

**37th Annual General Meeting of
India Nippon Electricals Ltd
Held at 10 AM on 21st September 2022
through VC/ OAVM
(Transcript of the Meeting)**

CDSL Moderator: Good Morning all, Welcome to the 37th Annual General meeting of India Nippon Electricals Limited. We are live now and we hand over the proceedings to the Panellists.

Compliance Officer: A very good morning to all the panelists and all the shareholders who are participating in this meeting through video conferencing. A warm welcome to our company's 37th Annual General Meeting. We have engaged the services of Central Depository Services (India) Limited (CDSL) represented by Moderator Mr. Basheer for this AGM for a seamless connectivity and to conduct the meeting. To all the participants, I confirm that we have a requisite quorum for this meeting and hence we shall start the proceedings with a prayer song.

(Prayer Song)

Compliance Officer: This meeting is being held through video conferencing as permitted by the Ministry of Corporate Affairs and SEBI through various circulars/ notifications issued. In order to have a seamless proceedings, CDSL disabled the audio and video of all the participants except the panelists. The proceedings of this meeting is being recorded for compliance purposes. Now, I request our Chairman to have a few words and also to introduce the Directors to the shareholders.

Chairman: Thank you, I extend a very warm welcome to the shareholders for this 37th AGM of the company. I have great pleasure in introducing the directors of the company to the shareholders, some of whom maybe participating for the first time. Let me first start by introducing two of our senior directors who are associated with the company for many years and it will be the end of their office at this AGM. Mr. Balaraman has been serving our Board since 2008. Mr. Balaraman had a rich corporate experience as MD of Ponds India Ltd and he was a Director-Exports of Hindustan Unilever Ltd and he held independent directorship position in many entities. On behalf of the shareholders, I thank Mr Balaraman for his invaluable guidance during his period. Balaraman, would you like to say a few words as its your last AGM at INEL.

V Balaraman: Thank you Mr. Balaji. Thank you, shareholders. India Nippon Electricals is a unique company. A company with very high corporate moral standards, ethical standards of corporate governance and it has on its Board and Management a very competent people committed with high personal character and it is a company that has always done extremely well. Every time the

Board asks for more- better performance, the company delivered it and I believe it has a bright future. It will be a model for many Indian corporates in the years to come and I had an excellent tenure with this company. Very satisfying tenure, one, where I could play a role. They respect the directors, they listen to them and they respond with positive action. So, I wish you and this company a great future.

Chairman: Thank you. I then move on to Dr. Jayshree Suresh. She has been on our Board since 2014 as an Independent Director and she has had a very rich academic career after Ph.D. and M.B.A. She was a Dean and Faculty of Management of SRM University and she had won many faculty awards. As Chairman of the CSR Committee, she played a very significant role in guiding and giving direction for CSR activities. I request Jayshree Suresh to say a few words.

Jayshree Suresh: Thank you very much to the Chairman and to the shareholders. Thank you so much for giving me this opportunity where I have learnt so much from the Board meetings which I am able to transfer it in classrooms and about 4000 students are benefitted from the practical knowledge that I have been sharing with the students. I agree and confirm with what Mr Balaraman said-the corporate governance standards and ethical standards are very high and the respect that is given for whatever you say as Director. I wish the company a bright future and INEL will reach a turnover of more than Rs.1000 crores shortly. Thank you so much.

Chairman: Thank you, Jayashree. I would now, like to introduce other directors. Mr. Raghavan is a senior advocate in Karnataka High Court and he has held very distinguished position in the judicial framework of our company. I would like Mr. Raghavan to say a few words.

K G Raghavan: Thank you Mr. Chairman for giving this opportunity. I am indeed fortunate to be in the company of so many distinguished persons on the Board of this company. And it has been a great experience for me to work along with you in the corporate field. And I have seen that this company has had such a sound foundation in corporate governance i.e., it sets standards for the industry. And I am glad to be part of this great adventure. Thank you for this opportunity.

