

INDO NATIONAL LIMITED

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INDO NATIONAL LIMITED

BOARD OF DIRECTORS

Justice S. Natarajan
Chairman

P. Dwaraknath Reddy
Managing Director

R.P. Khaitan
Joint Managing Director

V.R. Gupte

Dr. S.A. Dave

P. Aditya Reddy

M. Subramanyam

S. Obul Reddy

J. Srinivasan

SECRETARY

P. Srinivasan & Co.
New No.6 (Old No.24) Sambasivam St.
T. Nagar
Chennai - 600 017.

AUDITORS

BANKERS

Canara Bank
The Bank of Tokyo - Mitsubishi UFJ Ltd.
DBS Bank Ltd

REGISTERED AND ADMINISTRATIVE OFFICE

Pottipati Plaza
No.77, Nungambakkam High Road
IV Floor, Nungambakkam
Chennai - 600 034.

FACTORIES

Andhra Kesari Nagar
Nellore - 524 004.
(Andhra Pradesh)

Tada Village
Nellore District - 524 401.
(Andhra Pradesh)

NOTICE

NOTICE is hereby given that the FORTIETH ANNUAL GENERAL MEETING of INDO NATIONAL LIMITED will be held at Sri P. Obul Reddy Hall, Vani Mahal, No.103, G.N. Chetty Road, T.Nagar, Chennai- 600 017, on Friday, the 27th day of September, 2013 at 10.15 A.M to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Directors' Report, Audited Balance Sheet of the Company as at March 31, 2013 and the Statement of Profit and Loss for the year ended that date together with the report of the Auditors' thereon.
2. To declare a Dividend.
3. To appoint a Director in the place of Mr. V.R. Gupte, who retires by rotation under Article 147 of the Articles of Association of the Company and as per applicable provisions of the Companies Act 1956, and who, being eligible offers himself for re-appointment.
4. To appoint a Director in the place of Dr. S.A Dave, who retires by rotation under Article 147 of the Articles of Association of the Company and as per applicable provisions of the Companies Act 1956, and who, being eligible offers himself for re-appointment.
5. To appoint M/s. P. Srinivasan & Co., Chartered Accountants, Chennai as Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to authorize the Audit Committee and Board of Directors to fix their remuneration.

SPECIAL BUSINESS:

6. To consider and if thought fit, to pass with or without modification, the following resolution as an ORDINARY RESOLUTION:

RESOLVED THAT, Mr. M. Subramanyam who was appointed as Additional Director of the Company with effect from 31st July 2012 under Section 260 of the Companies Act, 1956 and who holds office up to the date of this Annual General Meeting be and is hereby appointed as Director of the Company and shall be liable to retire by rotation.

7. To consider and if thought fit, to pass with or without modification, the following resolution as an ORDINARY RESOLUTION:

Resolved that Mr. S. Obul Reddy who was appointed as Director u/s.262 of the Companies Act, 1956, to fill the casual vacancy on the Board occasioned due to the resignation of Mr. K. Kudara, who ceases to hold office under the provisions of the said section and is eligible for reappointment and in respect of whom the Company has received a notice in writing u/s. 257 of the Companies Act, 1956, from a member signifying his intention to propose him as a candidate for the office of a Director of the Company, be liable to retire by rotation.

8. To consider and if thought fit, to pass with or without modification, the following resolution as an ORDINARY RESOLUTION:

Resolved that Mr. PAditya Reddy who was appointed as Director u/s.262 of the Companies Act, 1956, to fill the casual vacancy on the Board occasioned due to the resignation of Mr. H. Sugimura, who ceases to hold office under the provisions of the said section and is eligible for reappointment and in respect of whom the Company has received a notice in writing u/s. 257 of the Companies Act, 1956, from a member signifying his intention to propose him as a candidate for the office of a Director of the Company, who is liable to retire by rotation.

For and on behalf of the Board of Directors
For Indo National Limited

Place: Chennai
Date : 17th May, 2013

Justice S. Natarajan
Chairman

NOTES:

1. Explanatory statement as per the provisions of Section 173(2) of the Companies Act, 1956, in respect of the items of the Special Business as set out above is annexed.
2. A member entitled to attend and vote at this Annual General Meeting may appoint a proxy to attend and vote on his behalf. Such a proxy need not be a member of the Company. Proxies, in order to be effective, must be received at the Registered office of the Company not less than FORTY-EIGHT HOURS before the commencement of the meeting.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from 20th September, 2013 to 27th September 2013 (Both days inclusive).
4. The Dividend upon its declaration at the meeting will be paid to those members, whose names stand in the Register of Members as on 27th September, 2013. The said dividend will be paid on 4th October, 2013. In respect of shares held in electronic form, the dividend will be payable on the basis of beneficial ownership as per details furnished by NSDL and CDSL for this purpose.
5. Members holding shares in electronic mode may please note that the dividend payable to them would be paid through Electronic Clearing Services (ECS) at the available RBI locations. The dividend would be credited to their bank account as per the mandate given by the members to their Depository Participants (DPs). In absence of availability of ECS facility, the dividend will be paid through warrants and the bank details as furnished by the respective Depositories to the Company will be printed on their dividend warrants as per the applicable regulations.
6. In respect of shares held in physical form, members desirous of receiving dividends by way of direct credit to their bank accounts through ECS may authorize the Company with their ECS mandate. The Shareholders desirous of obtaining the ECS mandate may download the form from the website of the company at www.nippobatteries.com or may write to the company secretary at the Registered Office of the Company.
7. Members holding shares in physical form are requested to notify change of address immediately to the Share Transfer Agent of the Company, M/s. Cameo Corporate Services Limited, Subramanian Building, No.1 Club House Road, Chennai-600002 for the purpose of mailing Dividend Warrants etc. As per SEBI circular, members holding shares in physical form and in case of transfer of shares means, the Transfer Deed should contain PAN of both Transferor and Transferee.
8. The shares of the company have been activated for dematerialisation with National Securities Depository Ltd (NSDL) and Central Depository Services (India) Ltd. (CDSL) vide ISIN INE567A01010. Members wishing to dematerialise their shares may approach any Depository Participant (DP).
9. Kindly mention your Folio Number / PAN NO / Client ID / DP ID Number (in case of shares held in electronic form) in all your correspondence to Share Transfer Agents and in the case of electronic form to the Depository Participant in order to reply to your queries promptly.
10. Pursuant to Section 205A of the Companies Act, 1956, an amount of Rs.4,20,460/- remaining unclaimed out of the dividend for the year 2004-05 (declared on 15th June 2005) was transferred to the Investor Education and Protection Fund established under Section 205C(1) of the Act on 1st August 2012. The unclaimed dividend, for the year 2005-2006 has been transferred to the "Investor Education and Protection Fund" on 27-07-2013. It is hereby notified to the members that once the dividend amount is transferred to the Fund, as per Section 205A (5) of the Act, the same cannot be claimed by the members from the Fund established
11. Members seeking any information or clarification with regard to the accounts are requested to write to the Company atleast ten days in advance of the meeting so as to enable the Company to keep the information ready.
12. Members who hold shares in demat form are requested to notify any change in their particulars like change in address, bank particulars etc. to their respective Depository Participants.
13. The Ministry of Corporate Affairs vide its circular dated 21st April 2011 allowed the companies to send notices, annual reports and other documents by means of e-mail to the members of the Company. Hence members, who have not registered their e-mail addresses, are requested to register their e-mail addresses with the Company/ Registrar.

