its subsidiary, (the Parentand its subsidiary together referred to as "the Group") which includes the Group's share of loss in its associate, which comprise the Consolidated Balance Sheet as at 31stMarch 2019, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income),the Consolidated Statement of Cash Flowsand the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of subsidiary and associate referred to in the Other Matters section below,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 Actread with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS') and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31stMarch 2019, and their consolidated profit,their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143 (10) of the Act (SAs). 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 and the audit evidence obtained by the other auditors in terms of their reports referred to in theOther Matters section below,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	Recognition of Deferred Tax Asset The Company has recognised deferred tax asset on deductible temporary differences between the book base and tax base of the carrying value of investments in a subsidiary and an associate, which aggregated to Rs.893.80 lacs. Refer Note No. 33.3 of the financial statement.	Principal audit procedures performed: Our audit procedures included, amongst others, testing the company's controls relating to computation of deferred tax as well as assessment of probability of utilisation of deferred tax asset.

	The management has assessed the probability of availability of taxable profits against which the temporary differences can be utilised. Assessment of recognition of deferred tax asset involves significant management judgements and estimations and accordingly, we deemed this to be a key audit matter.	Our audit included assessing the Company's assumptions in estimating the availability of taxable profits in the foreseeable future against which the temporary differences can be utilised and its ability to control the timing of disposal of investments and utilisation of temporary differences.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Parent'sBoard of Directors is responsible for the other information. The other information comprises the Director's report and related Annexures and Report on Corporate Governance, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon. The Director's report and related Annexures and Corporate Governance Report are expected to be made available to us after the date of this auditor's report.
- Our opinion on the consolidated financial statements does not cover the other information and we will 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 identified above when it becomes available, compare with the financial statements of the subsidiary and associate audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors 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. Other information so far as it relates to the subsidiary and associate,is traced from their financial statements audited by the other auditors.
- When we read the Director's report and related Annexures and Report on Corporate Governance, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'.

Management's Responsibility 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 equityof the Groupincluding its Associate in accordance with the Ind AS and other accounting principles generally accepted in India.The respective Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associate and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associate are responsible for assessing the ability of the Group and of its associate to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate or cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associate are also responsible for overseeing the financial reporting process of the Group and of its associate.

Auditor's Responsibilityfor the Audit of the ConsolidatedFinancial Statements

Our objectives are to obtain reasonable assurance about whether the consolidatedfinancial 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 consolidatedfinancial 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 consolidatedfinancial 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 control 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 system 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 and its associate 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 Groupand its associate 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 entity within the Group and its associate 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 entity included in the consolidated financial statements of which we are the independent auditors. For the other entitiesincluded in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Parent 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 control 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 consolidatedfinancial 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 statements of one subsidiary whose financial statements reflect total assets of Rs. 1,266.83 lacs as at 31stMarch, 2019, total revenues of Rs.Nil and net cash inflows amounting to Rs.5.40 lacs for the year ended on that date, as considered in the consolidated financial statements. The consolidated Ind AS financial statements also include the Group's share of net loss of Rs. 102.94 lacs for the year ended 31st March, 2019 as considered in the consolidated Ind AS financial statements, in respect of one associate, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports 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 and associate, our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaryand associate is based solely on the reports of the other auditors.

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 our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements of the subsidiary and associate entity referred to in the Other Matters section above we report, to the extent applicable that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our auditof the aforesaid consolidated financial statements.

   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

   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 relevantbooks 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 Parentas on 31st March, 2019 taken on record by the Board of Directors of the Company.

f) With respect to the adequacy of the internal financial controls over financial reporting 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 over financial reporting of those companies.

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 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 consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associate.

ii) The Group andits associate 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.There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the associate company incorporated in India.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Place : Chennai
Date : May 30, 2019

Ananthi Amarnath
(Partner)
(Membership No. 209252)

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph (f)under 'Report on Other Legal and Regulatory Requirements'section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting 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 of and for the year ended 31st March, 2019, we have audited the internal financial controls over financial reporting of India Nippon Electricals Limited(hereinafter referred to as "Parent") which includes internal financial controls over financial reporting of the Company's associate company, which is company incorporated in India, as of that date.The Company has only one subsidiary, PT Automotive Systems Indonesia, which is a company incorporated outside India and therefore reporting on the adequacy and operating effectiveness of Internal Financial Controls over Financial Reporting, is not applicable to the said subsidiary. Hence, this Report on the Internal Financial Controls over Financial Reporting relating to the Consolidated Financial Statements relates solely to the Parent Company and its associate.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent and its associate company, which is a company incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies 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 (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 respective 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 internal financial controls over financial reporting of the Parent and its associate company, which is company incorporated in India, 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. 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 over financial reporting 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 and the audit evidence obtained by the other auditor of the associate company, which is company incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent and its associate company which is company incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting 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 over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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 and based on the consideration of the reports of the other auditor referred to in the Other Matters paragraph below, the Parent and its associate company, which is company incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31stMarch, 2019, based on the criteria for internal financial control over financial reporting established by the respective companies 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.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to one associate, which is company incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matters.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Place : Chennai
Date : May 30, 2019

Ananthi Amarnath
(Partner)
(Membership No. 209252)

INDIA NIPPON ELECTRICALS LIMITED

BALANCE SHEET (CONSOLIDATED) AS AT 31-MARCH-2019

Rs. in lacs

S.No.	Particulars	Note No.	As at 31-Mar-2019	As at 31-Mar-2018
1	**ASSETS**			
1.1	**Non-current assets**			
a)	Property, Plant and Equipment	4.1	6,446.35	6,188.62
b)	Capital Work-in-progress		685.36	693.59
c)	Intangible Assets	4.2	174.25	193.12
d)	Financial Assets			
	(i) Investments	5	12,606.34	11,670.46
	(ii) Loans	6	93.49	92.98
	(iii) Others financial assets	7	40.90	39.46
e)	Deferred Tax Assets (Net)	8	-	245.51
f)	Other Non-current Assets	9	1,105.36	164.07
	Non-current Assets - Total		**21,152.05**	**19,287.81**
1.2	**Current assets**			
a)	Inventories	10	3,533.75	3,127.14
b)	Financial Assets			
	(i) Investments	11	13,477.24	10,935.78
	(ii) Trade Receivables	12	10,397.86	9,334.69
	(iii) Cash and cash equivalents	13.1	609.81	428.22
	(iv) Other bank balances	13.1	772.83	1,007.57
	(iv) Others financial assets	14	88.65	101.19
c)	Other Current assets	15	409.79	288.05
			29,289.93	**25,222.64**
1.3	Assets classified as held for sale	4.1	526.74	-
	Current Assets - Total		**29,816.67**	**25,222.64**
	Assets - Total		**50,968.72**	**44,510.45**

Rs. in lacs

S.No.	Particulars	Note No.	As at 31-Mar-2019	As at 31-Mar-2018
2	**EQUITY AND LIABILITIES**			
2.1	**EQUITY:**			
a)	Equity Share Capital	16	1,131.07	1,131.07
b)	Other Equity	-	38,910.40	33,108.48
	Equity - Total		**40,041.47**	**34,239.55**
2.2	**LIABILITIES**			
2.2.1	**Non-current liabilities**			
a)	Provisions	17	346.00	260.60
b)	Deferred Tax Liability (Net)	18	261.54	-
	Non-current Liabilities - Total		**607.54**	**260.60**
2.2.2	**Current Liabilities**			
a)	Financial Liabilities	19		
	(i) Trade payables			
	Total outstanding dues to micro enterprises and small enterprises		2,064.91	-
	Total outstanding dues to other than micro enterprises and small enterprises		5,461.92	7,639.10
	(ii) Others financial liabilities	20	1,085.19	286.04
b)	Provisions	21	88.64	189.26
c)	Current tax liabilities (Net)	22	171.31	387.99
d)	Other current liabilities	23	1,447.74	1,507.91
	Total Current Liabilities		**10,319.71**	**10,010.30**
	Equity and Liabilities - Total		**50,968.72**	**44,510.45**

See accompanying notes to Consolidated Financial Statements

In terms of our report attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Ananthi Amarnath
Partner

Place : Chennai
Date : May 30, 2019

For and on behalf of the Board of Directors

T K Balaji
Chairman

Arvind Balaji
Managing Director

Elango Srinivasan
Chief Financial Officer

G Venkatram
Company Secretary

Place : Chennai
Date : May 30, 2019

STATEMENT OF PROFIT AND LOSS (CONSOLIDATED) FOR THE YEAR ENDED 31-MARCH-2019

Rs. in lacs

S.No.	Particulars	Note No.	Apr'18 To Mar'19	Apr'17 To Mar'18
I	Revenue from Operations	24	52,521.21	46,639.73
II	Other Income	25	1,466.94	1,267.54
III	**TOTAL INCOME**		**53,988.15**	**47,907.27**
IV	**EXPENSES**			
	Cost of Material Consumed	26	34,229.27	29,936.44
	Changes in inventories of Finished Goods and Work-in-Progress	27	(48.73)	(223.47)
	Excise duty		-	1,401.19
	Other Operating Expenses	28	2,260.46	2,065.27
	Employee Benefit Expenses	29	5,748.79	5,163.13
	Finance Costs	30	8.25	7.22
	Depreciation and Amortisation Expenses	4.1 & 4.2	772.98	597.13
	Other Expenses	31	2,619.37	1,867.02
	TOTAL EXPENSES		**45,590.39**	**40,813.93**
V	Profit before exceptional items, share of Net profit of Associate - (III - IV)		8,397.76	7,093.34
VI	Share of Net (Loss) of Associate & Others:			
	(1) Share of (Loss) - Non-Controlling Interests		(0.01)	(0.01)
	(2) Share of (Loss) on non-integral interest - Associate		(102.94)	(39.38)
VII	Profit Before Tax (V - VI)		**8,294.81**	**7,053.95**
VIII	**TAX EXPENSES:**			
	(1) Current Tax	33.1	2,221.29	1,987.01
	(2) Deferred Tax	33.1	219.21	87.22
			2,440.50	**2,074.23**
IX	Profit for the year (VII - VIII)		**5,854.31**	**4,979.72**
X	**OTHER COMPREHENSIVE INCOME (OCI):**			
	A (i) Items that will not be reclassified to Profit or Loss	32	1,974.55	1,821.52
	(ii) Income tax relating to items that will not be reclassified to Profit or Loss		(287.84)	(310.45)
	Total other comprehensive income for the year, net of tax		**1,686.71**	**1,511.07**
XI	**Total Comprehensive Income for the year (IX+X) (Comprising Profit for the year and other comprehensive income)**		**7,541.02**	**6,490.79**
XII	**Profits attributable to :**			
	Owners of the Company		5,854.32	4,979.73
	Non-controlling interests		(0.01)	(0.01)
			5,854.31	**4,979.72**
XIII	**Total Comprehensive Income attributable to :**			
	Owners of the Company		7,541.03	6,490.80
	Non-controlling interests		(0.01)	(0.01)
			7,541.02	**6,490.79**
XIV	**Earnings per equity share**			
	1.Basic	44	25.88	22.01
	2.Diluted	44	25.88	22.01

See accompanying notes to Consolidated Financial Statements

In terms of our report attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Ananthi Amarnath
Partner