Chairman: Thank you. Now I would like to introduce 2 of the new Directors as well, who have also joined the meeting. Mr. Heramb Hajarnavis joined our Board very recently i.e., in August. He brings to the Board, a very rich experience. In the world of enterprise, he has had a rich experience in supporting entrepreneurs in his various capacities as part of KKR's Indian Private Equity Business including in Goldman Sachs, Global advisory Board of TVS Supply Chain Solutions. He brings to us a very different perspective which we hope our Company will benefit from.

Heramb Hajarnavis: Good morning. Thank you, Chairman, thank you shareholders. I'm excited to be on the Board and look forward to working closely with management in trying to capture the

various opportunities that are in front of the company. So, thank you for this opportunity and I'm very excited to be here. Thank you.

Chairman: Next, I would like to introduce another director who has joined us recently in August. Ms. Gangapriya Chakraverti is an India Site Lead and Managing Director at Ford's Global Business Services Organization in Chennai. She has had a rich experience and was associated with Ford as a Director-Human Resources after spending over a decade at Mercer Consulting. I now request Ms. Gangapriya Chakraverti to say a few words.

Gangapriya Chakraverti: Thank you Gentlemen. Good morning to all of you. This is a wonderful opportunity for me and I'm looking forward to partnering with all my fellow board members to take this organization to greater heights. I think with all the volatility and uncertainty that's looming around us, I think it's a great time for us to be part of this journey and make history happened. Thank you for this opportunity. Looking forward to working with all of you.

Chairman: Thank you Gangapriya. I would like to introduce Mr. Anant Talaulicar who had joined the Board in 2019. Many of you might know he has been serving in a very senior capacity in Cummins India as well as Cummins globally having a very rich automotive experiences and has been an advisor and lecturer at the S P Jain Institute of Management & Research for many years. He is the Chairman of the Risk Management Committee guiding our company in terms of future business direction. I would like Anant Talaulicar to say few words.

Anant Talaulicar: Thank you Mr Chairman. It's a distinct privilege and a pleasure to serve on the Board of India Nippon Electricals Limited.

Dear Shareholders, I am also on 6 other listed company's Boards and I can assure you as I compare across, INEL upholds the highest standards of integrity and essentially ensures all that the interests of not just shareholders but of all stakeholders are protected including employees, customers, suppliers as well as the larger community. So, it's my privilege to have the opportunity to serve all of you. Thank you.

Chairman: Thank you Anant. Next, I am introducing Jacob Ruemmler and he is the CFO of Mahle India. He has significant experience in the field of finance for many years and now I request Jacob to say a few words.

Jakob Ruemmler: Yes, Thank you Mr. Chairman. Greetings to the other directors and to the shareholders. I'm also very pleased to be part of the INEL Board. It's very interesting to see how this company develops. It's interesting to be part of it. And we are doing our best as being a shareholder and me and my capacity as a director to support the future growth in the shape of this company. Thank you.

Chairman: Thank you Mr. Jacob, now I would like to introduce Momose San. He has joined from Japan who represents Kawakami San who is on the Board of INEL. He joined today on behalf of Kawakami San as he could not attend today. Momose San was associated with the Company since 2014 as a Director. I request Momose San to say a few words.

Tadaya Momose: Good afternoon everybody. Today I'm joining this meeting on behalf of Mr. Kawasaki, Director. I know the opportunity of this company and India Nippon in the future. So we will strive to work together and will reach the desired growth. Thank you very much.

Chairman: Thank you and now I have pleasure in introducing Ms. Priyamvada Balaji who is a Director of Lucas Indian Service Ltd also Executive Director on the Board of Lucas TVS Ltd and she had joined the Board of INEL in 2018.

Priyamvada: Thank you, Chairman.

Chairman: She brings with her the rich experience she has had in financial Services and credit ratings. She is a graduate in Economics and an MBA from IIM, Ahmedabad and she has been actively in business. I would like Ms. Priyamvada to say a few words.