EXPLANATORY STATEMENT ANNEXED TO THE NOTICE OF THE FORTIETH ANNUAL GENERAL MEETING OF THE COMPANY AS REQUIRED UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956.

ITEM NO.6

Mr. M. Subramanyam has been appointed as director by the Board with effect from 31st July 2012 in the place of Mr. H. Aota who resigned from the board on 31st July 2012.

Mr. M. Subramanyam was appointed as Additional Director on 31st July 2012 and hence he holds office only up to the date of this Annual General Meeting. A Notice in writing from a member has been received u/s.257 of the Companies Act, 1956, along with a deposit of Rs.500/- recommending his appointment as a Director. Accordingly, your directors recommend that the resolution for the appointment of Mr. M. Subramanyam, as a Director be passed.

Mr. M. Subramanyam is interested in the ordinary resolution referred above. No other Director of the Company is in any way concerned or interested in the proposed resolution.

ITEM NO.7

Mr. K. Kudhara, who was nominated by M/s. Panasonic Corporation Japan, had resigned from the Board with effect from 13th July 2012.

Mr. S. Obul Reddy has been appointed as a Director, in the place of Mr. K. Kudhara, by the Board with effect from 31st July 2012.

A Notice in writing from a member has been received u/s.257 of the Companies Act, 1956, along with a deposit of Rs.500/- recommending his appointment as a Director. Accordingly, your directors recommend that the resolution for the appointment of Mr. S. Obul Reddy, as a Director be passed.

Mr. S. Obul Reddy is interested in the ordinary resolution referred above. No other Director of the Company is in any way concerned or interested in the proposed resolution.

ITEM NO.8

Mr. H.Sugimura, who was nominated by M/s. Panasonic Corporation Japan, had resigned from the Board with effect from 31st July 2012.

Mr. P. Aditya Reddy has been appointed as a Director, in the place of Mr. H. Sugimura, by the Board with effect from 13th July 2012.

A Notice in writing from a member has been received u/s.257 of the Companies Act, 1956, along with a deposit of Rs.500/- recommending his appointment as a Director. Accordingly, your directors recommend that the resolution for the appointment of Mr. P. Aditya Reddy, as a Director be passed.

Mr.P.Aditya Reddy is interested in the ordinary resolution referred above. Mr. P.Dwaraknath Reddy being the relative of Mr. P. Aditya Reddy is deemed to be interested in the aforesaid ordinary resolution. No other Director of the Company is in any way concerned or interested in the proposed resolution.

INFORMATION ABOUT THE DIRECTORS PROPOSED TO BE APPOINTED / RE- APPOINTED:-

As required in terms of clause 49 of the Listing Agreement, the particulars of Directors who are proposed to be appointed / re-appointed are given below:

Mr. V. R. Gupte

Mr. V. R. Gupte after completing his Master Degree in Law and passing IRS and allied services examination of Union Public Service Commission he joined Indian Revenue Service in 1954 and held several positions in Income Tax Department and was a Joint Secretary, Ministry of Finance, Banking Division. On voluntary retirement from Government Services in 1980, he worked as Finance Director, Spencer & co. Chennai till 1983 and since then he is practicing as an Advocate.

Other Directorship:

1. Panasonic Carbon India Co., Ltd.

He is also a Chairman of Audit committee / Shareholders/ Investors Grievance Committee of Panasonic Carbon India Co., Ltd. He is also a Chairman of Audit Committee & Shareholders / Investors Grievances Committee and member of Remuneration committee of your company.

Share holding: NIL

Dr. S.A. Dave

Dr. S. A. Dave after completing his Ph.D in Economics from University of Bombay and M.A in Economics from Rensselaer Polytechnic Institute, at USA, joined Reserve Bank of India in the year 1968 as Deputy Director in the Economics Department. He is the Chairman of centre for monitoring Indian Economy, Premier Economic Monitoring Institution of the Country. He was founder Chairman of SEBI and also Chairman of Unit Trust of

India where he retired in 1996. He has been associated with various committees of Government of India dealings with reforms in the Capital Market, Mutual Fund, Insurance and Pension Sector.

Other Directorship:

Other Directorship:

1. Anand Rathi Financial Services Ltd
2. Center for monitoring Indian Economy
3. Escorts Ltd
4. HDFC Ltd
5. Deccan Cements Ltd
6. Nitin Fire Protection Industries Ltd
7. Phoenix Township Ltd
8. SBI DFHI Ltd
9. Shrenij & Co.Ltd

Committee Member:

1. Escorts Ltd
2. HDFC Ltd
3. Phoenix Township Ltd
4. Shrenij & Co.Ltd
5. Nitin Fire Protection Industries Ltd

Share holding: NIL

Mr. M. Subramanyam

Mr. M. Subramanyam is a B.Com, C.A, aged 49 years, presently working as Chief Executive Officer of Sindya Power Generating Company Private Limited.

Previously he was associated with multinational companies (Bayer & Kirby Buildings of Alghanim Group etc.,) in senior positions. As Executive Director of Karaikal Port he played a very key role in implementing Karaikal Port project in Union Territory of Pondicherry.

He has 23 years experience in the areas of corporate finance, strategy & Project Management.

Other Directorship: NIL

Share holding (no. of shares): NIL

Mr. S. Obul Reddy

Mr. S. Obul Reddy is a B.Com, B.L aged 51 years, after completing his studies he joined in M/s. Apollo Hospitals and Enterprises Ltd as a Trainee and he is currently working as Vice President- Finance and Legal at M/s. Apollo Hospitals and Enterprises Ltd.

He has over 20 years experience in the areas of corporate finance, Legal and General Management.

Other Directorship:

1. Apollo Nellore Hospitals Ltd
2. Emedlife Insurance Broking Services Ltd
3. PCR Investments Ltd

Share holding (no. of shares): NIL

Mr. P. Aditya Reddy

Mr. P. Aditya Reddy S/ o Mr. PDwaraknath Reddy aged 29 years has done B.S (Bachelor of Science) in International Relations & Economics from Lewis & Clark College, Portland, USA.

After completing his studies he joined Sindya infrastructure development co. Pvt. Ltd as Manager (Projects) and presently he is working as a Executive Director in Sindya Power Generating Co. Pvt. Ltd and Executive Director (International Business) in Apollo Hospitals and Enterprises Ltd taking care of all international ventures of Apollo Hospitals.