For and on behalf of the Board of Directors

T K Balaji
Chairman

Arvind Balaji
Managing Director

Elango Srinivasan
Chief Financial Officer

G Venkatram
Company Secretary

Place : Chennai
Date : May 30, 2019

Place : Chennai
Date : May 30, 2019

STATEMENT OF CASH FLOWS (CONSOLIDATED) FOR THE YEAR ENDED 31-MARCH-2019

Rs. in lacs

S.No.	Particulars	Apr'18 To Mar'19	Apr'17 To Mar'18
A.	**Cash flows from Operating Activities:**		
	Net Profit before tax	8,397.76	7,093.34
	Adjustments for		
	Add/(Less): - Depreciation and amortization expenses	772.98	597.13
	- Dividend Income recognised in profit or loss	(210.70)	(184.11)
	- Interest Income recognised in profit or loss	(229.26)	(248.18)
	- Increase in Fair value of investments	(348.81)	(592.09)
	- Profit on sale of investments(net)	(594.11)	(173.12)
	- Investments written off	114.53	-
	- Property, plant and equipment written off	3.31	9.35
	- Advances written off	4.05	5.30
	- Finance costs recognised in profit or loss	8.25	7.22
	- Share of loss of associates	102.94	39.38
	- Net unrealised exchange (gain) / loss	(24.76)	(32.50)
	Operating Profit before Working Capital changes	**7,996.18**	**6,521.72**
	Adjustments for (increase) / decrease in operating assets:		
	- Loans	(0.51)	(3.18)
	- Other Non-current Financial Assets	(1.44)	(2.45)
	- Other Non-current assets	(919.84)	(4.02)
	- Trade Receivables	(1,067.22)	(2,696.13)
	- Inventories	(406.61)	(885.01)
	- Other Current Financial Assets	2.83	1.24
	- Other Current assets	(121.74)	109.96
	Adjustments for increase / (decrease) in operating liabilities:		
	- Trade Payables	(112.27)	1,396.48
	- Other Financial Liabilities	799.15	(739.37)
	- Other Liabilities	(60.17)	761.98
	- Non-current Provisions	85.40	120.32
	- Current Provisions	(125.20)	(79.84)
	Cash generated from operations	6,068.56	4,501.70
	Income taxes paid	2,437.97	1,835.61
	Net Cash generated by Operating Activities (A)	**3,630.59**	**2,666.09**
B.	**Cash flows from Investing Activities:**		
	Purchase of Property, Plant & Equipment (including CWIP)	(1,555.11)	(1,751.75)
	Acquisition of investments	(14,622.64)	(2,848.72)
	Proceeds on sale of investments	13,825.22	2,755.16
	Interest Received	238.97	246.62
	Dividend Received	210.70	184.11
	Increase / (decrease) in bank balances not considered as cash and cash equivalents	234.74	(284.16)
	Net Cash used in Investing Activities (B)	**(1,668.12)**	**(1,698.74)**

Rs. in lacs

S.No.	Particulars	Apr'18 To Mar'19	Apr'17 To Mar'18
C.	**Cash flows from Financing Activities:**		
	Finance costs	(8.25)	(7.22)
	Dividends and taxes on dividend paid	(1,772.63)	(816.79)
	Net Cash used in Financing Activities (C)	**(1,780.88)**	**(824.01)**
D.	Net Increase / (decrease) in Cash and Cash Equivalents (A+B+C)	181.59	143.34
E.	Add : Cash & Cash Equivalents as at beginning of the year - Refer Note 13.1	428.22	284.88
F.	Cash & Cash Equivalents as at end of the year - Refer Note 13.1	609.81	428.22

Note: The above Cash Flow Satement has been prepared under Indirect method as set out in Ind AS 7 on Cash Flow Statement.

See accompanying notes to Consolidated Financial Statements

In terms of our report attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Ananthi Amarnath
Partner

Place : Chennai
Date : May 30, 2019

For and on behalf of the Board of Directors

T K Balaji
Chairman

Arvind Balaji
Managing Director

Elango Srinivasan
Chief Financial Officer

G Venkatram
Company Secretary

Place : Chennai
Date : May 30, 2019

STATEMENT OF CHANGES IN EQUITY (CONSOLIDATED) FOR THE YEAR ENDED 31-MARCH-2019

Equity Share Capital

		Rs. in lacs
Particulars	**No.of.Shares**	**Amount**
Equity shares of Rs. 10 each issued, subscribed and fully paid		
As at 01-April-2017	11,310,712	1,131.07
Add: Issued during the year/Share split	11,310,712	-
As at 31-March-2018 (refer Note 16 (d) for shares split)	22,621,424	1,131.07
Add: Issued during the year	-	-
As at 31-March-2019	**22,621,424**	**1,131.07**

Other Equity

Rs. in lacs

Particulars	Reserves and Surplus			Other Comprehensive Income		Total Equity attributable to equity share holder	Non - controlling interests	Total
	Capital Redemption Reserve	General Reserve	Retained Earnings	Exchange differences on translating statements of foreign operation	Other items of Other Comprehensive Income			
Balance as of April 1, 2017	**39.56**	**23,140.70**	**2,703.63**	**(39.55)**	**565.76**	**26,410.11**	**1.20**	**26,411.31**
Changes in the equity for the year March 31, 2018								
Dividends	-	-	(678.64)	-	-	(678.64)	-	(678.64)
Dividend Tax	-	-	(138.15)	-	-	(138.15)	-	(138.15)
Profits for the year	-	-	4,979.73	-	-	4,979.73	(0.01)	4,979.72
Other Comprehensive Income	-	-	-	-	1,511.07	1,511.07	-	1,511.07
Exchange difference on translation of foreign operation	-	-	-	(34.02)	-	(34.02)	-	(34.02)
Non - controlling interests on acquisition of subsidiary	-	-	-	-	-	-	(0.82)	(0.82)
Derecognition of fair value changes of investment in associate	-	-	-	-	1,058.01	1,058.01	-	1,058.01
Balance as of March 31, 2018	**39.56**	**23,140.70**	**6,866.57**	**(73.57)**	**3,134.84**	**33,108.11**	**0.37**	**33,108.48**
Balance as of April 1, 2018	**39.56**	**23,140.70**	**6,866.57**	**(73.57)**	**3,134.84**	**33,108.11**	**0.37**	**33,108.48**
Changes in the equity for the year March 31, 2019								
Dividends	-	-	(1,470.39)	-	-	(1,470.39)	-	(1,470.39)
Dividend Tax	-	-	(302.24)	-	-	(302.24)	-	(302.24)
Profits for the year	-	-	5,854.32	-	-	5,854.32	(0.01)	5,854.31
Other Comprehensive Income	-	-	-	-	1,686.71	1,686.71	-	1,686.71
Exchange difference on translation of foreign operation	-	-	-	33.53	-	33.53	-	33.53
Non - controlling interests on acquisition of subsidiary	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Balance as of March 31, 2019	**39.56**	**23,140.70**	**10,948.26**	**(40.04)**	**4,821.55**	**38,910.04**	**0.36**	**38,910.40**

Additional Disclosures:

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 requrirements of the Companies Act, 2013. Thus, the amounts reported above are not distributable in entirety.

Reserve for equity instruments through other comprehensive income:

This reserve represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income, net of amounts reclassified to retained earnings when those assets have been disposed of.

In terms of our report attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Ananthi Amarnath
Partner

Place : Chennai
Date : May 30, 2019

For and on behalf of the Board of Directors

T K Balaji
Chairman

Arvind Balaji
Managing Director

Elango Srinivasan
Chief Financial Officer

G Venkatram
Company Secretary

Place : Chennai
Date : May 30, 2019

Notes to the Consolidated Financial Statements for the year ended March 31, 2019:

1) Company overview and significant Accounting Policies:

India Nippon Electricals Ltd. (“the Company”/”Parent company”) is a public limited company incorporated and domiciled in India and has its registered office at No.11 & 13, Patullos Road, Chennai-600 002, Tamilnadu, India.

The shares of the Company are listed on the BSE Limited and National Stock Exchange of India Ltd.

The Company is a leading manufacturer of Electronic Ignition Systems for auto industry with special focus on two-wheeler industry in technical collaboration with Mahle Electric Drives Japan Corporation, Japan. In addition to the support from the collaborators, the Company has a developed Research & Development centre recognised by DSIR,Govt of India. The Company has four manufacturing facilities in India and supplies to domestic as well as overseas markets.

The Company has 99.97% share in a company incorporated in Indonesia - PT Automotive Systems Indonesia which is a foreign direct investment company established based on Notarial Deed DR. A, Partomuan Pohan, SH., LL.M., No. 9 dated April 12, 2006. The scope of activities comprises producing and marketing on two and three wheels components and spare parts, for Domestic and Export Market. This entity is a subsidary for the Parent company.

The Company also has 40% share in a company incorporated in India - Synergy Shakthi Renewable Energy Limited which is into biomass energy production. This entity is an associate for the Parent company.

Together, these entities are known as the Group.

2) Basis of preparation of Financial Statements:

The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention under accrual basis of accounting except for certain financial assets and liabilities (as per the accounting policy below), which have been measured at fair value, the provisions of The Companies Act, 2013 (The Act) and where applicable, the guidelines issued by the Securities and Exchange Board of India (SEBI). The IND AS.s are notified under Section 133 of the Act, Companies (Indian Accounting Standards) Rules, 2015, and Companies (Indian Accounting Standards) Amendment Rules, 2016.

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.

Use of estimates:

The preparation of financial statements requires management to make certain estimates and assumptions that affect the amounts reported in the financial statements and notes thereto. The management believes that these estimates and assumptions are reasonable and prudent. However, actual results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in the current and future period.

This note provides an overview of the areas that involved a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed.

The areas involving critical estimates or judgments are:

i) **Estimation of fair value of unlisted securities -** The fair value of unlisted securities is determined using the valuation techniques. The company uses its judgement to select the methods and make assumptions at end of each reporting period. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values.

Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

ii) **Defined benefit obligation -** The cost of the defined benefit plans and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, etc. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each Balance Sheet date.

iii) **Impairment testing -** Property, plant and equipment and Intangible assets are tested for impairment when events occur or changes in circumstances indicate that the recoverable amount of the cash generating unit is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to sell. The calculation involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.

iv) **Estimation and evaluation of provisions and contingencies relating to tax litigation -** Provision for tax liabilities require judgements on the interpretation of tax legislation, developments in case law and the potential outcomes of tax audits and appeals which may be subject to significant uncertainty. Therefore the actual results may vary from expectations resulting in adjustments to provisions, the valuation of deferred tax assets, cash tax settlements and therefore the tax charge in the statement of profit or loss.

v) **Estimation Warranty claims -** Provision is made for estimated warranty claims in respect of product sold which are still under warranty at the end of the reporting period. The claims are expected to be settled in the next financial year. The company estimates the provision based on historical warranty claim information and any recent trends that may suggest future claims could differ from the historical amounts.

Standards issued but not yet effective:

Ind AS 116 Leases : On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:

- Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors

- Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application.

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

- Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or

- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application.

Certain practical expedients are available under both the methods.

The amendment will come into force from April 1, 2019. The Company is currently evaluating the effect of the above on its Consolidated financial statements.

Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments : On March 30, 2019, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 containing Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments which clarifies the application and measurement requirements in Ind AS 12 when there is uncertainty over income tax treatments. The current and deferred tax asset or liability shall be recognized and measured by applying the requirements in Ind AS 12 based on the taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates determined by applying this appendix. The amendment is effective for annual periods beginning on or after April 1, 2019.

Amendment to Ind AS 12 – Income taxes : On March 30, 2019, the Ministry of Corporate Affairs has notified limited amendments to Ind AS 12 – Income Taxes. The amendments require an entity to recognise the income tax consequences of dividends as defined in Ind AS 109 when it recognises a liability to pay a dividend. The income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to when the entity originally recognised those past transactions or events. The amendment will come into force for accounting periods beginning on or after April 1, 2019.

Amendment to Ind AS 19 – plan amendment, curtailment or settlement- On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not have any impact on account of this amendment."

3) Significant Accounting Policies:

a) Current and Non-current classification:

The Group 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 Group 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.

b) Revenue Recognition:

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.

Revenues and costs relating to sales contracts are recognized as the related goods are delivered, and titles have passed, at which time all the following conditions are satisfied-:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;

- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;

- the amount of revenue can be measured reliably;

- it is probable that the economic benefits associated with the transaction will flow to the Group ; and

- the costs incurred or to be incurred in respect of the transactions can be measured reliably.

The Group accounts for volume discounts and pricing incentives to customers as a reduction of revenue based on the relatable allocation of the discounts/ incentives to each of the underlying performance obligation that corresponds to the progress by the customer towards earning the discount/ incentive. Also, when the level of discount varies with increases in levels of revenue transactions, the Group 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 Group recognizes changes in the estimated amount of obligations for discounts in the period in which the change occurs.

Interest income

Income in the form of dividends and interest – Please refer to note no. 3 (o)

c) Property, Plant & Equipment:

Cost includes purchase price, taxes and duties, labour cost and directly attributable overheads incurred up to the date the asset is ready for its intended use. However, cost excludes Excise Duty, Value Added Tax and Service Tax, 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 Group 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).