Priyamvada: Hi good morning, everyone. It's great to be here and it's been a warm welcome to the new Board members. I think it's great to be part of an agile fast moving electrical business which has shown a very strong track record of performance and governance together and I continue to be a part of it and do everything I can to support the company and the team.

Chairman: Thank you, Priyamvada. Finally, I have great pleasure in introducing your Managing Director, Mr. Arvind Balaji who has been serving the Board since 2008. He did his BE and MS in Manufacturing System Engineering from Stanford University besides M.B.A. (Finance) from the Wharton School. He started his career in New York as an Associate in Banc of America and presently he is the Managing Director of Lucas TVS Ltd. He's been guiding the company in pricing for the last, I would say nearly, 10 years. I request the Managing director to say a few words.

Managing Director: Good Morning, everyone. It's a pleasure to be here. It's an honour for me to be the Managing Director of INEL over the last 10 years. It's been a very interesting journey. I think especially going forward as we shape up against the new realities. I'm excited about the way forward and the actions we are taking. I look forward to working with the new directors as we shape the new strategy for our company in this fast changing environment. Thank you very much.

Chairman: Mr. Vijayaraghavan, a Sr. Advocate in the High Court of Madras, is one of the Directors of the company who has been serving on the Board since 2014. He has attended our AGM but had to leave to appear for an urgent Court hearing and he expresses his apologies and inability to attend this meeting fully. He is the senior Advocate in Chennai specializing in company law and taxation matters. 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. He has been associated with many leading corporates in Chennai. He has been serving our company guiding on tax law matters.

And finally Myself as Chairman I am the founder Director of India Nippon Electricals Ltd when we started this business in 1986 and we now have approx 40 years of experience in automotive industry. Now I am the Chairman of Lucas TVS Ltd and Managing Director of Delphi TVS Diesel Systems Ltd which is the fuel injection manufacturer. So, with this introduction, I wish everyone very successful AGM. I hope the shareholders will participate in an active measure and to address some of the questions to be competently answered.

Compliance Officer: Thank You Sir. In addition, we have Ms. Ananthi Partner Deloitte Haskins and Sells LLP Statutory Auditor Ms. B Chandra Secretarial auditor and Mr. Suryanarayanan the cost auditor who virtually joined us today. The auditor's report has been circulated along with the annual report to the shareholders electronically. The auditor's report on the financial statements of the company for the year ended 31st March 2022 did not have any qualifications, observations or comments. In view of the same, in accordance with the Company's Act 2013, there is no requirement to read out the full auditors report. Hence with the permission of the Chairman and the shareholders, I shall take the auditors' report as read. Coming to the business of the meeting, the notice for this Annual General Meeting had already been circulated to all the shareholders and was posted on our company website also. With the permission of the Chairman and the shareholders, I shall take the notice convening this meeting as read. Now I request our Managing Director to deliver his speech to the shareholders.

Managing Director: Thank you, Poornima.

Good Morning everyone. It is my privilege to welcome you all, on behalf of the Board of Directors and the Management Team of India Nippon Electricals Limited, to the 37th Annual General Meeting of your Company. Before we move on to the proceedings, I am pleased to report that INEL has delivered a robust performance for the year against the backdrop of a tough-operating environment. We continued to leverage and invest in our core competencies in capitalizing on the significant long-term growth opportunities and build a more broad-based business especially as the automotive industry changes towards the future.

The Company's Annual Report and Audited Accounts for the year ended March 31, 2022, have been with you for some time now and with your kind permission, I shall take them as read.

The global economy is recovering from the significant disruptions caused by the spread of the COVID-19 pandemic. Building on a resilient economic recovery, the automobile manufacturing industry is accelerating towards a new future. While original equipment manufacturers, component suppliers, and consumers have responded effectively to major concerns such as supply chain bottlenecks following the pandemic and geopolitical tensions, there has been a robust end-user demand that has translated into production growth, of late.