Other Directorship:

1. Vasumathi Spinning Mills Limited

Share holding (no. of shares): 6

For and on behalf of the Board of Directors
For Indo National Limited

Place: Chennai
Date : 17th May, 2013

Justice S. Natarajan
Chairman

DIRECTORS' REPORT

Your Directors have pleasure in presenting the Fortieth Annual Report of your Company together with the Audited Balance Sheet as at March 31, 2013, the Statement of Profit & Loss for the year ended that date and the Auditors' Report thereon.

REVIEW OF PERFORMANCE

DRY CELL BATTERIES

The Dry Cell Battery Industry production as a whole decreased about 1.4% for the year 2012-13. Your Company's production had also decreased from 605 million pieces to 577 million pieces showing decrease of 4.63 %. The sales also decreased from 670 million pieces to 669 million pieces. In terms of value, your Company had registered a turnover of Rs.340 crores as against Rs.340 crores in the previous year.

LIGHTING PRODUCTS

The sales volume of lighting products had increased from 73.92 lakh pieces to 80.96 lakh pieces as compared to the previous year.

FINANCIAL RESULTS

The profit before tax for the year under review is at Rs.4.19 Crores as against Rs.11.72 Crores in the previous year. The financial results for the year 2012-13 as compared with the previous year are summarized as under.

	2012-13 (Rs. in crores)	2011-12 (Rs. in crores)
Profit for the year	9.49	16.76
Less : Depreciation for the year	5.30	5.04
Profit after depreciation	4.19	11.72
Profit Before Tax	4.19	11.72
Provision for tax including Deferred tax	0.30	3.29
Profit after Tax	3.89	8.43
Surplus in P&L Account brought forward	4.55	2.48
Profit available for appropriation	8.44	10.91

Your Directors recommend the following appropriations :

General Reserve	1.50	2.00
Proposed Dividend	3.75	3.75
Tax on proposed dividend	0.63	0.61
Surplus in P&L A/c carried forward	2.56	4.55
Total	8.44	10.91

DIVIDEND

Your Directors recommends a dividend of 100% for the year 2012-13. This Dividend, if approved, will be paid to the Shareholders whose names appear on the Register of Members as on 27th September, 2013. The Company intends to pay the dividend on 4th October, 2013 itself, instead of waiting for the statutory period of 30 days permitted by the provisions of the Companies Act, 1956.

STATEMENT PURSUANT TO LISTING AGREEMENT

The Company's Securities are listed at the Stock Exchanges of Mumbai, Chennai, and at the National Stock Exchange. The Company has paid the Annual Listing fee to all the Stock Exchanges.

CORPORATE GOVERNANCE

A separate report on Corporate Governance along with Auditors' Certificate on its compliance is attached as Annexure "B" to this report.

FIXED DEPOSITS

The Company has not accepted any deposits from the public.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE, ETC.

Your Company has always been in the forefront of energy conservation. Several measures to conserve energy and to reduce the costs associated with it have been taken. The details regarding conservation of energy, foreign exchange, technology absorption including R & D efforts (as required under Section 217(1) (e) of the Companies Act, 1956) are given in Annexure "A" to this Report. The Company has an in-house Research Development Department, where the main areas of focus are, Energy Conservation, Process upgradation and Environment Preservation. The Ministry of Science and Technology, Department of Scientific and Industrial Research, Government of India has recognized in-house R&D facilities of the Company.

PERSONNEL

Your Directors wish to place on record their appreciation for the dedication and hard work put in by the employees at all levels for the overall growth of your Company. Relations with the employees at both the Factories and Head office and other Branches were cordial during the year.

The Company has no employees, attracting the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975.

CHANGE OF NAME OF THE COMPANY

As you aware that during the year under review your company changed its name from Nippo Batteries Co.Ltd to Indo- National Ltd with effect from 10th April 2013.

DIRECTORS

In accordance with the Articles of Association of the Company Mr. V.R. Gupte and Dr.S.A.Dave will retire by rotation at this ensuing Annual General Meeting. They being eligible, offer themselves for re-appointment.

Mr. H. Aota resigned from the Board with effect from 31st July 2012. Your directors wish to place on record their appreciation of services rendered by Mr. H. Aota.

Mr. K.Kudhara resigned from the Board with effect from 31st July 2012. Your directors wish to place on record their appreciation of services rendered by Mr. K.Kudhara.

Mr. H. Sugimura resigned from the Board with effect from 31st July 2012. Your directors wish to place on record their appreciation of services rendered by Mr. H. Sugimura.

Mr. M. Subramanyam has been appointed as Additional Director of the Board effective from 31st July, 2012.

Mr. S.Obul Reddy has been appointed as Director effective from 31st July 2012.

Mr. P. Aditya Reddy has been appointed as Director effective from 31st July 2012.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, your Directors hereby confirm that:

- a) in the preparation of statement of accounts, the applicable Accounting Standards have been followed;
- b) selected such accounting policies and applied them consistently and made

judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March, 2013 and of the Profit of the Company for that period;

- c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;
- d) The annual accounts are prepared on a going concern basis.

AUDITORS

M/s. P. Srinivasan & Co, Chartered Accountants, Statutory Auditors of the Company retires at the ensuing Annual General Meeting and is eligible for re-appointment. The Company has received a Certificate from them confirming that their appointment will be within the limits laid down under Section 224(1B) of the Companies Act, 1956.

COST AUDITOR

As per the directions of Central Government, the company has appointed Mr. P. Raju Iyer, Practising Cost Accountant, as the Cost Auditor of the Company under Section 233B of the Companies Act, 1956 for the Audit of the cost accounts of the company for the year ending 31st March, 2013. The cost audit report for the previous year ended 31st March, 2012 has to be filed on or before 28th February, 2013. The company has filed cost audit report for the year 2012 on 26th February, 2013.

ACKNOWLEDGEMENT

Your Directors thank the Central and State Governments and the Banks for their continued help and support. Your Directors also wish to record the appreciation for the guidance and co-operation received from the Foreign Collaborator M/s. Panasonic Corporation, Japan.

Your Directors also thank the Authorised Wholesale Dealers, Stockists and Retailers for their excellent support under difficult conditions and the Consumers for their continued patronage of your Company's products. Your Directors are especially thankful to the esteemed Shareholders for their continued encouragement and support.

For and on behalf of the Board of Directors
For Indo National Limited

Place: Chennai
Date : 17th May, 2013

Justice S. Natarajan
Chairman

ANNEXURE 'A' TO DIRECTORS' REPORT

Information required under Section 217(1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended March 31, 2013.

A. Conservation of Energy

Efforts are being made to control energy cost wherever possible even though energy cost forms only negligible proportion of total cost of manufacture of batteries. Energy conservation activities initiated earlier years based on Energy Audit has been continued during 2012-13.

Form "A" Specified in the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988 is not applicable.