Capital work in progress, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

d) Depreciation and Amortization:

i) Depreciation on tangible fixed assets (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 less the number of years the asset had been used prior to 1st April, 2015.

ii) Tools and dies are depreciated based on quantity of components manufactured and the life of tools and dies, subject to a maximum of two years.

iii) 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

iv) 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.

e) Intangible Assets:

i) 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.

ii) Expenditure on projects which are not yet ready for intended use are carried as intangible assets under development.

iii) 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.

iv) 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 three years

d) Technical Knowhow - Over a period of five years

f) Impairment of Assets:

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in Statement of Profit and Loss.

g) Foreign currency translation:

i) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). i.e. in Indian rupee (INR).

ii) Transactions and balances

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of transaction.

a) Foreign currency monetary assets and liabilities such as cash, receivables, payables, etc., are translated at year end exchange rates

b) Non-monetary items denominated in foreign currency such as investments, fixed assets, etc., are valued at the exchange rate prevailing on the date of transaction.

c) Exchange differences arising on settlement of transactions and translation of monetary items are recognised as income or expense in the year in which they arise.

d) Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

h) Inventories:

i) Inventories are valued at the lower of cost and net realisable value.

ii) Cost of raw materials, components, stores, spares, work-in-process and finished goods are ascertained at weighted average cost.

iii) Cost of finished goods and work-in-process comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Materials and supplies held for use in production of inventories are not written down if the finished products in which they will be used are expected to be sold at or above cost.

i) Employee benefits:

i) Short term obligations:

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services upto the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

ii) Other Long term employee benefits:

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of the expected future payments to be made in respect of services provided by employee upto the end of reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation.

Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss. The obligations are presented as current liabilities in the balance sheet if the entity does not have an when the actual settlement is expected to occur.

iii) Post-employement obligation:

Payments to defined contribution retirement benefit schemes (provident fund & superannuation) are charged as an expense as they fall due for defined benefit schemes (Gratuity), the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognized in full in Other Comprehensive Income for the period in which they occur.

The retirement benefit obligation recognized in the balance sheet represents the present value of the defined obligation as adjusted for unrecognized past service cost, and as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost plus the present value of available refunds and reductions in future contributions to the scheme.

j) Taxes on income - Current 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.

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.

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.

Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where there is a legally enforceable right to offset.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

k) Provisions and Contingent Liabilities:

i) Provisions:

A provision is recorded when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reasonably estimated. The estimated liability for product warranties is recorded when products are sold based on technical evaluation.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as finance cost.

ii) Contingent Liabilities:

Wherever there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognised because (a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or (b) the amount of the obligation cannot be measured with sufficient reliability. The Group does not recognise a contingent liability but discloses its existence in Financial Statements.

l) Cash & Cash equivalents:

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

m) Investments & Other financial assets:

i) Classification:

The Group classifies its financial assets in the following categories:

a) Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss)

b) Those measured at amortized cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flow.

ii) Measurement:

At Initial recognition, the Group measures a financial asset at its fair value plus (in the case of a financial asset not at fair value through profit or loss) transaction cost that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

iii) Debt instruments:

Subsequent measurement of debt instruments depends on the company's business model for managing the asset and the cash flow characteristics of the asset. There are two measurement categories into which the Group classifies its debt instruments.

iv) 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 amortised cost. A gain or loss on debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is de-recognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

v) Fair value through Other Comprehensive Income:

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst Parent FVTOCI debt instrument is reported as interest income using the EIR method.

vi) Fair value through Profit & Loss:

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Group has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

vii) Equity Instruments:

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

viii) Derecognition:

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or

- The Group 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 (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through 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 Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group 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 Group could be required to repay.

ix) Impairment of Financial Assets:

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been significant increase in credit risk.

n) Financial Liabilities:

a) Classification

The Group classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

b) Initial recognition and measurement:

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

c) Financial liabilities at fair value through profit or loss :

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as 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. 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 Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Group has not designated any financial liability as at fair value through profit and loss.

d) Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind-AS 109 – "Financial Instruments" are satisfied. For liabilities designated as Fair Value through Profit and Loss (“FVTPL”), fair value gains/ losses attributable to changes in own credit risk are recognized in Other Comprehensive Income (“OCI”). These gains/loss are not subsequently transferred to the Statement of Profit and Loss. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Statement of Profit and Loss. The Group has not designated any financial liability as at fair value through profit or loss.

e) Derecognition:

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

f) Offsetting of financial instruments:

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

g) Equity instruments:

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognized at the proceeds received, net of direct issue costs.

o) Income Recognition

a) Interest Income:

Generally, interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying value of a financial asset. While calculating the effective interest rate, the Group 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.

b) Dividends:

Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of dividend can be reliably measured.

c) Export benefits:

Export benefits in the nature of Merchandise Exports from India Scheme (MEIS) under Foreign Trade Policy are recognised in the Statement of Profit and Loss when there is no uncertainty in receiving / utilizing the same, taking into consideration the prevailing regulations.

p) Earnings per share:

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year including potential equity shares, if any, on compulsory convertible debentures. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

q) Cash flow Statements:

Cash flow statements are prepared using the indirect method whereby profit for the period is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows are segregated into Operating, Investing and Financing activities of the Group.

r) Dividends Paid:

Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Board of Directors of the Parent Group.

s) Operating Segment:

The Chief Operational Decision Maker (MD) monitors the operating results of the business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit and loss reported by the segment periodically. The operations of the Group relate to only one segment which is Electronic products for two/three wheelers and engines.

t) Leases:

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement. For arrangements entered into prior to 1st April 2016, the Group has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Group as a lessee : A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Group's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

u) Expenditure on Corporate Social Responsibility (CSR)

The Group accounts the expenditure incurred towards Corporate Social Responsibility as required under the Act as a charge to the statement of profit and loss account.

v) Principles of Consolidation:

Name of the Company	Country of Incorporation	% shareholding of INEL	Category
1. P T Automotive Systems Indonesia	Indonesia	99.97%	Subsidiary
2. Synergy Shakthi Renewable Energy Ltd	India	40.00%	Associate

INVESTMENT IN PT AUTOMOTIVE SYSTEMS INDONESIA (SUBSIDIARY):

The financial statements of PT Automotive Systems Indonesia have been audited by the auditors qualified to conduct audit in accordance with the laws of Indonesia

The consolidated financial statement of the Group and its subsidiary have been prepared on a line by line consolidation by adding the book values of the like items of assets, liabilities, income and expenditure as per the respective audited financial statements of the respective Group.

In translating the financial statements of the foreign entity for incorporation in the consolidated financial statements, the assets and liabilities are translated at the exchange rates prevailing at the date of the Balance Sheet of the Subsidiary except Share Capital and income and expenditure items are translated at the average of the monthly closing rates of exchange for the year. The resulting exchange difference is classified as “Foreign Exchange Translation Reserve”.

The consolidated financial statements have been prepared using uniform accounting policies for transactions and other events in similar circumstances, and where there is divergence in policies in the subsidiary’s statements have been restated in accordance with the holding Group’s policies. The consolidated financial statements are presented to the extent possible, in the manner as the Group’s individual financial statements.

INVESTMENT IN SYNERGY SHAKTHI RENEWABLE ENERGY LTD (ASSOCIATE);

As required by Indian Accounting Standard 28, Investments in Associates and Joint venutres in Consolidated Financial Statement of the Group is accounted for its share of losses of the associate under the ‘Equity’ method of accounting.

After the entity’s interest is reduced to zero, additional losses are provided for, and a liability is recognised, only to the extent that the entity has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. If the associate or joint venture subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

Notes to the Consolidated Financial Statements for the year ended March 31, 2019 - Continued:

4.1. Property, Plant & Equipment

Following are the changes in the carrying value of Property, Plant & Equipments for the year ended 31-March-2019:

Rs. in lacs

Particulars	Land	Building	Plant & Equipments	Furniture & Fixtures	Office Equipments	Vehicles	Total
Gross carrying value as on 01-April-2018	1,766.53	1,170.81	4,236.77	160.39	128.18	41.03	7,503.71
Additions	14.24	176.70	1,183.72	51.20	87.96	3.41	1,517.23
Deletions	-	-	43.87	0.06	0.40	0.28	44.61
Effect of foreign currency exchange differences	-	-	-	-	-	-	-
Transfer to Assets held for Sale (Refer Note 1)	526.74	-	-	-	-	-	526.74
Gross carrying value as on 31-March-2019 = (A)	**1,254.03**	**1,347.51**	**5,376.62**	**211.53**	**215.74**	**44.16**	**8,449.59**
Accumulated depreciation as on 01-April-2018	-	131.90	1,082.14	42.04	47.37	11.64	1,315.09
Depreciation	-	86.10	579.05	24.11	35.17	5.02	729.45
Accumulated depreciation on deletions	-	-	40.88	-	0.22	0.20	41.30
Effect of foreign currency exchange differences	-	-	-	-	-	-	-
Accumulated depreciation as on 31-March-2019 = (B)	**-**	**218.00**	**1,620.31**	**66.15**	**82.32**	**16.46**	**2,003.24**
Carrying value as on 31-March-2019 = (A - B)	**1,254.03**	**1,129.51**	**3,756.31**	**145.38**	**133.42**	**27.70**	**6,446.35**

Note 1 - On November 03, 2018, the Board of Directors of Parent Company has given in principle approval for disposal of the lands held at Gurgaon (Pataudi) and Haridwar. Accordingly, for Gurgaon (Pataudi) land, a buyer has been identified and the sale is expected to be concluded in the next year . With respect to Haridwar land, the company is in the process of identifing a buyer and the sale is expected to happen in the next year. Therefore, as per requirements of Ind AS 105, these lands have been classified as assets held for sale.

Following are the changes in the carrying value of Property, Plant & Equipments for the year ended 31-March-2018:

Particulars	Land	Building	Plant & Equipments	Furniture & Fixtures	Office Equipments	Vehicles	Total
Gross carrying value as on 01-April-2017	1,781.67	1,107.26	3,166.45	129.40	65.57	28.11	6,278.46
Additions	-	63.55	1,087.18	32.13	62.87	15.72	1,261.45
Deletions	-	-	16.86	1.14	0.26	2.80	21.06
Effect of foreign currency exchange differences	15.14	-	-	-	-	-	15.14
Gross carrying value as on 31-March-2018 = (A)	**1,766.53**	**1,170.81**	**4,236.77**	**160.39**	**128.18**	**41.03**	**7,503.71**
Accumulated depreciation as on 01-April-2017	-	80.90	630.85	26.12	26.81	8.52	773.20
Depreciation	-	51.00	460.61	16.60	20.77	4.62	553.60
Accumulated depreciation on deletions	-	-	9.32	0.68	0.21	1.50	11.71
Effect of foreign currency exchange differences	-	-	-	-	-	-	-
Accumulated depreciation as on 31-March-2018 = (B)	**-**	**131.90**	**1,082.14**	**42.04**	**47.37**	**11.64**	**1,315.09**
Carrying value as on 31-March-2018 = (A - B)	**1,766.53**	**1,038.91**	**3,154.63**	**118.35**	**80.81**	**29.39**	**6,188.62**

Notes to the Consolidated Financial Statements for the year ended March 31, 2019 - Continued:

4.2. Intangible Asset:

Following are the changes in the carrying value of Intangible assets for the year ended 31-March-2019:

Rs. in lacs

Particulars	Softwares	SAP	Licenses	Technical Knowhow	Total
Gross carrying value as on 01-April-2018	66.83	177.66	19.83	33.32	297.64
Additions	2.41	-	22.25	-	24.66
Deletions	-	-	-	-	-
Gross carrying value as on 31-March-2019 = (A)	**69.24**	**177.66**	**42.08**	**33.32**	**322.30**
Accumulated depreciation as on 01-April-2018	31.50	39.26	10.03	23.73	104.52
Depreciation	13.02	18.95	3.65	7.91	43.53
Accumulated depreciation on deletions	-	-	-	-	-
Accumulated depreciation as on 31-March-2019 = (B)	**44.52**	**58.21**	**13.68**	**31.64**	**148.05**
Carrying value as on 31-March-2019 = (A - B)	**24.72**	**119.45**	**28.40**	**1.68**	**174.25**

Following are the changes in the carrying value of Intangible assets for the year ended 31-March-2018:

Particulars	Softwares	SAP	Licenses	Technical Knowhow	Total
Gross carrying value as on 01-April-2017	49.29	164.91	9.53	33.32	257.05
Additions	17.54	12.75	10.30	-	40.59
Deletions	-	-	-	-	-
Gross carrying value as on 31-March-2018 = (A)	**66.83**	**177.66**	**19.83**	**33.32**	**297.64**
Accumulated depreciation as on 01-April-2017	18.48	20.31	6.38	15.82	60.99
Depreciation	13.02	18.95	3.65	7.91	43.53
Accumulated depreciation on deletions	-	-	-	-	-
Accumulated depreciation as on 31-March-2018 = (B)	**31.50**	**39.26**	**10.03**	**23.73**	**104.52**
Carrying value as on 31-March-2018	**35.33**	**138.40**	**9.80**	**9.59**	**193.12**

Note: Amortization expense is included in depreciation and amortization expenses in the Statement of Profit and Loss Account.