The Indian economy was poised for a recovery following the second wave of the pandemic, with steady resurgence in both industry and service sectors. While there are repeated COVID-19 variant breakouts, however, led to disruptions in the supply chain, and now even, I think, overall, the industry has been steadily moving forward and the company has been trying its best in the inflationary environment keeping costs under control while increasing its production. However, we have done well in keeping the costs under control as much as possible.

According to the Society of Indian Automobile Manufacturers (SIAM), the automobile industry manufactured 22.93 million vehicles in FY 2021-22, compared with 22.65 million vehicles in FY 2020-21, recording a YoY growth rate of 1.23%. The two-wheeler vehicles segment dominated the market in terms of volume due to India's young population and an expanding middle class. An increased interest by firms to explore rural markets contributed to the expansion of the sector. India is a major exporter of automobiles, and exports are anticipated to rise rapidly in the near future. In the year under review, India exported 5.62 million vehicles as compared with 4.13 million vehicles in the previous year, registering a YoY growth of 36%.

I think it is important for me here to note that the 2 wheeler production last year, saw about 18 mn vehicles. If you compare it to the peak of 2018-19, that was 24 mn. That gives a sense of the changes in the industry since peak of 2018-19 due to the pandemic and the various economic factors. But I am happy to report that, this year, the production levels have started raising again and along with the introduction of electric vehicles, we are seeing a new momentum going forward.

INEL continues to move ahead on the journey of value creation by enhancing its core technology, products, engineering new opportunities to grow and thrive in the long term.

We are proud to share that, INEL has been building its capabilities internally and it is the talent and dedication of our team that has enabled us deliver the shareholders, going forward.

During the year, we completed the setting up of our new Technology Centre in Hosur, Tamil Nadu. This state-of-the-art facility provides an inspiring environment for developing futuristic products.

The automotive sector is steadily pivoting from internal combustion engines to electric propulsion; our Tech Centre will play a critical role in helping us introduce innovative products to support our customers in this transition.

Your company was able to register positive 17% sales growth last year though the industry had degrown by -2% through increase of market share by 4%

We are successful in supplying DC DC convertors to one of the leading EV scooter manufacturers and are exploring opportunities in power electronics in two/three/four-wheeler segment.

Your company has entered into technical partnership with a leading EFI solutions provider - BorgWarner and the system is planned to be rolled out soon. New gen products like ISG Controllers, solenoids and few additional sensors for various applications are planned to be launched. Similarly, our focus on vehicle service market will continue in expanding market reach including the export market with variety of products to satisfy customer requirements.

Exports continue to grow through realisation of export opportunities seized earlier years and we intensified our efforts in overseas business development and expect to pay dividend in future.

As a trusted manufacturer of electronic ignition solutions for internal combustion engine vehicles, we are confident of exploiting the opportunities in our legacy business. Our focus is on broadening our business horizons – through technology, geographies, customer base, and sectors – should also serve us well for long-term growth.

Our debt-free balance sheet further underpins our ability to invest in technology, new product development, and infrastructure and pursue an exciting growth trajectory in futuristic EV business segment and non-automotive business areas.

On behalf of all my colleagues on the Board and on behalf of all of you, I wish to express sincere gratitude to M/s Lucas Indian Service Limited and our collaborators, M/s Mahle Electric Drives Japan Corporation and M/s. Mahle Holding (India) Private Limited for their continual cooperation and support. I also wish to thank our Bankers, Governments at the Centre and in the States of Tamil Nadu, Haryana and Puducherry and other Government agencies, who have extended their co-operation.