B. Technology Absorption Research and Development (R & D)

(1) Specific areas in which R & D activities are carried out by the Company:

- a) New Products Development
- b) Finding alternate source of materials
- c) Import Substitution
- d) Development of improved designs
- e) Development of new products to suit consumer requirements.

(2) Benefits derived as a result of the above R & D activities:

- a) Efficiency in usage of raw materials
- b) Cost Reduction
- c) Improvement in product quality
- d) Automatic and accurate testing of batteries
- e) Foreign exchange savings due to indigenisation efforts

(3) Future plan of action:

To continue indigenisation efforts and to further strengthen R & D activities for the purpose of cost reduction and quality improvements and for developing new products depending on market requirements.

(4) Expenditure on R & D	(Rs. in Lakhs)
a) Recurring	10.65
b) Total R & D expenditure as a percentage of total turnover	0.03

Technology absorption, adaptation, and innovation

1. Efforts in brief, made towards technology absorption, adaptation and innovation: Installation of sophisticated instrument for R & D, testing and process control measures. Technology has been fully absorbed and adapted for all types of Dry cell batteries.
2. Benefits derived as a result of the efforts, e.g: product improvement, cost reduction, product quality maintenance and import substitution, etc.,
 - (a) Improvement of designs.
 - (b) Import Substitution.
 - (c) Cost Reduction
 - (d) Product Quality Maintenance & Improvement.
 - (e) New products development.
3. Imported Technology: Not Applicable
(Imported during the last 5 years reckoned from the beginning of the financial year)
 - (a) Technology imported: —
 - (b) Year of Import: -
 - (c) Has Technology been fully absorbed: -

C. Foreign Exchange Earnings and Outgo:

- (1) Activities relating to Exports; initiatives taken to increase exports; development of new export markets for products and services; and export plans. At present no Exports are being made. However, continuous efforts are being made to procure Export orders.
- (2) Total Foreign Exchange used and earned:
Total expenditure on Foreign Currency on imports of raw materials, components, capital goods, spare parts, travel and others amounted to Rs. 4,352.25 lakhs as against Rs. 4,150.99 lakhs for the previous year. Outgo on account of Dividend was Rs. Nil as against Rs. 229.42 lakhs in the previous year.

For and on behalf of the Board of Directors
For Indo National Limited

Place: Chennai
Date : 17th May, 2013

Justice S. Natarajan
Chairman

ANNEXURE 'B' TO DIRECTORS' REPORT - CORPORATE GOVERNANCE

The Company is regular in complying with the mandatory requirements of the Corporate Governance Code. Given below is the report on Corporate Governance.

a) COMPANY'S PHILOSOPHY

Indo National Ltd has always believed that Good corporate Governance is more a way of business life than a mere legal compulsion. Corporate Governance enhances the trust and confidence of all the stakeholders. Good practice in corporate behaviour helps to enhance and maintain public trust in companies and stock market. It is the application of best management practices, Compliances of Law in true letter and spirit and adherence to ethical standards for effective management discharge of social responsibilities for sustainable development of all stakeholders. In this pursuit, your Company's philosophy on Corporate Governance is lead by strong emphasis on transparency, fairness, independence, accountability and integrity. The Board of Directors of the Company is at the centre of the Governance system of the Company. Company is in full compliance of the Corporate Governance principles enunciated in clause 49 of the Listing Agreement, in terms of structure, composition of Board and its committees and other disclosure requirements.

b) BOARD OF DIRECTORS

The composition of Board of Directors of the Company meets the stipulated requirements. The Board of Directors comprises of Two Executive Directors, Three Non-Executive Directors and Three Independent / Non - Executive Directors. The Chairman of the Board is an Independent, Non-Executive Director. To be in line with the company's philosophy on Corporate Governance, all statutory subjects are placed before the Board to discharge its responsibilities as trustees of the shareholders.

The composition and category of Directors is as follows:

Name	Category	Number of Directorships held in other Indian companies	Number of Board Committee memberships held in other companies	No. of Shares held in the company
Justice Mr. S.Natarajan	Independent Director	1	2	-
Mr. P. Dwaraknath Reddy	Executive Director	2	None	1592269
Mr. R.P. Khaitan	Executive Director	1	None	57960
Mr. V R Gupte	Independent Director	1	1	-
Dr S.A.Dave	Independent Director	10	5	-
Mr. P.Aditya Reddy*	Non-Executive Director	1	-	6
Mr. S.Obul Reddy*	Non-Executive Director	2	-	-
Mr. M.Subramanyam*	Non-Executive Director	-	-	-
Mr. H. Sugimura*	Non-Executive Director	2	None	-
Mr. H.Aota*	Non-Executive Director	2	None	-
Mr. K.Kudara*	Non-Executive Director	1	None	-

* Mr. H.Aota resigned from the Board with effect from 31st July, 2012

* Mr. H. Sugimura resigned from the Board with effect from 31st July, 2012

* Mr. K.Kudara resigned from the Board with effect from 31st July, 2012

* Mr. P.Aditya Reddy has been appointed as Non-Executive Director of the Board with effect from 31st July, 2012

* Mr. S.Obul Reddy has been appointed as Non-Executive Director of the Board with effect from 31st July, 2012

* Mr. M. Subramanyam has been appointed as Non-Executive Director of the Board with effect from 31st July, 2012

None of the Directors of the Company was a member of more than 10 committees of Board as stipulated under clause 49 of the Listing Agreement nor was the Chairman of more than 5 such committees across all companies in which he was a Director.

1. BOARD MEETINGS, ATTENDANCE OF EACH DIRECTOR AT THE BOARD MEETING AND THE LAST AGM:

During the year under review Four Board Meetings were held and the gap between two Board meetings did not exceed four months. Among other things, key matters like periodic financial results, capital / operating budgets and risk management are brought to the Board.

2. DATE OF BOARD MEETINGS:

25th May 2012, 31st July 2012, 08th November 2012 and 24th January 2013.

3. THE ATTENDANCE OF THE DIRECTORS AT THE BOARD MEETING / AGM HELD DURING THE YEAR ARE GIVEN BELOW :

Name of Director	No. of Board Meetings Held during the tenure of the Director	No. of Board Meetings Attended	Last AGM attendance (Yes/No)
Justice Mr. S Natarajan	4	2	Yes
Mr. P. Dwaraknath Reddy	4	4	Yes
Mr. R.P. Khaitan	4	4	Yes
Mr. H. Aota	1	-	No
Mr. H. Sugimura	1	-	No
Mr. K. Kudara	1	-	No
Mr. V R Gupte	4	4	Yes
Dr. S.A. Dave	4	4	Yes
Mr. P. Aditya Reddy	3	3	No
Mr. S. Obul Reddy	3	2	No
Mr. M. Subramanyam	3	3	No

a) AUDIT COMMITTEE:

As a measure of good Corporate Governance and to provide assistance to the Board of Directors in fulfilling the Board's responsibilities, an Audit Committee has been constituted consisting of only Independent Directors. The functions of the Audit Committee include:

- Reviewing the adequacy of internal control systems and the internal audit reports, and their compliance thereof.
- Overview of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- Recommending the appointment of external auditors and fixation of their audit fee, and also approval for payment for any other services.
- Reviewing with Management the quarterly and annual financial statements before submission to the Board.
- To review related party transactions, statutory compliance etc.