Notes to the Consolidated Financial Statements for the year ended March 31, 2019 - Continued:

5 NON-CURRENT INVESTMENTS - UNQUOTED:

Note No.	Particulars	Associate/ Others	Face value	No. of Shares/ Units	As at 31-March-2019	No. of Shares/ Units	As at 31-March-2018
(a)	**Investments in Equity instruments fully paid up**						
	Investment carried at amount determined useing the equity method of accounting:						
	Synergy Shakthi Renewable Energy Pvt Ltd (Refer Note-2 below)	Associate	10	18,000,000	1,201.00	18,000,000	1,201.00
	Less: Share of Accumulated Losses in Associate				838.01		735.07
	Net Value of Investment in Synergy Shakthi Renewable Energy Pvt Ltd				362.99		465.93
	Investment carried at fair value through other comprehensive income:						
	Lucas TVS Ltd	Others	100	97,351	9,187.37	97,351	7,129.94
	IRIS Ecopower Venture Private Limited	Others	10	258,400	25.84	258,400	25.84
					9,576.20		**7,621.71**
(b)	**Investments in Debentures or Bonds**						
	Investment carried at Amortised cost:						
	National Highways Authority of India	Others	1000	12,362	123.62	12,362	123.62
	Hudco Taxfree Bonds			50,000	530.89	50,000	530.89
	Indian Railway Finance Corporation Ltd			50,000	500.00	50,000	500.00
	India Infrastructure Finance Corporation Ltd			50,000	500.00	50,000	500.00
	Power Finance Corporation Limted Series 1			50,000	500.00	50,000	500.00
					2,154.51		**2,154.51**
(c)	**Investments in Venture capital Funds**						
	Investment carried at fair value through profit and loss:						
	TVS Shriram Growth Fund Scheme 1A	Others	1,000	250	12.87	13,627	85.44
	TVS Shriram Growth Fund Scheme 1B			16,204	562.76	30,609	640.95
	TVS Shriram Growth Fund Scheme 3			10,000	100.00	10,000	100.00
	Sundaram Alternative Opportunities series		100,000	200	200.00	100	100
					875.63		**926.39**
(d)	**Investment in Mutual Funds:**						
	Investment carried at fair value through profit and loss:						
	ICICI Prudential FMP Series 73-391 days Plan Growth Regular	Others	10		-	7,000,000	967.85
					-		**967.85**
					12,606.34		**11,670.46**

Note 1 - Other disclosure:

Aggregate value of Un-quoted investments - Carried at FVTOCI	9,576.20		7,621.71
Aggregate value of Un-quoted investments - Carried at FVTPL	875.63		1,894.24
Aggregate value of Un-quoted investments - Carried at Amortised cost	2,154.51		2,154.51
Aggregate carrying value of Un-quoted investments	**12,606.34**		**11,670.46**
Aggregate amount of impairment in value of investments	-		-

Note 2 - Financial information in respect of individually not material associate:

The Group's share of profit (loss)	(102.95)		(39.39)
The Group's share of other comprehensive income	-		-
The Group's share of total comprehensive income	(102.95)		(39.39)
Aggregate carrying amount of the Group's interests in the associate	362.99		465.93
Cumulative share of loss of the associate	838.01		735.07

Notes to the Consolidated Financial Statements for the year ended March 31, 2019 - Continued:

Rs. in lacs

Note No.	Particulars	As at 31-March-2019	As at 31-March-2018
6	**LOANS (Unsecured and considered good):**		
	Loans & Advances to employees	93.49	92.98
		93.49	**92.98**
7	**OTHER FINANCIAL ASSETS:**		
	Bank deposits with more than 12 months maturity	40.90	39.46
		40.90	**39.46**
8	**DEFERRED TAX ASSETS (NET):**		
	Deferred Tax Assets (Net) - Refer Note 33.3	-	245.51
		-	**245.51**
9	**OTHER NON-CURRENT ASSETS**		
	(Unsecured and considered good unless otherwise stated):		
a	Capital Advance	110.09	88.64
b	Sundry Deposits	70.06	75.43
c	Land Lease Prepayments	925.21	-
		1,105.36	**164.07**
10	**INVENTORIES:**		
	(Lower of Cost and Net realisable value)		
a	Raw Materials	2,318.92	1,988.75
b	Raw Materials - Goods in Transit	195.56	167.79
c	Work in Progress	278.21	342.36
d	Finished Goods	512.16	464.81
e	Finished Goods in Transit	228.01	162.48
f	Stores and Spares	0.89	0.95
		3,533.75	**3,127.14**

The cost of inventories recognised as an expense during the year was Rs. 34,166.44 lacs (for the year ended March 31, 2018: Rs. 29,712.97 lacs)

The cost of inventories recognised as an expense includes Rs. Nil lacs (Previous Year Rs. 14.31 lacs) in respect of write down of inventory to Net realisable value

11 CURRENT INVESTMENTS - UNQUOTED:

Rs. in lacs

Particulars	Subsidiary/ Associate/ Others	Face value	No. of Units 31-March-2019	As at 31-March-2019	No. of Units 31-March-2018	As at 31-March-2018
INVESTMENT IN MUTUAL FUNDS						
Investment carried at fair value through profit and loss:	Others					
Axis Short Term Instant Growth		10	9,456,821	1,913.31	9,456,821	1,782.38
Birla Sun Life Dynamic Bond Fund -Regular Growth		20	-	-	1,185,859	355.55
Birla Sun Life Short Term Fund - Regular Growth Plan		50	1,522,237	1,091.12	1,522,237	1,011.48
Aditya Birla SL Equity Savings -Growth		10	1,941,788	258.45	1,941,788	251.07
ICICI Emerging Sector Fund		100	-	-	4,222	3.66
ICICI Prudential Short Term Regular - Monthly Dividend		10	1,481,543	180.04	1,405,466	173.24
ICICI Pru Short-Term Regular Growth		30	2,936,810	1,134.66	2,936,810	1,063.49
ICICI Prudential Equity Income-Growth		10	1,994,613	274.66	1,994,613	255.51
ICICI Pru Flexible Income -Growth		300	311,634	1,117.92	109,066	363.54
IDFC SSI Medium -term Regular - Quarterly Dividend		10	3,872,665	421.62	3,720,129	400.61

Notes to the Consolidated Financial Statements for the year ended March 31, 2019 - Continued:

Rs. in lacs

Particulars	Subsidiary/ Associate/ Others	Face value	No. of Units 31-March-2019	As at 31-March-2019	No. of Units 31-March-2018	As at 31-March-2018
IDFC SSI Medium -term Regular Growth		20	1,659,189	518.09	1,659,189	482.60
IDFC SSI ST Regular Growth		30	3,343,087	1,273.03	3,343,087	1,182.52
Kotak Bond Short Term Plan - Growth		20	3,397,377	1,183.53	3,397,377	1,102.02
Reliance Short Term Fund -Growth		20	3,258,368	1,131.75	5,280,239	1,724.14
Kotak Equity Arbitrage Reg-Growth		20	2,511,910	662.70	1,307,548	325.10
Kotak Treasury Advantage -Growth		20	3,733,536	1,119.00	1,306,393	363.09
Birla SL Cash Plus-Growth		260	100,502	300.51	-	-
ICICI Pru Liquid Plan -Growth		240	109,104	300.49	-	-
Sundaram Mondy Direct-Growth		1,970	508,397	200.37	-	-
SBI Liquid fund - Growth		2,000	10,306	300.55		
HDFC HOF Series 1-Growth		10	1,000,000	95.44	1,000,000	95.78
				13,477.24		**10,935.78**
Aggregate provision for diminution in value of investments				-		-
				13,477.24		**10,935.78**

Aggregate value of Unquoted investments - carried at FVTPL	13,477.24	10,935.78
Aggregate carrying value of Un-quoted investments	**13,477.24**	**10,935.78**

Rs. in lacs

Note No.	Particulars	As at 31-March-2019	As at 31-March-2018
12	**TRADE RECEIVABLES:**		
a	Trade Receivables - Unsecured		
	- Considered good	10,397.86	9,334.69
		10,397.86	**9,334.69**

The average credit period on sale of goods is 45 days. No interest is charged on overdue trade receivables.

Out of total trade receivables as at 31 March 2019, Rs. 8,929.37 lacs (previous year Rs. 8211.47 lacs) represent receivable from customers who represent more that 5 % of total receivables.

The Group's receivables are predominantly from its related parties and large Original Equipment Manufacturers. The Group has never experienced doubtful debts in earlier years, therefore, there is no credit risk and thus no allowance for expected credit losses have been made. Also refer Note 39 (a) (i) to the consolidated financial statements for the year ended March 31, 2019.

Note No.	Particulars	As at 31-March-2019	As at 31-March-2018
13.1	**CASH & CASH EQUIVALENTS:**		
a	Balance with banks		
	- In current Account	607.64	426.54
b	Cash in hand	2.17	1.68
		609.81	**428.22**

Notes to the Consolidated Financial Statements for the year ended March 31, 2019 - Continued:

Rs. in lacs

Note No.	Particulars		As at 31-March-2019	As at 31-March-2018
13.2	**OTHER BANK BALANCES:**			
	- in Fixed deposit		715.92	958.21
	- in Deposit account (Dividend Warrant)		56.91	49.36
			772.83	**1,007.57**
14	**OTHER FINANCIAL ASSETS:**			
a	Interest Accrued on deposits/employee dues		83.86	93.57
b	Duty draw back		4.79	7.62
			88.65	**101.19**
15	**OTHER CURRENT ASSETS:**			
a	**Advances other than Capital Advances:**			
	- Vendor Advance		202.49	184.88
	- Rental & Others		8.51	5.68
b	**Others:**			
	- Prepaid expenses		150.07	85.87
	- Receivable - Others		48.72	11.62
			409.79	**288.05**
16	**SHARE CAPITAL:**			
a	**Authorised Share Capital:**			
	30,000,000 number of Equity shares of Rs.5 each		1,500.00	1,500.00
	(Previous year 30,000,000 number of Equity shares of Rs. 5 each)			
b	**Issued, Subscribed and Fully Paid up Share Capital:**			
	22,621,424 number of Equity shares of Rs. 5 each		1,131.07	1,131.07
	(Previous year 22,621,424 number of Equity shares of Rs. 5 each)			
c	**Par Value per Share**	Rs.	5.00	5.00
d	**Number of equity shares at the beginning of the year**		22,621,424	11,310,712
	Add: Rights issue		-	-
	Share split*		-	11,310,712
	Bonus issue		-	-
	Less: Buy back		-	-
	Number of equity shares at the end of the year		22,621,424	22,621,424

* The Board of Directors of the Parent Company in their meeting held on 8th March 2018 had approved the split of the company's equity shares of face value of Rs. 10 each into 2 equity shares of face value of Rs. 5 each. Accordingly, the number of shares have increased.

e Rights attached to equity shares: The Parent Company has only one class of equity shares having par value of Rs.5 per share (March 31, 2018 - Rs.5/-). Each holder of equity shares is entitled to one vote per share. The Parent Company declares and pays dividends in Indian rupees.

During the year ended March 31, 2019, the amount of per share dividend recognized as distributions to equity shareholders was Rs. 6.5/- (March 31, 2018: Rs.3/-). Also Refer Note 43.