I wish to thank all the customers, employees and suppliers for their continued support and services. Thank you

Compliance Officer: Thank you, Sir. Now with the permission of the Chairman, I would like to briefly explain about the e-voting procedures. In accordance with the provisions of the companies Act and the SEBI Regulations, the members have been provided with the facility to exercise their right to vote by electronic means both through remote e-voting and through e-voting at the Annual General Meeting. All the 10 resolutions have been placed in electronic form in the CDSL platform

and e-voting facility was made available to all the Members holding shares as on the cut-off date of 14th September 2022. Remote e-voting commenced on 18th September 2022 at 9 AM and concluded on 20th September 2022 at 5 PM. Those members who have not exercised remote e-voting may exercise their votes electronically up to 15 minutes from the conclusion of the meeting. The members who have cast their vote by remote e-voting prior to the meeting shall not be allowed to cast their vote once again. The Board of Directors had appointed Mr. C Prabhakar, Partner from B&P Corporate advisors LLP as the Scrutinizer to conduct this AGM in a fair and transparent manner. Based on the report of the scrutinizer, the combined results of remote e-voting and the e-voting during this AGM will be announced and it will be displayed on our company website and also be submitted to the Stock Exchanges pursuant to SEBI regulations.

Now both the audio and video will be disabled for the shareholders who are participating as speaker shareholders and Mr. Basheer, Moderator of CDSL will enable it when their names are called out during Q&A session.

We have now around 8 shareholders who have registered as speaker shareholders. Now I request those speaker shareholders to share their views one by one. Considering the number of shareholders, I request the shareholders to restrict the time to a maximum of 3 minutes to share their views and ask questions if any in order to give an opportunity to other shareholders.

First May I request Mr. Basheer to enable the audio & video of Mr. Raghul Paliwal.

Moderator: Did not turn up.

Compliance Officer: Okay next, Mr Abhishek.

Abhishek.J: Welcome, My name is Abhishek shareholder of the company DP ID IN301637 and client ID is 435956. First of all, I would like to congratulate the management on the annual general body meeting. I would like to know how our business has been impacted in the past 3 years of the COVID time and would like to know from you whether any employee was sacked, salary cut was effected by the management during pandemic time. What are the steps being taken by the management to reduce the other expenses, legal professional charges. We can see that the company is improving and we hope that the management will reward the minority shareholders who are in large numbers, in the years to come. Shareholders also expect bonus shares from the Management in the years ahead and we want a good dividend. History itself shows that the management have declared a very good dividend. We are really proud of the management. We hope that the management will continue to reward the Minority shareholders. Similarly, it has been 10 years since we have declared bonus. So, hope that this is the right time for the management to come out with the bonus issue. I thank the Company Officials and the entire team for sending us the link well in advance and making the 37th annual general body meeting a grand success. I

wish the company and the Board of Directors a great success and prosperity in the coming years and thank you for giving the opportunity. Hopefully see you in the physical meeting next year, Thanks.

Compliance Officer: Thank you Mr. Abhishek. Next, Mr Gopal.

Moderator: Did not turn up.

Managing Director: Should I start to answer question by question?

Chairman: Would you like to have all the questions and then answer them. I would like to suggest even if they're not joining but have sent the questions already, those questions can also be answered first.

Compliance Officer: No Chairman, they didn't actually send the questions.

Chairman: Okay, if there are shareholders who had sent the questions in advance but if they are not present here because of network issue, I would like to acknowledge that.

Rohit Balakrishnan: Good morning, Everybody. Am I audible? Good Morning, everybody and thank you for this opportunity. Sir, I have a few questions. I just go about them very slowly. So far, in the last couple of years or probably even more than that, we have been consistently mentioning that we are introducing new products and are broadening our market opportunity as mentioned by the MD in the opening speech and some of it has already been shared in the Annual report as well. I just wanted to understand, if you can share, what are some of the key products that we have introduced in the last 2-3 years and what is the share of those? what is the sales value from those new products that we introduced and any new customers that we have won for these new products? That was my first question. My second question is, when we are talking about these new products can you share about the market structure for them that are currently manufactured. Are they import substitutes and if they're already manufactured, what is our market share? are these new products which are sort of going to be adopted in India to do BS VI.