During the year, four meetings were held one of which was before finalisation of accounts. The said meetings were held on 24th May 2012, 30th July 2012, 8th November 2012 and 24th January 2013. The constitution of the Committee and the attendance of each member of the Committee as on March 31, 2013 are given below:

Name	Status	No. of meetings held	No. of meetings attended
Mr. V.R. Gupte	Chairman	4	4
Justice Mr. S. Natarajan	Member	4	2
Dr S.A. Dave	Member	4	4

The Company Secretary is the Compliance Officer of the Audit Committee.

b) INVESTORS GRIEVANCE AND SHARE TRANSFER COMMITTEE:

The Committee oversees share transfers and monitor investors’ grievances such as complaints on transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends, etc. and redressal thereof within the purview of the guidelines set out in the listing agreement. The Committee also looks into the matters of issue of duplicate share certificates, approval / rejects application for re-materialisation, subdivision, consolidation transposition and thereupon issue of share certificates to the shareholders etc., No complaints of material nature were received during the year under review. The committee consists of the following Directors:

1. Mr. V.R. Gupte, Chairman
2. Justice Mr. S. Natarajan, Member
3. Mr. P. Dwaraknath Reddy, Member
4. Mr. R.P. Khaitan, Member

The Company Secretary is the Compliance Officer of the Committee. The company has created separate e-mail id (jsrinivasan@nipbobatteries.com) for grievance redressal.

c) REMUNERATION COMMITTEE:

The Committee has been formed specifically to determine the Company’s policy on specific remuneration packages for Executive Directors and any compensation payments. The Committee consists of the following Directors:

1. Justice Mr. S. Natarajan, Chairman
2. Mr. V.R. Gupte, Member
3. Dr. S.A. Dave, Member

The details of remuneration paid to the Executive Directors for the financial year 2012-13 are given below:

(Rs. in lakhs)

Name & Designation	Salary	Perquisites	Total
Mr. P. Dwaraknath Reddy Managing Director	48.00	9.07	57.07
Mr. R.P. Khaitan Joint Managing Director	48.00	9.07	57.07

The Company Secretary is the compliance officer of the committee.

The Board of Directors shall decide the remuneration of Non-Executive/Independent Directors. The Non-Executive/Independent Directors are paid sitting fees of Rs.10,000/- each per meeting of the Board / Committee attended by them. Further commission upto one percent of net profits of the Company in each Financial year for a period of three financial years commencing from the financial year ending March 31, 2011 is being paid to them in such a manner as determined by the Board of Directors of the Company. The Commission payable to each Non – Executive / Independent Directors for the financial year ending March 31, 2013 amounting to Rs.2,37,000/- . The sitting fees of Rs.1.50 lakhs for attending Board Meetings and Rs.1.00 Lakhs for attending Audit committee meetings are paid to Non-Executive/Independent Directors during the financial year 2012-2013. The Company has not granted any Stock Option to Non-Executive/Independent Directors. There is no differential accounting treatment followed in the Company during the Financial Year 2012-2013. There is no pecuniary relationship or transactions of Non-Executive/ Independent Directors in the Company. The Non-Executive / Independent Directors are not holding any shares in the Company.

d) DETAILS OF ANNUAL GENERAL MEETINGS: Location and time of the last three AGMs:

AGM	YEAR	VENUE	DATE	TIME
37 th	2009 - 2010	Sri . P. Obul Reddy Hall Vani Mahal, No.103, G.N. Chetty Road, Chennai - 600 017	23-07-2010	10.15 a.m.
38 th	2010 - 2011	Sri . P. Obul Reddy Hall Vani Mahal, No.103, G.N. Chetty Road, Chennai - 600 017	20-07-2011	10.15 a.m.
39 th	2011-2012	Sri . P. Obul Reddy Hall Vani Mahal, No.103, G.N. Chetty Road, Chennai - 600 017	31-07-2012	10.30 a.m.

Three Special Resolutions were passed in the last three Annual General Meetings as under:

Sl. No.	Subject	Annual General Meeting held on	For the Financial year ended
1	NIL	23 rd July, 2010	31 st March, 2010
2	Payment of Commission to Independent / Non – Executive Directors.	20 th July, 2011	31 st March, 2011
3	Remuneration payable to Mr. P.Dwaraknath Reddy, Managing Director	31 st July, 2012	31 st March, 2012
4	Remuneration payable to Mr. R.P. Khaitan, Joint Managing Director	31 st July, 2012	31 st March, 2012

e) DISCLOSURES:

- i) Related Party Transactions: The Company has not entered into any transactions of a material nature with the Promoters, the Directors or the Management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large.
- ii) Compliances by the Company: The Company has complied with the requirements of the Stock Exchanges, SEBI and other Statutory Authorities on all matters related to capital markets during the last three years. No penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority
- iii) Whistle Blower Policy: The Company is yet to establish a mechanism for Whistle Blower Policy which is a non-mandatory requirement.
- iv) We affirmed that no personnel have been denied access to the audit committee.
- v) Compliance with mandatory requirements: The Company has complied with all Mandatory requirements as mentioned in clause 49(VI) (i) of the Listing Agreement.
- vi) Adoption of Non- Mandatory requirements: The Company is in the process of adopting other non – mandatory requirements in future as mentioned in clause 49 (VII) (ii) of the Listing Agreement.
- vii) The Chief Executive Officer and the Chief Financial Officer have issued the necessary certificate to the Board of Directors in compliance with clause 49 of the Listing Agreement.

f) MEANS OF COMMUNICATION:

The Board of Directors of the Company approves and takes on record the financial results in the format prescribed by the Stock Exchanges within the statutory period and announces forthwith the results to all the stock exchanges where the shares of the company are listed and also publishes the financial results in The Business Line and Makkal Kural newspapers.

These results are promptly submitted to the Stock Exchanges to enable them to display the same on their website. The financial results are also made available at the website of the Company www.nippobatteries.com.

g) MANAGEMENT DISCUSSION AND ANALYSIS:

Appended to this Report.

h) GENERAL SHAREHOLDERS' INFORMATION:

- 1. AGM date, time and venue** : 27th September, 2013; Friday at 10.15 a.m. at Sri P. Obul Reddy Hall, Vani Mahal, No.103, G.N. Chetty Road, T. Nagar, Chennai - 600 017.
- 2. Dates of Book Closure (Physical)** : Friday, 20th September, 2013 to Friday 27th September, 2013 (both days inclusive)
- 3. Financial Year** : 01-04-2012 to 31-03-2013
- 4. Annual Results** : 17th May, 2013
- 5. Posting of Annual Reports** : 5th September, 2013
- 6. Last date of receipt of proxy Forms** : 48 hrs before AGM
- 7. Dividend payment date** : 4th October, 2013
- 8. Listing Fees** : Paid to all the above stock exchanges for the year 2013-14.
- 9. Address of Registered Office** : No.77, Nungambakkam High Road, IV Floor, "Pottipati Plaza", Chennai – 600 034. Tamil Nadu, India.
- 10. Plant locations** : (i) Andhra Kesari Nagar, Nellore (A.P)
(ii) Tada Kandriga Village, Nellore . (A.P)

11. Postal ballot resolution :

Approval was sought by voting through Postal ballot, in terms of provisions of section 192A of the Companies Act, 1956 read with the provisions of the Companies (passing of resolutions by postal ballot) Rules 2011, has been conducted during the financial year 2012-13.