In the event of liquidation of the Parent Company, the holders of equity shares will be entitled to receive remaining assets of the Parent Company, after distribution of all preferential payments.The distribution will be in proportion to the number of equity shares held by the shareholders. "

f Number of shares held by share holders more than 5% of total shares

Name of the Share holder	nos. current yr	nos. previous yr
Lucas Indian Service Ltd, India	10,377,332	10,377,332
Percentage held	45.87%	45.87%
Mahle Electric Drives Japan Corpn., Japan (formerly Kokusan Denki Co Ltd, Japan)	4,641,000	4,641,000
Percentage held	20.52%	20.52%

Rs. in lacs

Note No.	Particulars	As at 31-March-2019	As at 31-March-2018
17	**NON-CURRENT PROVISIONS:**		
	Provision for employee benefits:		
	- Compensated absences	346.00	260.60
		346.00	**260.60**
18	**Deferred Tax Liability:**		
	Deferred Tax Liablity (Net) - Refer Note 33.3	261.54	-
		261.54	**-**
19	**TRADE PAYABLES:**		
	Total outstanding dues to micro enterprises and small enterprises (Refer Note 46)	2,064.91	-
	Total outstanding dues to other than micro enterprises and small enterprises	5,461.92	7,639.10
		7,526.83	**7,639.10**
20	**OTHER FINANCIAL LIABILITIES:**		
a	Unpaid Dividend	57.06	49.36
b	Earnest Money Deposit	58.05	50.28
c	Commission to Directors	265.20	186.40
d	Payables for Purchase of Land on Lease	704.88	-
		1,085.19	**286.04**
21	**CURRENT PROVISIONS:**		
a	Provisions for employee benefits:		
	- Compensated absences	62.63	87.90
b	Others:		
	- Provision for Warranty (Note Below)	26.01	101.36
		88.64	**189.26**
Note:	**Product Warranty:**		
	Opening Balance	101.36	101.36
	Additions	-	25.03
	Excess written back	(40.24)	-
	Utilizations	(35.11)	(25.03)
	Closing Balance	**26.01**	**101.36**

Notes to the Consolidated Financial Statements for the year ended March 31, 2019 - Continued:

Rs. in lacs

Note No.	Particulars	As at 31-March-2019	As at 31-March-2018
22	**CURRENT TAX LIABILITIES:**		
a	Income Tax Payable (Net of advance tax paid as at March 31, 2019 amounting to Rs. 6,695 lacs (As at March 31, 2018 amounting to Rs. 4,268 lacs))	171.31	387.99
		171.31	**387.99**
23	**OTHER CURRENT LIABILITIES:**		
a	Goods and Service Tax payable	488.55	630.64
b	Tax Deducted at source/Tax Collected at Source	59.40	45.71
c	Professional Tax payable	36.19	31.76
d	Other payable (refer Details below)	863.60	799.80
		1,447.74	**1,507.91**
Details of Other payable:			
23 (d)	**Other Payables:**		
a	Provision - Customer	670.36	522.51
b	Tool Advance Payable	42.51	128.00
c	Gratuity - (Refer Note 35)	130.23	132.78
d	Other Liabilities	20.50	16.51
		863.60	**799.80**

Rs. in lacs

Note No.	Particulars	Apr'18 To Mar'19	Apr'17 To Mar'18
24	**REVENUE FROM OPERATIONS:**		
	Sale of Products:		
a	Export Sales	2,271.91	1,764.84
b	Domestic Sales (including excise duty in the previous year)	50,429.35	45,000.86
		52,701.26	**46,765.70**
c	Discount to Customers (Turnover Discount)	(639.81)	(464.95)
		52,061.45	**46,300.75**
d	Other operating revenues		
	- Export benefits	101.14	56.04
	- Scrap sales and others	358.62	282.94
		52,521.21	**46,639.73**

24.1 Effective April 1, 2018, the Group adopted Ind AS 115, Revenue from Contracts with Customers and the effect of adoption of IND AS 115 was insignificant.

24.2 **Disaggregated revenue information:**

Based on the management approach as defined in IND AS 108 – Operating Segments, the Chief Operating Decision Maker (CODM) evaluates the Group's performance and allocates resources based on an analysis of various performance indicators by business segments. Accordingly, the Group has identified only one segment as reportable segment which is Electrical and Electronic products for two/three wheelers and engines. Refer Note 42.

24.3 **Trade Receivables and Contract Balances**

The Group classifies the right to consideration in exchange for deliverables as a trade receivable. A receivable is a right to consideration that is unconditional upon passage of time. In case of customers where the credit is allowed, the same is disclosed in Note 9 - Trade Receivables.

24.4 **Transaction price allocated to the remaining performance obligation:**

Applying the practical expedient as given in Ind AS 115, the Group has not disclosed the remaining performance obligation related disclosures for contracts where the revenue recognized corresponds directly with the value to the customer of the entity's performance completed to date, typically those contracts where invoicing is on time and material basis.

24.5 **Information about major customers :**

Customers from whom the revenue is more than 10 % of the revenue from external customers of the Group are as follows:

Name of the Customers	Apr'18 To Mar'19	Apr'17 To Mar'18
TVS Motors Limited	32,553.00	22,900.91
Hero Motorcorp	13,096.29	10,244.33
Greaves Cotton Limited	5,452.85	5,368.25
Others*	959.31	7,787.26
	52,061.45	**46,300.75**

* The Group has no other customers from whom the revenue is more than 10 % of the revenue from external customers of the Group.

Notes to the Consolidated Financial Statements for the year ended March 31, 2019 - Continued:

Rs. in lacs

Note No.	Particulars	Apr'18 To Mar'19	Apr'17 To Mar'18
25	**OTHER INCOME:**		
a	Interest Income earned on financial assets that are not designated as fair value through profit and loss:		
	i) Bank deposits (at amortised cost)	53.02	70.04
	ii) Investments (at amortized cost)	175.84	174.84
	iii) Other financial assets (at amortized cost)	0.40	3.30
b	Dividend Income from equity investments	210.70	184.11
c	Other Non-operating income	59.30	37.54
d	Other gains and losses		
	i) Net gain on sale of investments (carried at FVTPL)	594.11	173.12
	ii) Net gain on foreign currency transactions	24.76	32.50
	iii) Increase in fair value of investments (carried at FVTPL)	348.81	592.09
		1,466.94	**1,267.54**
26	**COST OF MATERIALS CONSUMED:**		
a	Opening Stock of Raw Materials	2,156.54	1,428.02
b	**Add:** Purchases	34,587.21	30,664.96
		36,743.75	**32,092.98**
c	**Less:** Closing stock of Raw Materials	2,514.48	2,156.54
		34,229.27	**29,936.44**
27	**CHANGE IN INVENTORIES:**		
	Inventories at the end of the period		
	Finished Goods	740.17	627.29
	Work-in-Progress	278.21	342.36
		1,018.38	**969.65**
	Inventories at the begning of the period		
	Finished Goods	627.29	471.39
	Work-in-Progress	342.36	274.79
		969.65	**746.18**
	Net (Increase) / Reduction	**(48.73)**	**(223.47)**
28	**OTHER OPERATING EXPENSES:**		
a	Stores & Other Consumables	727.79	689.13
b	Power & Fuel	650.89	588.26
c	Repairs to Building	225.48	181.41
d	Repairs to Machinery	357.36	325.26
e	Repairs Others	127.92	127.49
f	Technical Know-how / Support Fees	37.46	43.42
g	Other Expenses	133.56	110.30
		2,260.46	**2,065.27**
29	**EMPLOYEE BENEFIT EXPENSES:**		
a	Salaries & Wages	4,709.69	4,083.71
b	Contribution to Provident and other funds (Refer Note 34 & 35)	279.56	320.71
c	Staff Welfare expenses	759.54	758.71
		5,748.79	**5,163.13**

Rs. in lacs

Note No.	Particulars	Apr'18 To Mar'19	Apr'17 To Mar'18
30	**FINANCE COSTS:**		
a	Bank Charges	8.25	7.22
		8.25	**7.22**
31	**OTHER EXPENSES:**		
a	Rent (Refer Note 41)	116.50	113.52
b	Repairs to Vehicles	8.88	9.61
c	Insurance	47.81	57.55
d	Rates and Taxes (Excluding taxes on income)	19.60	22.72
e	Communication Expenses	73.31	41.13
f	Postage, Printing & Stationery	42.78	42.89
g	Sitting Fees	13.20	13.96
h	Travelling & Conveyance Expenses	256.29	171.07
i	Legal & Professional Charges	455.80	387.15
j	Management Charges (Refer Note 36)	309.71	-
k	Donation	3.56	25.88
l	Corporate Social Responsibility (Refer Note 45)	92.00	69.50
m	Recruitment Expenses	9.14	18.99
n	Remuneration to Watch and Ward	114.93	99.77
o	Commisson to Directors	265.20	186.40
p	After Sales service expenses (Warranty)	-	25.03
q	Exchange Fluctuation	57.17	-
r	Freight Outwards	235.99	237.69
s	Advertisement	6.07	5.99
t	Land Lease Prepayments Amortization	4.91	-
u	Sales promotion	169.97	122.42
v	**Audit Fees:**		
	a) Statutory Auditors:		
	i) Statutory Audit	12.00	12.00
	ii) Tax Audit	2.00	2.00
	iii) Other Attestation Matters	4.75	3.85
	iv) Other Services	-	1.10
	v) Reimbursement of Expenses	3.17	3.55
	b) Cost Audit	2.50	2.50
	c) Secretarial Audit	1.75	1.75
	d) Reimbursement - Other audits	1.34	1.17
w	Investment written off	114.53	-
x	Estate Service Fee	18.46	15.85
y	Others	156.05	171.98
		2,619.37	**1,867.02**
32	**ITEMS WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS:**		
	Increase/(decrease) in Fair Value of Investments	2,057.41	1,850.83
	Remeasurement of the defined benefit plan	(82.86)	(29.31)
	Increase/(decrease) of DTA on fair value investments	(316.79)	(320.59)
	Increase/(decrease) of DTA on defined benefit plan	28.95	10.14
		1,686.71	**1,511.07**

Rs. in lacs

Note No.	Particulars	Apr'18 To Mar'19	Apr'17 To Mar'18
33	**INCOME TAXES AND DEFERRED TAXES:**		
33.1	**Income tax expense in the statement of profit and loss comprise:**		
	Current taxes	2,221.29	1,987.01
	Deferred taxes	219.21	87.22
	Income tax expense	**2,440.50**	**2,074.23**
	The income tax expense for the year can be reconciled to the accounting profit as follows:		
	Profit before income taxes	8,294.81	7,053.95
	Applicable tax rates *	34.944%	34.608%
	Tax expenses using Company's applicable rate*	2,898.54	2,441.23
	Effect on expenses that are not deductible in determining taxable profit	33.55	46.77
	Effect of income that is exempt from taxation	(216.33)	(124.23)
	Effect of different tax rates for long term capital gains	(138.32)	(92.05)
	Effect of concessions on Research and Development expenses	(160.81)	(127.38)
	Effect of unused tax losses pertaining to Associate not recognised as deferred tax assets	35.97	13.63
	Effect of different tax rates of subsidiary operating in jurisdiction other than India	(2.30)	(3.31)
	Others - Permanent differences	(9.81)	(80.44)
	Total	**2,440.50**	**2,074.23**

* The tax rate used for the years 2018-2019 and 2017-2018 reconciliations above is the Corporate tax rate of 30%, applicable surcharge and cess payable by corporate entities in India on taxable profits under the Indian Law.

33.2	**Income Tax on Other Comprehensive Income**		
	Deferred taxes on Remeasurement of defined benefit obligation	28.95	10.14
	Deferred taxes on Fair value measurements of investments	(316.79)	(320.59)
	Total	**(287.84)**	**(310.45)**

33.3 Following is the analysis of the deferred tax asset/(liabilities) presented in the Balance sheet.

Particulars	Apr'18 To Mar'19			
	Opening Balance	Recognised in Profit & Loss	Recognised in OCI	Closing balance
Tax effect of items constituting deferred tax assets:				
Rebates and discounts	59.41	0.58	-	59.99
Leave encashment	120.61	22.18	-	142.79
Early separation scheme	1.26	(1.16)	-	0.10
Investments in Associates	775.86	-	117.94	893.80
Gratuity	55.08	6.07	28.95	90.10
Bonus	38.91	56.52	-	95.43
Others (includes other provisions)	59.71	(20.02)	-	39.69
Tax effect of items constituting deferred tax liabilities:				
Difference between depreciation as per Books of Account and Income Tax Act, 1961	(74.60)	(233.68)	-	(308.28)
Investments	(790.73)	(49.70)	(434.73)	(1,275.16)
Total deferred tax assets	**245.51**	**(219.21)**	**(287.84)**	**(261.54)**

Rs. in lacs

Particulars	Apr'17 To Mar'18			
	Opening Balance	Recognised in Profit & Loss	Recognised in OCI	Closing balance
Tax effect of items constituting deferred tax assets:				
Rebates and discounts	59.41	-	-	59.41
Leave encashment	96.45	24.16	-	120.61
Early separation scheme	6.12	(4.86)	-	1.26
Investments in Associates	592.78	-	183.08	775.86
Gratuity	43.83	1.11	10.14	55.08
Bonus	22.42	16.49	-	38.91
Others (includes other provisions)	12.67	47.04	-	59.71
Tax effect of items constituting deferred tax liabilities:				
Difference between depreciation as per Books of Account and Income Tax Act, 1961	(16.20)	(58.40)	-	(74.60)
Investments other than above	(174.29)	(112.76)	(503.67)	(790.73)
Total deferred tax assets	**643.19**	**(87.22)**	**(310.45)**	**245.51**

34 Employee Benefits:

The company provides for gratuity, a defined benefit retirement plan covering eligible employees. The gratuity plan provides a lumpsum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount on the respective employee's salary and the tenure of employment with the company. The employee benefits notified under section 133 of the companies act are given below:

a) Defined Contribution Plan:

i) Provident Fund:

Eligible employees receive benefits from a provident fund, which is a defined contribution plan. Aggregate contributions along with interest thereon are paid at retirement, death, incapacitation or termination of employment. Both the employee and the Company make monthly contributions to the Employee's Provident Fund scheme administered by Government of India equal to a specified percentage of the covered employee's salary.

ii) Superannuation Fund:

Eligible employees receive benefits from the superannuation fund, which is a defined contribution plan. Aggregate contributions alongwith interest theron are paid at retirement, death, incapacitation or termination of employment. The Company makes yearly contributions to the Superannuation Fund Scheme administered by Life Insurance Corporation of India. Liabilities with regard to the Superannuation fund are determined by the Life Insurance Corporation of India as the balance sheet date, based upon which, the company contributes all the ascertained liabilities to the Life Insurance Corporation of India's Employees Superannuation Fund.