Sir, my next question is, as a company we are still very heavily indexed to IC platform. At this moment, what is the share of EV? As an overall company, you are very much dependent on I.C. For the EV, do you see this as a growth challenge? you have been talking about expanding capacity? I just wanted to understand how are you seeing the growth for our company in the next 3 years under this context?

My next question is in terms of our EV mobility for products you mentioned. Is it possible to just broadly share what would be our top 3 products in terms of our revenue? Just broad numbers. I don't need exact numbers.

My next question is on the export and as you said you've been talking about good export and aftermarket; even last year you mentioned in the AGM about these 2 opportunities. Can we get

into a 18-19 crores kind of business? Is that possible and within export, which are the key geographies we are exporting and what are the key products. Similarly, I have the same kind of question in the after market.

We said that we've grown very well around 30% this year. But, I have a question there. Do we sell directly or is it by our parents.

Chairman: Do you want a more detailed discussion? Though MD will answer your questions broadly, the best thing is for you to make an appointment, come and visit and have a detailed discussion. That would be a better approach judging by the interest that you're showing in the company. Thank you.

Rohit Balakrishnan: I would love to do that sir. I'll reach out to the company officials and probably make an appointment.

Chairman: Okay thank you. There's quite a bit of questions so far. Let me answer the questions received so far. Remaining we can take it up later.

Managing Director: Okay. Thank you, Chairman, thank you Shareholders for the questions.

Nikhil Upadhyay: I have already mailed you a set of questions a few days back. So probably you have them. So, I will not repeat those questions. A few more questions which I have I just speak them out. So, in one of the discussions, you had mentioned that the RM cost which is basically steel and copper are major costs for us, there was steep inflation which impacted our margins. So, with the fall in prices, do you see going back to their double digit margins in the near term and over a longer term? Can we sustain those kind of margins? Not a specific number but broadly if you can help us understand how we should see this.

Secondly, if we look at our company, we have been putting a lot of effort in on the sensors manufacturing and even the Tech Centre was done to create the software side of the Sensors. So how many new products on the sensor side we have added over the last 2 years and how our empanelment is happening with the new customers? So, it is growing qualitatively or quantitatively? how is that business scaling up for us? So, if you can help me understand what was the name of the company where we had the tie up and how is the opportunity size. Lastly, you've been mentioning and even in last meeting you had mentioned that globally manufacturing for IC incrementally should shift to India. So, are we seeing incrementally higher RFQs in terms of inquiry levels and all in any significant customer orders which we have seen over the last 1-2 years. So, these are the 4 additional questions and since there are not many shareholders, I would request you to answer them on a question by question basis. It would be really helpful because it's only once in a year we get to meet the management and understand the business in a better way. Just a small request.

Managing Director: If you can share a couple of those questions which you want to go into more detail I'll try to incorporate it. It will be difficult for me to go through everything otherwise. Because, there are quite a few questions being asked today.

Elango Srinivasan: Nikhil wants to know the details of the U.S. customer and what we had mentioned in the last General Meeting. Regarding the IC segment, other shareholders are also asking that besides questions on after market.

Compliance Officer: We have one more speaker joining. Would you like to listen to him?

Managing Director : Sure.

Compliance Officer: Mr. Basheer can you enable the audio and video of Mr. Jaichand.

Jaichand.P: Good Morning respected Chairman, Board of Directors, Secretary and his team and my fellow shareholders. What is the present status of a company? when will our company flourish? Unlike the great companies the only criteria of shareholders is dividend and better appreciation. The long pending desire of shareholders we hope the dream will come true. The company should adopt cost cutting steps in all aspects. And also request the management to still improve the performance. We have been through the thick and thin of the company. I thank the company for giving this opportunity. Thank you very much, Sir.