Two special resolutions through postal ballot were passed on 03-04-2013

Resolution No.1	Change of Name of the Company
Resolution No.2	Alteration of the main objects under clause III (A) of the Memorandum of Association of the Company.

The Registrar of Companies has approved the Change of name of the Company with effect from 10-04-2013.

12. Listing on Stock Exchanges :

- (i) Madras Stock Exchange Limited
Exchange Building, Post Box No.183
30, Second Line Beach Road, Chennai - 600 001.
Tel : 91-44-25228951 / 52 / 4397
Fax: 91-44-25244897. Email:info@mseindia.in
- (ii) BSE Ltd.
Floor 25, Phiroze Jhee|jheebhoy Towers
Dalal Street, Mumbai - 400 001
Tel : 91-22-22721233, 22721234
Fax: 91-22-22722082 / 2061
- (iii) National Stock Exchange of India Ltd.
Exchange Plaza, Bandra-Kurla Complex
Bandra (E); Mumbai – 400 051
Tel: 91-22-26598235 / 36
Fax: 91-22-26598237 / 38

13. Stock Code :

BSE Ltd.	504058
National Stock Exchange of India Ltd	NIPPOBATRY
Madras Stock Exchange Limited	INDONAT

14. Monthly share price details at BSE & NSE during 2012-13 are :

MONTH	BSE			NSE		
	HIGH (Rs.)	LOW (Rs.)	NO. OF SHARES TRADED	HIGH (Rs.)	LOW (Rs.)	NO. OF SHARES TRADED
APRIL – 12	417.00	371.95	3321	438.00	390.05	4097
MAY – 12	409.40	364.10	5052	429.90	365.00	7157
JUNE – 12	515.00	323.30	1549272	513.05	327.15	538401
JULY -12	375.00	327.00	22073	373.70	316.10	38391
AUGUST -12	333.05	291.00	6823	339.00	290.20	13826
SEPTEMBER – 12	318.00	295.00	5677	324.00	296.45	8190
OCTOBER -12	325.10	301.10	11029	336.00	292.35	14580
NOVEMBER -12	315.00	286.00	3412	312.50	288.15	9175
DECEMBER -12	299.65	285.05	8329	317.00	286.00	20901
JANUARY – 13	305.10	280.00	13315	315.00	279.00	18310
FEBRUARY -13	292.95	244.00	8753	292.95	240.15	8214
MARCH – 13	306.95	225.50	9333	275.70	232.30	7671

15. Registrar & Share Transfer Agents :

The address of the Registrar & Share Transfer Agents is as under:

M/s. Cameo Corporate Services Ltd.
Subramanian Building
No.1, Club House Road
Chennai – 600 002

Name of Contact person:
Mr. R.D. Ramasamy, Director
Phone No.: 044-28460390 (5 lines)
Fax No.: 044-28460129
Email : cameo@cameoindia.com

16. Share Transfer System :

Applications for transfer of shares held in physical form are received by the Registrar and Share Transfer Agent M/s. Cameo Corporate Services Ltd., and all valid transfers are processed and effected within 15 days from the date of receipt. Shares held in the dematerialized form are electronically traded in the Depository and the Registrars and Share Transfer Agents of the Company periodically receive from the Depository the beneficiary holdings so as to enable them to update their records and to send all corporate communications, dividend warrants, etc.

Physical shares received for dematerialisation are processed and completed within a period of 15 days from the date of receipt, provided they are in order in every respect. Bad deliveries are immediately returned to Depository Participants under advice to the shareholders. However, the request for share transfers etc. will continue to be considered and approved by the share transfer committee. The Share Transfer Committee generally meets once in a month. There are no pending share transfers as on 31st March, 2013.

17. Dematerialisation of shares:

The Company's shares are available for trading in the depository systems of both the National Securities Depository Limited and the Central Depository Services (India) Limited. The International Securities Identification Number (ISIN) allotted to the Company is INE567A01010. As on 31st March, 2013, 97.13 % of the Company's total shares representing 3642536 shares are in dematerialized form.

18. Outstanding GDR/ADR/Warrants or any convertible instruments:

The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments.

19. Distribution of shareholding as on 31st March, 2013:

Number of shares	Number of shareholders	Percentage of shareholders	Number of shares held	Percentage of shareholding
1 - 500	5682	94.60	435803	11.62
501 - 1000	184	3.06	132939	3.54
1001 - 2000	77	1.29	108721	2.90
2001 - 3000	17	0.28	41174	1.10
3001 - 4000	11	0.18	40271	1.07
4001 - 5000	4	0.07	18127	0.49
5001 - 10000	10	0.17	64276	1.71
10001 & above	21	0.35	2908689	77.57
TOTAL	6006	100.00	3750000	100.00

20. Categories of Shareholders as on 31st March, 2013:

Category	No. of shares held	% of shareholding
Indian Promoters	2806920	74.85
Resident Indians	780679	20.82
Non-Resident Indians	65460	1.75
Foreign Institutional Investors	50	-
Domestic Companies	96891	2.58
Banks/Insurance Companies	-	-
TOTAL	3750000	100.00

21. Details of unclaimed Share Certificates :

In terms of Clause 5A of the Listing agreement, the Company had sent reminder letters to all the share holders whose share certificate have returned undelivered. The company will transfer the shares, still remaining undelivered in to one Folio in the name of unclaimed suspense demat account. The company is in the process of opening an Unclaimed Suspense Account and further disclosure under clause 5A(II)(h) will be made in due course. Shareholders who are in receipt of the reminder letters are requested to write to the Company with requisite supporting documents to enable the company to issue share certificate.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT**INDUSTRY STRUCTURE :**

During the financial year 2012-13, the Dry Cell Battery Industry as a whole had registered a growth of 0.31%. The sale of dry cell batteries in the industry had increased from 2287 million pieces to 2294 million pieces.

OUTLOOK ON OPPORTUNITIES, THREATS, RISK AND CONCERNS:

The Dry cell battery industry is witnessing intense competition among the players and maintaining the existing market share is becoming more and more difficult due to difficult market conditions. To overcome the market conditions your company is undertaking various measures like productivity improvements, cost reduction activities, reduction of defectives, intensifying sales promotion activities, giving thrust to improving sales in the rural markets through better distribution, etc.