The Company recognised Rs.217.20 Lacs (LY-212.35 Lacs) for Provident Fund and superannuation fund contribution in the statement of profit and loss.

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. The amount recognised as an expense towards contribution to Employee state Insurance for the year aggregated to Rs. 7.47 lacs (March 31, 2018: Rs. 13.11 lacs) and is included in "Staff Welfare Expenses".

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 30 days. 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 evaluated and accounted in the books.

c) Defined benefit Plan:

Gratuity:

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act, 1972 or the Company scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The Company provides the gratuity benefit through annual contributions to a fund managed by the Life Insurance Corporation of India (LIC).

These plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk: The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. When there is a deep market for such bonds; if the return on plan asset is below this rate, it will create a plan deficit. Currently, for these plans, investments are made in government securities, debt instruments, Short term debt instruments, Equity instruments and Asset Backed, Trust Structured securities as per notification of Ministry of Finance.

Interest risk: A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's investments.

Longevity risk: The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

In respect of the above plans, the most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as at 31 March 2019 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.

35 The following table set out the status of the gratuity plan and the amount recognised in the company's financial statement as at March 31, 2019 and March 31, 2018

Rs. in lacs

Particulars	For the Year Ended 31-Mar-2019	For the Year Ended 31-Mar-2018
Net Employee benefit expense recognized in the employee cost in statement of profit & loss account		
Current service cost	50.14	43.55
Interest cost on benefit obligation	62.70	51.98
Expected return on plan assets	(57.95)	(47.39)
Sub Total	54.89	48.14

Rs. in lacs

Particulars	For the Year Ended 31-Mar-2019	For the Year Ended 31-Mar-2018
Recognised in Other Comprehensive Income		
Net actuarial (gain)/loss recognized in the year		
i. Demographic Assumptions on obligation	-	-
ii. Financial Assumptions on obligation	-	-
iii. Experience Adjustments on obligation	81.22	27.82
iv. Financial Assumptions on plan assets	1.63	1.49
Sub Total	82.85	29.31
Net benefit expense	137.74	77.45
Balance Sheet		
Benefit asset / liability		
Present value of defined benefit obligation	1,011.71	836.66
Fair value of plan assets	881.48	703.88
Assets / (Liability) recognized in the balance sheet	**(130.23)**	**(132.78)**
Change in the present value of the defined benefit obligation		
Opening defined benefit obligation	836.65	721.63
Benefits paid	(19.01)	(19.14)
Expenses Recognised in Statement of Profit and Loss Account		
Current service cost	50.14	43.55
Past service cost	-	10.82
Interest cost on benefit obligation	62.70	51.98
Recognised in Other Comprehensive Income		
Actuarial (gain)/loss on obligation	81.23	27.81
Closing defined benefit obligation	**1,011.71**	**836.65**
Change in the fair value of plan assets		
Opening fair value of plan assets	703.87	554.30
Contributions by employer	140.29	125.85
Contributions transfer in	-	-
Benefits paid	(19.01)	(19.14)
Expenses Recognised in Profit and Loss Account		
Expected return	57.95	47.39
Recognised in Other Comprehensive Income		
Actuarial (gain) / loss on plan assets	(1.62)	(4.53)
Closing fair value of plan assets	**881.48**	**703.87**

Investment details of the plan assets: Company has deposited with Life Insurance Corporation of India (Group gratuity policy)

Assumptions		
Discount Rate (%)	7.46%	7.58%
Estimated Rate of Return on Plan Assets	7.58%	7.30%
Attrition Rate	6.00%	9.00%
Expected rate of salary increase (%)	7.00%	6.00%
Expected Average Remaining Service (years)	10.60%	8.60%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Notes to the Consolidated Financial Statements for the year ended March 31, 2019 - Continued:

Expected Benefit payments in the following years

Particulars	For the Year Ended 31-Mar-2019	For the Year Ended 31-Mar-2018
Within 1 year	68.31	95.53
1 - 2 years	87.22	93.37
2 - 3 years	72.90	93.44
3 - 4 years	77.93	81.2
4 - 5 years	123.86	81.65
Above 5 years	533.21	450.51

Sensitivity Analyses

A. Discount Rate + 50 BP	7.96%	8.08%
Defined Benefit Obligation [PVO]	97,261,836	81,083,711
Current Service Cost	5,778,567	4,847,849
B. Discount Rate - 50 BP	6.96%	7.08%
Defined Benefit Obligation [PVO]	105,339,877	86,396,034
Current Service Cost	6,325,850	5,191,407
C. Salary Escalation Rate +50 BP	7.50%	6.50%
Defined Benefit Obligation [PVO]	105,412,803	86,545,703
Current Service Cost	6,318,640	5,196,698
D. Salary Escalation Rate -50 BP	6.50%	5.50%
Defined Benefit Obligation [PVO]	97,154,631	80,918,425
Current Service Cost	5,767,633	4,842,095

36 Related Party Disclosures:

36.1 a) Related Parties and their relationship where control exists:

Joint Venturers of the Company : Mahle Electric Drives Japan Corporation (MEDJC) (formerly Kokusan Denki Company Limited-Japan)
Lucas Indian Service Limited (LIS)

Ultimate Parents of Joint Venturers of the Company : T V Sundram Iyengar & Sons Private Limited
Mahle GmbH

Subsidiary Company : PT Automotive Systems Indonesia

Associate Company : Synergy Shakthi Renewable Energy Private Limited

b) Related Parties and their relationship where transaction exists:

Relatives of Ultimate Parent Company : Lucas TVS Limited
Sundaram Clayton Limited
Sundram Fasteners Limited
TVS Motor Company Limited
TVS Capital Funds Private Limited

Entities in which KMP has significant influence : Delphi TVS Technologies Limited
TVS Educational Society

Entities in which Director(s) are interested : India Japan Lighting Private Limited
Subbaraya Aiyar, Padmanabhan and Ramamani Advocates

c) Key Managerial Personnel:

Key Managerial Personnel (KMP) : Mr Arvind Balaji - Managing Director
Mr Elango Srinivasan - Chief Financial Officer
Mr G Venkatram - Company Secretary (w.e.f. May 08, 2018)
Mr S Sampath - Company Secretary till May 08, 2018

Notes to the Consolidated Financial Statements for the year ended March 31, 2019 - Continued:

36.2 Disclosure in respect of transactions and balances with related parties.

Rs. in lacs

Description	Joint Venturers of the company		Subsidiary of the Company		Relatives of Ultimate Parent		Enterprise in which KMP has significant influence		Associate of the Company		Key Managerial Person		Entities in which Director(s) are interested	
Transactions during the Year	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**
MEDJC														
Support fee	3.27	14.44	-	-	-	-	-	-	-	-	-	-	-	-
Royalty	43.86	43.42	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Raw Materials	21.41	48.73	-	-	-	-	-	-	-	-	-	-	-	-
Travel Reimbursement	1.20	5.57	-	-	-	-	-	-	-	-	-	-	-	-
Dividend paid	301.67	139.23	-	-	-	-	-	-	-	-	-	-	-	-
Sales	16.44	14.69	-	-	-	-	-	-	-	-	-	-	-	-
LIS														
Sales	1,648.81	711.19	-	-									-	-
Travel Reimbursement	-	8.51	-	-	-	-	-	-	-	-	-	-	-	-
Rent	20.82	19.77	-	-	-	-	-	-	-	-	-	-	-	-
Dividend paid	674.53	311.32	-	-	-	-	-	-	-	-	-	-	-	-
LTVS														
Sales	-	-	-	-	-	-	381.11	13.31	-	-	-	-	-	-
Purchase of raw materials			-	-		-	-	12.89					-	-
Rent paid	-	-	-	-	-	-	89.17	84.32	-	-	-	-	-	-
Expenses reimbursed	-	-	-	-	-	-	394.33	329.49	-	-	-	-	-	-
Travel reimbursements received			-	-			8.23	-					-	-
Services rendered	-	-	-	-	-	-	574.79	456.71	-	-	-	-	-	-
Dividend received	-	-	-	-	-	-	184.97	165.49	-	-	-	-	-	-
TVS Motors														
Sales	-	-	-	-	32,553.00	22,900.91	-	-	-	-	-	-	-	-
Purchase of Raw Materials	-	-	-	-	25.13	-	-	-	-	-	-	-	-	-
Brakes India Private Limited	-	-					-	-	-	-	-	-		
Purchase of raw materials	-	-	-	-	-	1.33	-	-	-	-	-	-	-	-
Mahle Holding (India) Pvt Ltd	-	-					-	-	-	-	-	-		
Expenses reimbursed	-	-	-	-	0.12	0.50	-	-	-	-	-	-	-	-
Sundaram Clayton Limited	-	-					-	-	-	-	-	-		
Services rendered	-	-	-	-	6.60	4.72	-	-	-	-	-	-	-	-
Sundaram Fastners Limited	-	-					-	-	-	-	-	-		
Purchase of raw materials	-	-	-	-	515.09	249.48	-	-	-	-	-	-	-	-
Delphi TVS Technologies Limited	-	-					-	-	-	-	-	-		
Sales	-	-	-	-	54.74	104.27	-	-	-	-	-	-	-	-

Notes to the Consolidated Financial Statements for the year ended March 31, 2019 - Continued:

Rs. in lacs

Description	Joint Venturers of the company		Subsidiary of the Company		Relatives of Ultimate Parent		Enterprise in which KMP has significant influence		Associate of the Company		Key Managerial Person		Entities in which Director(s) are interested	
Transactions during the Year	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**
India Japan Lighting Pvt Ltd	-	-					-	-	-	-	-	-		
Sales	-	-	-	-	-	-	-	-	-	-	-	-	90.70	20.70
Raw Materials Purchase	-	-	-	-	-	-	-	-	-	-	-	-	-	0.18
TVS Educational Society														
Services rendered	-	-	-	-	814.65	128.55	-	-	-	-	-	-	-	-
TVS Capital Funds Private Limited														
Investment in funds	-	-	-	-	-	100.00	-	-	-	-	-	-	-	-
Redemption of funds	-	-	-	-	255.01	279.65	-	-	-	-	-	-	-	-
Increase in fair value	-	-	-	-	104.25	224.55	-	-	-	-	-	-	-	-
Interest received	-	-	-	-	1.01	1.56	-	-	-	-	-	-	-	-
Subbarayya Aiyar Padbhanabhan and Ramamani														
Services rendered	-	-	-	-	-	-	-	-	-	-	-	-	10.00	-
KMP														
Remuneration paid / Payable (Short-term employee benefits):	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mr Arvind Balaji - Managing Director	-	-	-	-	-	-	-	-	-	-	289.96	207.89	-	-
Mr Elango Srinivasan - Chief Financial Officer	-	-	-	-	-	-	-	-	-	-	51.18	45.50	-	-
Mr G Venkatram - Company Secretary (w.e.f May 08, 2018)	-	-	-	-	-	-	-	-	-	-	20.00	-	-	-
Mr S Sampath - Company Secretary (till May 08, 2018)	-	-	-	-	-	-	-	-	-	-	2.55	30.49	-	-