Managing Director: Thank you all for the detailed questions. I would break the questions up into 2 categories. One is regarding strategy and the second one regards to managing cost and inflation. Regarding strategy, it's a more evolved/ complicated state - nothing to answer it in an AGM but I'll try my level best to do that. So, as everybody has rightly pointed out, we have the risk of high customer concentration and focus on IC engine. That's the nature of our business. And that is what serve the company very well. So, we are not trying to reduce the IC engine business and try to go after some other business. We are trying to do all of them together. So as the way we see it, the IC engine business will continue to be a very major part. Even if 30% as the ultimate optimistic situation of 30% of electric vehicles by 2030. You will still have a very very large number of IC engine bikes being produced. So, it is in our best interest to make sure that we are maximizing our market share. And that's why in the speech I actually highlighted how we are gaining market share in the current IC engine business.

We're also judiciously expanding capacities to make sure that the payback period also is within the few years so that we are not stuck with idle capacity. So, in the IC engine business, we have increased our market share in our flywheel magneto, ignition coil. This is a core focus that we're doing through better products IHD introduction IHD control introduction. We're actually trying to get more growth and more profit more value per vehicle by doing that. That's point number 1. In the same segment, there are also global markets. I think some of the questions came from that

and I think we are seeing definitely more of an interest from North America and Europe for IC engine products being sourced from India as the rest of the world starts pivoting towards electrification.

So, we are seeing larger export orders and interest. In fact, our team is actually in North America right now to execute further opportunities in this space. It is more profitable. And we think that the exports can cross Rs.100 cr in the next couple of years. And that's the direction towards which we are working through. During the same time, we are also trying to make sure that we are extracting our value in the aftermarket. This has not been a focus for many years in the company. In the last 4-5 years, we have done that in partnership with our parent company, Lucas Indian Service Ltd and other distributors. We sell through these distributors but our people are actively involved in the retailers to actually make sure that our market share is growing and you can see steadily the aftermarket has grown from over, I think, it was just about Rs.5 crores a few years ago and now we are crossing Rs.40-Rs.50 crores and we expect a much bigger revenue this year. Again. It's more profitable. We are going after the path that is our own path but also path of other brands and we're introducing based on our quality reputation. Products for various vehicle manufacturers including those we don't supply OE to. So, this is almost like a standalone business that we hope to exploit during the next 10-15 years that will serve as a source of profit that will allow us then to invest in the newer technology which will take time to scale up.

So, as far as the content per vehicle on IC engine, we are both increasing the content per vehicle expanding our customer base and geographies and exploiting the after market. This is on the standard and IC engine product portfolio. Yes, I have been talking about new products so let me come to that. In the IC engine product portfolio, we have gone to the next level of the same products which is integrated starter generator which has more content and more value. The second one is we partnered with BorgWarner, a global power chain company. We have actually signed a license agreement for the fuel injections controllers. As you know all BS VI vehicles require fuel injection. There has been a shortage due to supply chain issues and there has been an opportunity presented to us and we are hoping to capitalize on this by supplying the ECU's. While it is for a limited period of time, it is an opportunity that we're going after. In the new products we are looking at sensors. Typically, sensors are very important especially where the input criteria for a vehicle to make choices and typically they've been imported. With the push on localization and resourcing away from China, we are seeing a lot of interest in vehicle manufacturers sourcing many of these components locally. Because of our technology reputation and quality reputation, customers have started trusting us for these sensors. We will introduce them successfully in various vehicle manufacturers. And we have started talking to the four-wheeler manufacturers for

the same sensors. So, we introduced a few in the last 2 years- the bulk of it will come in the next 2 years and we are hoping this will provide both the top line and bottom line growth. They are profitable products and we have established the right to win in the space. As far as EV concerned that is a more difficult question. The DC DC controller is the first successful launch we have had of a new product category in this space. The content per vehicle of that one product alone is definitely lower than the sum total of all the products we have had -IC engine. So we're still working to see how to expand our product portfolio in the EV space to be able to compensate the similar kind of content per vehicle. We are not there yet; so, this is an area of focus for us that we need to expand our product portfolio.