INTERNAL CONTROL SYSTEMS AND ADEQUACY:

The Company has adequate Internal Control procedures commensurate with its size and nature of the business. These business control procedures ensure efficient use and protection of the resources and compliance with the policies, procedures and statutes. The Internal Control system provide for well-documented policies, guidelines, authorizations and approval procedures. The Internal Auditors M/s. R.V. Chander & Associates, Chartered Accountants had carried Audit extensively throughout the year. The prime objective of such Audits is to test the adequacy and effectiveness of all Internal Controls laid down by the management and to suggest improvements, wherever necessary.

FINANCIAL PERFORMANCE:

The total turnover of the Company for the year under review was Rs.340 crores as compared to Rs.340 crores in the previous year. The profit before depreciation is at Rs.9.51 crores as against Rs.16.76 crores in 2011-12 and the depreciation for the year is Rs.5.31 crores as against Rs.5.04 crores in the previous year. The profit before tax is Rs.4.20 crores as against Rs.11.72 crores in the previous year.

HUMAN RESOURCES:

The Company regards its human resources amongst its most valuable assets and proactively reviews and evolves policies and processes to attract and retain requisite skill-sets covering technical and managerial functions through a work environment that encourages initiative, provides challenges and opportunities and recognizes the performance and potential of its people. As of March 31, 2013, the number of employees stood at 377 covering all locations compared to 427 as of March 31, 2012.

DECLARATION

TO THE MEMBERS OF INDO NATIONAL LTD.

This is to declare that the Code of Conduct envisaged by the Company for members of the Board and the Senior Management Personnel have been complied with by all the members of the Board and the Senior Management Personnel of the Company respectively.

For INDO NATIONAL LIMITED

P. DWARAKNATH REDDY
MANAGING DIRECTOR & CEO

Place : Chennai
Date : 17th May, 2013

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

TO THE MEMBERS OF INDO NATIONAL LIMITED

We have examined the compliance of conditions of corporate governance by Indo National Limited., for the year ended on 31.03.2013 as stipulated in clause 49 of the Listing Agreement of the said company with stock exchange(s).

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that no investor grievance(s) is pending for a period exceeding one month against the company as per the records maintained by the Shareholders/ Investors Grievance Committee.

We 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.

For P. SRINIVASAN & CO.
Chartered Accountants
Firm No.004054S

Place : Chennai
Date : 17th May, 2013

P. SRINIVASAN
Partner
Membership No.: 2090

INDEPENDENT AUDITOR'S OPINION TO THE MEMBERS OF M/S. INDO NATIONAL LIMITED

Report on the financial statements

We have audited the accompanying financial statements of M/s. Indo National Limited which comprise the Balance Sheet as at 31st March, 2013 the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in section 211(3C) of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material mis-statement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material mis-statement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material mis-statement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
- (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date, and

- (c) in the case of the Cash Flow Statement of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003("the Order") issued by the Central Government of India in terms of Section 227 (4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in Section 211 (3C) of the Act.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2013 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013 from being appointed as a director in terms of Section 274 (1) (g) of the Act.

For P. SRINIVASAN & CO.
Chartered Accountants
Firm No.004054S

Place : Chennai
Date : 17th May, 2013

(P. SRINIVASAN)
Partner
Membership No:2090

Annexure referred to in paragraph 3 of our report of even date:

- i)
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) These fixed assets have been physically verified by the management at the end of the financial year which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- c) As per the records and as explained to us, the Company has not disposed off any substantial or major part of fixed assets during the year.
- ii)
 - a) As explained to us, inventories held by the Company were physically verified during the year at reasonable intervals by the management.
 - b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in

- relation to the size of the company and the nature of its business.
- c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- iii) a) The company has not granted any loans, secured or unsecured to companies; firms or other parties covered in the register maintained u/s 301 of the Act.
- b) The company has not taken any loans, secured or unsecured to companies, firms or other parties covered in the register maintained u/s.301 of the Act.
- iv) a) In our opinion and according to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the Company and nature of its business with regard to the purchases of inventories, fixed assets and for the sale of goods and services.
- b) In our opinion and according to the information and explanations given to us, there is no continuing failure to correct major weaknesses in internal control system of the Company.
- v) a) In our opinion, on the basis of the audit procedures applied by us and according to the information and explanation given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section.
- b) In our opinion, on the basis of the audit procedures applied by us and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956, have been made at prices which are reasonable having regard to prevailing market prices for such goods, materials or services at the relevant time.
- vi) The Company has not accepted any deposits from the public during the year to which the directives issued by the Reserve Bank of India and the provisions of sections 58A and 58AA and any other relevant provision of the Act and the rules framed there under are applicable.
- vii) In our opinion, the company has an internal audit system commensurate with its size and the nature of its business.
- viii) According to the records produced and the information given to us, the cost records prescribed by the Central Government under Sec.209(1)(d) of the Companies Act 1956 (1 of 1956) are being made and maintained by the Company. No examination of such records has been carried out by us.
- ix) a) According to the records of the Company, the Company is regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Wealth Tax, Service Tax, Sales Tax, Customs Duty, Excise Duty, Cess and any other statutory dues applicable to it, with the appropriate authorities during the year.
- b) According to the records of the company, there are no dues of income tax, wealth tax, customs duty, service tax, excise duty and cess which have not been deposited on account of any dispute except:
- i) Sales Tax of Rs.2.15 Lacs disputed and pending before the First Sales Tax Appellate Authority and
- ii) Income Tax of Rs 17.51 Lacs disputed and pending before the Income Tax Authorities as under:
1. The First Appellate Authority - Rs.6.00 Lakhs
2. The Second Appellate Authority - Rs.11.51 Lakhs
- x) As at the end of the financial year, the Company does not have accumulated losses. It has not incurred cash losses during the financial year or in the immediately preceding financial year.
- xi) On the basis of records and as explained to us, working capital facilities have been availed by the company as per the limits sanctioned by the bankers.
- xii) The Company has not availed borrowing facilities from financial institutions and debenture holders.
- xiii) As per the records maintained by the Company, no loans or advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
- xiv) The clause regarding special statutes is not applicable to the Company.
- xv) As per the records maintained, the Company does not deal or trade in shares, securities, debentures and other investments.
- xvi) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions during the year.
- xvii) The company has not raised any term loans during the year.
- xviii) As per records maintained and information given to us, the Company has not raised funds either on short term or long term basis during the year.
- xix) The company has not made any preferential allotment of shares during the year.
- xx) The company has not issued any debentures during the year.
- xxi) The company has not raised any money by public issues during the year.
- xxii) On the basis of the audit procedures carried out by us and information and explanation given by the management, we state that no fraud on or by the Company has been noticed or reported during the course of our audit.