Notes to the Consolidated Financial Statements for the year ended March 31, 2019 - Continued:

36.2 Disclosure in respect of transactions and balances with related parties - Continued :

Rs. in lacs

Description	Joint Venturers of the company		Subsidiary of the Company		Relatives of Ultimate Parent		Enterprise in which KMP has significant influence		Associate of the Company		Key Managerial Person		Entities in which Director(s) are interested	
Balances as at year end	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**
Trade Payables:														
LIS	1.59	0.14			-	-	-	-	-	-	-	-		
LTVS	-	-			155.13	188.60	-	-	-	-	-	-		
Sundaram Clayton Limited	-	-			1.33	1.23	-	-	-	-	-	-		
MEDJC	1.01	27.69			-	-	-	-	-	-	-	-		
Mahle Holding (India) Pvt Ltd	-	-			-	0.22	-	-	-	-	-	-		
Subbarayya Aiyar Padbhanabhan And Ramamani	-	-			-	-	-	-	-	-	-	-	9.00	
TVS Educational Society	-	-			-	-	31.95	-	-	-	-	-		
India Japan Lighting Pvt Ltd	-	-			-	-	-	-	-	-	-	-		0.23
Other Financial Liabilities:														
KMP (Commission payable)	-	-			-	-	-	-	-	-	196.50	130.00		
Trade Receivables:														
LIS	383.02	203.79			-	-	-	-	-	-	-	-		
India Japan Lighting Pvt Ltd	-	-			-	-	-	-	-	-	-	-	9.05	20.06
Delphi TVS Technologies Limited	-	-			-	-	6.73	-	-	-	-	-		
TVS Motors	-	-			5,523.05	5,025.39	-	-	-	-	-	-		
MEDJC	16.68	13.31			-	-	-	-	-	-	-	-		
LTVS	-	-			90.67	16.91	-	-	-	-	-	-		
Investments in Equity Shares:														
PT ASI	-	-			-	-	-	-	-	-	-	-		
SSREL	-	-			-	-	-	-	362.99	465.93	-	-		
LTVS	-	-			9,187.37	7,129.94	-	-	-	-	-	-		
Investments in Venture Capital Fund:														
TVS Capital Funds Private Limited	-	-			675.62	826.39	-	-	-	-	-	-		

37 EXPENDITURE ON R&D:

Rs. in lacs

Description	2018-19	2017-18
(a) Capital (Refer Note 1 below)	280.75	136.84
(b) Revenue: (Refer Note 2 below)		
Salary	438.99	380.69
Electricity	15.52	11.00
Travel	41.47	18.00
Outsourcing	3.04	26.96
Revenue & Others	154.07	162.66
	653.09	**599.31**
Total R & D expenditure (a) + (b)	**933.84**	**736.15**

Note 1 - This expenditure is included in additions for the year. Refer Note 4.1 and 4.2 to the financial statements.
Note 2 - This expenditure are included in the respective head under Other Expenses. Refer Note 31 to the financial statements.

38 FINANCIAL INSTRUMENTS

The carrying value and fair value of financial instruments by categories as of March 31, 2019 were as follows:

Rs. In lacs

Particulars	Amortised Cost	FVTPL	FVOCI	Total carrying value	Total fair value
Financial assets					
Investments					
Equity Shares*	362.99	-	9,213.21	9,576.20	9,576.20
Mutual Funds and Bonds	2,154.51	14,352.87	-	16,507.38	16,603.84
Trade receivables	10,397.86	-	-	10,397.86	10,397.86
Loans	93.49	-	-	93.49	93.49
Cash and cash equivalents	609.81	-	-	609.81	609.81
Other bank balances	772.83	-	-	772.83	772.83
Other Financial Assets	129.55	-	-	129.55	129.55
Total	**14,521.04**	**14,352.87**	**9,213.21**	**38,087.12**	**38,183.58**
Financial liabilities					
Trade payables	7,526.83	-	-	7,526.83	7,526.83
Other Financial Liabilities	1,085.19	-	-	1,085.19	1,085.19
Total	**8,612.02**	**-**	**-**	**8,612.02**	**8,612.02**

* Investments in equity shares shown under amortised cost represents Investments in Associate which is accounted for under Equity method of Accounting.

The carrying value and fair value of financial instruments by categories as of March 31, 2018 were as follows:

Rs. In lacss

Particulars	Amortised Cost	FVTPL	FVOCI	Total carrying value	Total fair value
Financial assets					
Investments					
Equity Shares*	465.93	-	7,155.78	7,621.71	7,621.71
Mutual Funds and Bonds	2,154.51	12,830.02	-	14,984.53	15,195.51
Trade receivables	9,334.69	-	-	9,334.69	9,334.69
Loans	92.98	-	-	92.98	92.98
Cash and cash equivalents	428.22	-	-	428.22	428.22
Other bank balances	1,007.57	-	-	1,007.57	1,007.57
Other Financial Assets	140.65	-	-	140.65	140.65
Total	**13,624.55**	**12,830.02**	**7,155.78**	**33,610.35**	**33,821.33**

Rs. In lacss

Particulars	Amortised Cost	FVTPL	FVOCI	Total carrying value	Total fair value
Financial liabilities					
Trade payables	7,639.10	-	-	7,639.10	7,639.10
Other Financial Liabilities	286.04	-	-	286.04	286.04
Total	**7,925.14**	**-**	**-**	**7,925.14**	**7,925.14**

* Investments in equity shares shown under amortised cost represents Investments in Associate which is accounted for under Equity method of Accounting.

The carrying amounts for trade receivables, trade payables and cash and cash equivalents are considered to be the same as their fair values due to their short-term nature. For Financial assets that are measured at fair value, the carrying amounts are equal to the fair values.

Fair value measurements

(i) Fair value hierarchy

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped 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: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (prices) or indirectly (derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data.

(ii) Financial assets measured at fair value through Profit & Loss (FVTPL) on a recurring basis

Rs. in lacs

31 March 2019	Level 1	Level 2	Level 3	Total
Investments in Venture capital Funds	-	875.63	-	875.63
Investment in Mutual Funds	-	13,477.24	-	13,477.24
Total	-	14,352.87	-	14,352.87

31 March 2018	Level 1	Level 2	Level 3	Total
Investments in Venture capital Funds	-	926.39	-	926.39
Investment in Mutual Funds	-	11,904	-	11,903.63
Total	-	12,830.02	-	12,830.02

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. The investments in mutual funds and venture capital funds are in open ended schemes which are not listed on any recognised stock exchanges. The NAVs are based on the data published by the respective Asset Management Companies. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

(iii) Financial assets measured at fair value through Other Comprehensive Income (FVTOCI) on a recurring basis

Rs. in lacs

31 March 2019	Level 1	Level 2	Level 3	Total
Un listed equity instruments	-	-	9,239.05	9,239.05
Total	-	-	9,239.05	9,239.05

31 March 2018	Level 1	Level 2	Level 3	Total
Un listed equity instruments	-	-	7,181.62	7,181.62
Total	-	-	7,181.62	7,181.62

The investments in equity instruments are not held for trading. Instead, they are held for medium or long-term strategic purpose. Upon the application of Ind AS 109, the Group 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 Group 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 description in any other manner. IND AS 109 requires an equity share other than investments in subsidiaries, associates and joint ventures to be valued at "Fair Value Through Other Comprehensive Income" if elected initially or valued at "Fair Value Through Profit and Loss Account". However, on account of what is stated in the previous paragraph, these shares are shown at cost and the fair value is deemed to be the cost. Accordingly, investment in IRIS Ecopower is considered to be a Level 3 fair valuation.

"The Group 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).

Significant unobservable inputs - EV/EBITDA Multiple at 6.5x

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 Rs. 7,936.87 lacs and an increase in the multiple by 0.5x would result in a increase in the fair value by Rs. 7,936.87 lacs .

There are no transfer between levels during the periods.

(iv) Fair value of financial assets and financial liabilities that are not measured at fair value

The Group considers that the carrying amount of financial assets and financial liabilities recognised at amortised cost in the balance sheet approximates their fair value. Fair value hierarchy of these financial assets and liabilities are categorized as Level 3.

(v) Reconciliation of Level 3 fair value measurements of unlisted equity shares irrevocably designated as at FVTOCI

Rs. in lacs

Particulars	Apr'18 To Mar'19	Apr'17 To Mar'18
Opening Balance	7,129.94	4,821.13
Total gains recognized in other comprehensive income	2,057.41	2,308.81
Closing Balance	**9,187.35**	**7,129.94**

39 Financial Risk Management Objectives and Policies

a Financial Risk Management Framework

Group's principal financial liabilities comprise trade payables and Other financial liabilities. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include Investments, Trade receivables, loans, cash and bank balances and other financial assets.

Risk Exposures and Responses

The Group is exposed to credit risk, market risk and liquidity risk. The Board of Directors reviews policies for managing each of these risks, which are summarised below.

i) Credit risk

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a 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 Group only transacts with entities that are rated the equivalent of investment grade and above. The Group uses other publicly available financial information and its own trading records to rate its major customers. The Group'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 March 2019, 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.

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 Group has no outstanding borrowings and investment in bonds at fixed rates. Accordingly, no Interest risk is perceived.

Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instruments will fluctuate because of changes in foreign exchange rates. The Holding Company is exposed to foreign exchange risk arising from transactions i.e. imports of materials, recognised assets and liabilities denominated in a currency that is not the company's functional currency.

The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are as under:

Particulars	Currency	Exchange Rate	Amount in Foreign Currency	Amount in Rs. Lacs
			March 31, 2019	
Trade Receivables	EUR	76.36	1.05	80.09
	USD	68.31	6.98	476.48
	JPY	0.64	53.09	33.87
	GBP	91.90	0.10	9.63
Trade Payables	USD	68.31	9.02	616.22
	GBP	91.90	0.01	0.92
			March 31, 2018	
Trade Receivables	EUR	79.80	1.82	144.95
	USD	65.17	3.28	214.00
	JPY	0.61	1.44	0.88
Trade Payables	USD	65.17	10.65	694.14
	JPY	0.61	34.58	21.11

Foreign currency sensitivity

The Holding Company is exposed to the following currencies - Euro, US Dollars and Japan Yen.

The following table details the Holding Company's sensitivity to a 5% increase and decrease in the Rs. against the relevant foreign currencies. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates.

Rs. in lacs

		March 31, 2019		March 31, 2018	
Particulars	**Currency**	**Increase**	**Decrease**	**Increase**	**Decrease**
Effect on profit before tax	EUR	4.00	(4.00)	7.25	(7.25)
(Increase/(Decrease)	USD	(6.99)	6.99	(24.01)	24.01
	JPY	-	-	(1.01)	1.01
	GBP	0.48	(0.48)	-	-
Effect on equity	EUR	11.25	(11.25)	7.25	(7.25)
(Increase/(Decrease)	USD	(30.99)	30.99	(24.01)	24.01
	JPY	(1.01)	1.01	(1.01)	1.01

Commodity Risk

The Group 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 Group's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Group has no outstanding bank borrowings. The Group 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 Group's financial liabilities:

The tables below set out the maturities of the Group's financial liabilities:

Rs. in lacs

	At 31 March 2019				
Particulars	**Up to 1 year**	**1 to 3 years**	**3 to 5 years**	**5 years and above**	**Total**
Trade and other payables - Non interest bearing	7,526.83	-	-	-	7,526.83
Other financial liabilities	1,085.19	-	-	-	1,085.19
Total	**8,612.02**	**-**	**-**	**-**	**8,612.02**

	At 31 March 2018				
Particulars	**Up to 1 year**	**1 to 3 years**	**3 to 5 years**	**5 years and above**	**Total**
Trade and other payables - Non interest bearing	7,639.10	-	-	-	7,639.10
Other financial liabilities	286.04	-	-	-	286.04
Total	**7,925.14**	**-**	**-**	**-**	**7,925.14**

The tables below set out the maturities of the Group's financial assets:

Particulars	At 31 March 2019				
	Up to 1 year	1 to 3 years	3 to 5 years	5 years and above	Total
Trade receivables (non interest bearing instruments)	10,397.86	-	-	-	10,397.86
Investments (variable interest bearing instruments)	13,477.24	-		12,606.34	26,083.58
Other financial assets (variable interest bearing instruments)	1,471.29	134.39	-	-	1,605.68
Total	**25,346.39**	**134.39**	**-**	**12,606.34**	**38,087.12**

Particulars	At 31 March 2018				
	Up to 1 year	1 to 3 years	3 to 5 years	5 years and above	Total
Trade receivables (non interest bearing instruments)	9,334.69	-	-	-	9,334.69
Investments (variable interest bearing instruments)	10,935.78	-		11,670.46	22,606.24
Other financial assets (variable interest bearing instruments)	1,536.98	132.44	-	-	1,669.42
Total	**21,807.45**	**132.44**	**-**	**11,670.46**	**33,610.35**

40 Contingent liabilities & Commitments

Particulars	As at 31-March-2019	As at 31-March-2018
(i) Contingent liabilities		
Other money for which the Group is contingently liable	2.00	2.00
(ii) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	389.11	94.85

41 Operating Lease

The Group is obligated under some cancellable operating leases for office premises which are renewable on a periodical basis. The lease payments under cancellable operating leases for the year ended 31 March 2019 amounts to Rs. 31.41 lacs (PY - Rs. 71.98 lacs).