But in the EV space, the new the supply chain will end up being completely new. So you can't do a 1 to 1 comparison between the IC Engine supply chain and the EV supply chain. New customers are there; new vendors are there; new technologies are there. So, each one- many more players are trying to get that in same space. So, we are trying to see what is our right to win based on our competency. And we're also trying to see now what other industry segments are available where we can use similar competencies. With this, I'm hoping to have that INEL will have a robust product portfolio of IC engine products, EV products, after market and exports as well as some non-auto products. This way we will be able to reduce our customer concentration risk. And also the technology concentration risk. Coming to the questions on cost. We did, like every other company, went through a difficult period during COVID. Our employees did take some cuts our management did take some cuts; but we have since restored them. We took a lot of cost saving measures. We actually did a zero-base cost where we zeroed out every one of our costs and rebuilt it up and use this opportunity to lower a breakeven point. Despite an extremely high inflationary environment that's what we were able to somewhat protect our margins. We've been able to recover from customers many of the key components like copper steel and aluminum and in fact customers are working with us in other areas like plastics and rubber as well.

So, we're hoping to see a return- back to pre-pandemic profitability levels in this year in the next year as we recover our costs and re-do our cost base with our suppliers. I think that's pretty much sums up the strategic questions that were asked in the meeting, unless any other questions are there.

Chairman: I would like to just supplement to one of the responses because one of the shareholders has asked for returns to the shareholders. This is something that is always of interest to everybody. So, we have done some working on this. Mr. Elango has given me some information and I would like to present this in this meeting. This company had a public offering sometime in 1986. So, if a person has invested in that IPO, what would be the value of that investment today?

So according to the calculations that we have, taking into account all the bonus shares and shares buy back and so many things that have happened. The person who had invested a lakh of rupees and 1986 the value of a share is today will be worth Rs.6 crores -about 600 times and that gives a return of about 19%. Not taking into account the dividends and other things. But if we take the dividends, the internal compound annual growth rate of 34%. I think there are very eminent people on this panel. For the company to generate 34% return over a span of 36 years, I think it's a quite a reasonable performance. It will be among top corporates in India. I think the challenge for the company is to continue to maintain the same track record in the coming years and that's what I would like to say.

Managing Director: I'd like to just make one comment. I think there has been a request from some of the shareholders to also have an investor day where more details can be shared with investors on our strategy and the way forward. We are contemplating that neither this year nor next year, we will do that so that we can share more details about our way forward with the shareholders.

Chairman: If there are no other questions and can I ask Poornima to take it to the next stage.

Compliance Officer: Thank you, Sir. I think our MD and Chairman has given response to the queries of all the shareholders who have shared the questions. And thanks Mr. Basheer for doing a smooth job of enabling them to ask questions. Now we have come to the conclusion of this meeting and with all the business items which are required to be considered, have been considered. I would request our Chairman to share a few words to the shareholders.

Chairman: Yeah. First of all, I would like to thank all the directors for taking the time to be present in this meeting in full strength. I'd like to thank all the shareholders to take an active interest not only to participate-some of them asked very pertinent question which makes the meeting more meaningful but could not participate because there may be link/ network issue. Also, I would like to thank the auditors and other participants. I would like to support the idea that has been presented by MD in response to the Investor's call as it required further discussion and so we encourage it. So always to seek meeting to get more details for a better understanding of the business. With this I think we will conclude with just one more statement. There has been some request from shareholders for a physical meeting. We are studying it and we'll see whether the physical meeting is a better proposition because these days with COVID, many people are avoiding the physical meeting but we'll keep that as an option. Thank you very much. Thank you, everybody for their participation. Thank you.

Compliance Officer: Thank you. Chairman. With this, the meeting comes to a formal conclusion and the members who have not yet cast their vote can cast the vote and it will be open for another 15 minutes from the formal closure of the meeting. Thank you.

Moderator CDSL: With the permission of Chairman, we are concluding this meeting. Thank you.