The Group has also entered in to non - cancellable operating lease agreements primarily for factory space at Rewari and Kolhapur plant. The lease period is for 10 years. The lease payments under non-cancellable leases for the year ended 31 March 2019 amounts to Rs. 85.09 lacs (PY - Rs. 42.54 lacs), the future expected minimum lease payments under Operating Leases are as follows:

Rs. in lacs

Particulars	Apr'18 To Mar'19	Apr'17 To Mar'18
i) Not later than one Year	87.93	87.35
ii) Later than one year and not later than five years	339.92	342.13
iii) Later than five years	329.18	446.69
Total	**757.03**	**876.17**

42 OPERATING SEGMENT:

The operations of the Group relate to only one segment which is Electrical and Electronic products for two/three wheelers and engines. The Chief Operating Decision Maker (Board of Directors) review the operating results as a whole for purposes of making decisions about resources to be allocated and assess its performance, the entire operations are to be classified as a single business segment. The geographical segments considered for disclosure are – India and Rest of the World. All the manufacturing facilities are located in India. Accordingly, there is no other reportable segment as per Ind AS 108 Operating Segments.

Geographical Information

Revenue and receivables are specified by location of customers while the other geographic information is specified by the location of the assets. The following table presents revenue, expenditure and assets information regarding the Group's geographical segments:

Rs. in lacs

Particulars	Apr'18 To Mar'19	Apr'17 To Mar'18
Revenue from Operations:		
India	50,249.30	44,874.89
Rest of the World	2,271.91	1,764.84
Segment Assets:		
India	49,111.45	42,674.02
Rest of the World	1,857.27	1,590.92
Capital Expenditure:		
India	1,555.11	1,751.75
Rest of the World	-	-

43 Amount of dividend paid and proposed to Equity share holders

Rs. in lacs

Particulars	Apr'18 To Mar'19	Apr'17 To Mar'18
Dividends on Equity shares declared and paid:		
Interim dividend for the year ended 31 March 2019, Rs.6.5 per share (31 March 2018, Rs. 3 per share)	1,470.39	678.64
Dividend tax paid on the above	302.24	138.15
Proposed dividends on Equity shares*:		
Second interim and final dividend for the year ended 31 March 2019, Rs. 4 per share (PY: 3.5)	904.86	791.75

* Proposed dividend on equity shares are not recognised as a liability (including DDT thereon) as at 31 March 2019.

44 Note on Earnings per share:

Rs. in lacs

Particulars	Apr'18 To Mar'19	Apr'17 To Mar'18
Profit after tax (A) (Rs. in lacs)	5,854.31	4,979.72
Number of equity shares of Rs.5 each at the beginning of the year	22,621,424	11,310,712
Number of equity shares of Rs.5 each at the end of the year (B)	22,621,424	22,621,424
Earnings per share (basic and diluted in Rupees) (A/B)	25.88	22.01

45 Details of CSR Expenditure:

Rs. in lacs

Particulars	Apr'18 To Mar'19	Apr'17 To Mar'18
a. Gross amount required to be spent by the Company during the year	92.00	69.50
b. Amount spent during the year on:		
Category		
(i) Construction/Acquisition of Asset:		
In cash	- NIL -	- NIL -
Yet to be paid in cash	- NIL -	- NIL -
(ii) On purposes other than (i) above		
In cash	92.00	69.50
Yet to be paid in cash	- NIL -	- NIL -

46 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006:

Rs. in lacs

Particulars	Apr'18 To Mar'19	Apr'17 To Mar'18
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	2,064.91	-
(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	-	-

Micro, Small & Medium Enterprises have been determined to the extent such parties have been identified on the basis of confirmations from such parties collected by the Management till date. Previous year numbers have not been disclosed since such confirmations were not available as at the date of reporting for year ended March 31, 2018.

47 Approval of Financial Statements

The consolidated financial statements were approved for issue by the board of directors on May 30, 2019.

For and behalf of the Board

T K Balaji
Chairman

Arvind Balaji
Managing Director

Place : Chennai
Date : May 30, 2019

Elango Srinivasan
Chief Financial Officer

G Venkatram
Company Secretary

INDIA NIPPON ELECTRICALS LIMITED

Regd. Office: 11 & 13, Patullos Road, Chennai – 600 002
CIN: L31901TN1984PLC011021, Email: inelcorp@inel.co.in
Phone: 044-2846 0073,

ATTENDANCE SLIP

Name and Address of the Shareholder	Folio No.	:
	DP ID / Client ID	:
	No. of Shares held	:

I / We being the Registered Shareholder/Proxy for the Registered Shareholder of the Company hereby record my / our presence at the 34th Annual General Meeting of the Company being held on Friday, 16th August 2019 at 10 A.M. at Kasturi Srinivasan Hall (Mini Hall), The Music Academy, No.168, TTK Road, Royapettah, Chennai - 600 014

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Name of the Shareholder / Proxy Signature of Shareholder / Proxy

Note: Please fill up this attendance slip and hand it over at the entrance of the meeting hall at the registration desk. Members are requested to bring their copies of the Annual Report to the AGM.

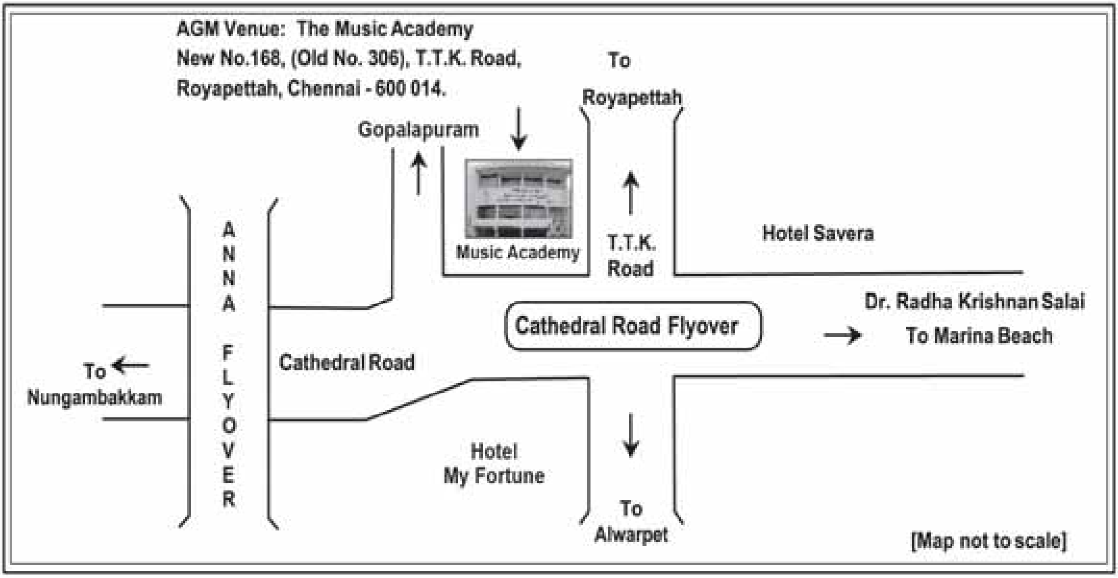
E-VOTING

Users who wish to opt for e-voting may use the following login credentials.

EVSN (E-Voting Event Number)	USER ID	PASSWORD
190710008		

Please follow the steps for e-voting procedure as given in the Notice of AGM or by logging on to the website of CDSL www.evotingindia.com

Route map for the venue of AGM of India Nippon Electricals Limited to be held on Friday 16th August 2019 at 10 A.M.



INDIA NIPPON ELECTRICALS LIMITED

Regd. Office: 11 & 13, Patullos Road, Chennai – 600 002
CIN: L31901TN1984PLC011021, Email: inelcorp@inel.co.in
Phone: 044-2846 0073,

PROXY FORM

FORM No. : MGT 11

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN	: L31901TN1984PLC011021	E-Mail ID	:
Name of the Company	: India Nippon Electricals Limited	Folio No.	:
Registered Office	: 11 & 13, Patullos Road, Chennai – 600 002	DP ID / Client ID	:
		No. of Shares	:
Name of the Member(s)	:		
Registered Address	:		

I/We being the Member(s) of India Nippon Electricals Limited holding ___________ Equity Shares, hereby appoint:

S.No.	Name	Address	Email id	Signature	
1					Or failing him
2					Or failing him
3					

as my/our Proxy to attend and vote (on a poll) on my/our behalf at the 34th Annual General Meeting of the Company to be held on Friday, 16th August 2019 at 10.00 A.M. at Kasturi Srinivasan Hall (Mini Hall), The Music Academy, No.168, TTK Road, Royapettah, Chennai - 600014 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution	Vote	
Ordinary Business		For	Against
1.	Adoption of audited accounts for the year ended 31st March 2019 and the Directors' and Auditors' report thereon		
2.	Declaration of Dividend for the year 2018-19		
3.	Election of Mr T K Balaji as Director liable for retirement by rotation		
Special Business			
4.	Appointment of Independent Director: Mr Anant Jaivant Talaulicar		
5.	Re-Appointment of Independent Director: Mr V Balaraman		
6.	Re-Appointment of Independent Director: Mr K G Raghavan		
7.	Re-Appointment of Independent Director: Mr R Vijayaraghavan		
8.	Re-Appointment of Independent Director: Dr Jayshree Suresh		
9.	Ratification of the remuneration of Mr K Suryanarayanan, the Cost Auditor for the year 2019-20		

Signed this ____ day of _________________ 2019. Signature of Member __________________

Signature of Proxy holder ________________________

Affix Re.1/- Revenue Stamp

Notes:

1. This form of Proxy in order to be effective should be duly completed and deposited at the Registered office of the Company or at the Office of the Share Transfer Agent namely Sundaram-Clayton Limited at "Jayalakshmi Estates" 1st Floor, No. 29, Haddows Road, Chennai 600 006, not less than 48 hours before the commencement of the meeting.
2. It is optional to put a in the appropriate column against the resolutions indicated in the box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/ she thinks appropriate.


India Nippon Electricals Ltd
PRODUCTS
REGULATOR & RECTIFIER UNIT
IGNITION COIL
STATORS
ROTORS
ISG SYSTEM
EFI SYSTEM
ELECTRONICS MANUFACTURING & SERVICES
CONTROLLER PCB ASSY - WHITE GOODS
ECU PCB ASSY - PASSENGER CAR
LED PCB ASSY - 2/4 WHEELER
CONTROLLERS
CONTROL UNIT WITH IMMOBILIZER
ENGINE CONTROL UNIT - EFI
SEAT HEATER & BLOWER CONTROLLER
RADIATOR FAN CONTROLLER
SOLENOID
IMMOBILIZER
DIGITAL CLUSTER
BODY CONTROL MODULE
SENSORS
DIFFERENTIAL PRESSURE SENSOR
OIL LEVEL SENSOR
TEMPERATURE SENSOR
VR SENSOR
AIR TEMPERATURE SENSOR
THROTTLE POSITION SENSOR – ROTARY TYPE
SPEED SENSOR
THROTTLE POSITION SENSOR – LINEAR TYPE
INTEGRATED SENSOR
ELECTRONIC FUEL INJECTION SYSTEM
FUEL PUMPS B/O
IGNITION COILS
ENGINE CONTROL UNITS
VEHICLES COMMUNICATION INTERFACE
LAMBDA SENSORS B/O
THROTTLE BODIES B/O
B/O-Bought Out
TEMPERATURE SENSORS
T-MAP, TPS sensor
INJECTORS B/O