For P. SRINIVASAN & CO.
Chartered Accountants
Firm No.004054S

(P. SRINIVASAN)
Partner

Place: Chennai
Date: 17th May, 2013

Membership No:2090

INDO NATIONAL LIMITED

BALANCE SHEET AS AT MARCH 31, 2013

(Rs. in Lakhs)

Particulars	Note Nos.	As at March 31,2013	As at March 31,2012
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	2	375.00	375.00
(b) Reserves and Surplus	3	13,814.15	13,863.15
(2) Non-Current Liabilities			
(a) Deferred tax liabilities (Net)	4	839.80	919.80
(b) Other Long-term liabilities	5	4.12	6.62
(c) Long-term provisions	6	100.75	75.30
(3) Current Liabilities			
(a) Short-term borrowings	7	-	887.12
(b) Trade payables	8	1,931.56	1,477.76
(c) Other current liabilities	9	540.45	462.09
(d) Short term provisions	10	774.48	734.24
TOTAL		18,380.31	18,801.08
II. ASSETS			
(1) Non-current Assets			
(a) Fixed assets	11		
(i) Tangible assets		5,140.47	4,842.15
(ii) Intangible assets		52.47	58.66
(iii) Capital work-in-progress		25.13	32.34
(b) Long-term loans and advances	12	66.63	64.38
(2) Current Assets			
(a) Inventories	13	3,781.73	4,369.96
(b) Trade receivables	14	6,253.65	6,396.96
(c) Cash and cash equivalents	15	2,446.71	2,450.16
(d) Short-term loans and advances	16	465.76	506.78
(e) Other current assets	17	147.76	79.69
TOTAL		18,380.31	18,801.08
Significant Accounting Policies and Notes on Accounts	1		

JUSTICE S. NATARAJAN
Chairman

P. DWARAKNATH REDDY
Managing Director

R.P. KHAITAN
Joint Managing Director

As per our Report attached
for **P. SRINIVASAN & Co.**
Chartered Accountants

J. SRINIVASAN
Secretary

P. SRINIVASAN
Partner

Place : Chennai
Date : 17th May, 2013

INDO NATIONAL LIMITED

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

(Rs. in Lakhs)

Sl. No.	Particulars	Note Nos.	Year ended March 31, 2013	Year ended March 31, 2012
I.	Revenue from operations (Gross)	18	34,082.11	34,067.32
	Less : Excise Duty		3,632.94	3,331.81
	Revenue from operations (Net)		30,449.17	30,735.51
II.	Other Income	19	1,108.87	1,116.30
III.	Total Revenue (I + II)		31,558.04	31,851.81
IV.	Expenses			
a.	Cost of materials consumed	20	14,334.71	15,916.62
b.	Purchases of stock-in-trade	21	9,879.05	7,492.71
c.	Changes in inventories of finished goods Work-in-progress and stock-in-trade	22	(80.61)	235.80
d.	Employee benefits expenses	23	1,998.13	2,068.87
e.	Finance costs	24	221.11	41.34
f.	Depreciation and amortization expense	25	530.76	504.10
g.	Other expenses	26	4,052.16	4,420.25
	Total Expenses		30,935.31	30,679.69
V.	Profit before exceptional and extraordinary items (III-IV)		622.73	1,172.12
VI.	Exceptional items	27	203.00	-
VII.	Profit before tax and after exceptional and extraordinary items (V-VI)		419.73	1,172.12
VIII.	Less : Tax expenses			
a.	Current tax		110.00	360.00
b.	Deferred tax		(80.00)	(31.00)
IX.	Profit for the year		389.73	843.12
X.	Earning per share (of Rs.10/- each)			
a.	Basic		10.39	22.48
b.	Diluted		10.39	22.48
	Significant Accounting Policies and Notes on Accounts	1		

JUSTICE S. NATARAJAN
Chairman

P. DWARAKNATH REDDY
Managing Director

R.P. KHAITAN
Joint Managing Director

As per our Report attached for **P. SRINIVASAN & Co.**
Chartered Accountants

J. SRINIVASAN
Secretary

P. SRINIVASAN
Partner

Place : Chennai
Date : 17th May, 2013

INDO NATIONAL LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

(Rs. in Lakhs)

Particulars	Year ended March 31,2013	Year ended March 31,2012
A. Cash flow from operating activities		
Net Profit before Tax	419.73	1,172.12
Adjustment for :		
Depreciation	530.76	504.10
Loss on sale of Fixed Assets	-	0.20
Profit on sale of Fixed Assets	-	(0.12)
Early separation Scheme	203.00	-
Operating Profit before working capital changes	1,153.49	1,676.30
(Increase) / Decrease in Trade Receivables	143.31	(359.48)
Decrease in other Receivables	0.09	353.13
Decrease in Inventories	588.23	41.13
Decrease in Trade payables and other payables	595.35	142.73
Changes in Working Capital	1,326.98	177.51
Cash generated from operations	2,480.47	1,853.81
Income Tax paid	142.28	376.16
Net cash generated from operating activities	2,338.19	1,477.65
B. Cash flow from investing Activities		
Purchase of Fixed Assets	(815.69)	(510.36)
Proceeds from sale of Fixed Assets	-	4.79
Proceeds from short term borrowings	-	887.12
Repayment of short term borrowings	(887.12)	-
Net Cash used in Investing Activities	(1,702.81)	381.55
C. Cash flow from Financing Activities		
Early separation scheme	(203.00)	(274.39)
Dividend paid including Tax thereon	(435.83)	(871.67)
Net cash used in Financing Activities	(638.83)	(1,146.06)
D. Net Increase / (Decrease) in Cash & Cash Equivalents	(3.45)	713.14
E. Cash & Cash Equivalents (Opening)	2,450.16	1,737.01
F. Cash and Cash Equivalents (Closing)	2,446.71	2,450.15

JUSTICE S. NATARAJAN
Chairman

P. DWARAKNATH REDDY
Managing Director

R.P. KHAITAN
Joint Managing Director

As per our Report attached
for **P. SRINIVASAN & Co.**
Chartered Accountants

J. SRINIVASAN
Secretary

P. SRINIVASAN
Partner

Place : Chennai
Date : 17th May, 2013

1. SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF FINANCIAL STATEMENTS

SIGNIFICANT ACCOUNTING POLICIES :

a) BASIS OF ACCOUNTING

The financial accounts are prepared under the historical cost convention and accounted on accrual basis and in accordance with Accounting Principles generally accepted in India and comply with the Accounting Standards notified by the Central Government of India, under the Companies (Accounting Standards) Rules 2006 and relevant provisions of the Companies Act,1956.

b) USE OF ESTIMATES

The preparation of the financial statements is in conformity with the generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amount of assets and liabilities and the disclosure relating to contingent assets and liabilities as on the date of financial statements and the reported amount of revenues and expenses during the reporting year and management believes that the estimates used in the preparation of financial statements are prudent and reasonable. The actual results could differ from these statements.

c) INVENTORIES

Raw materials including components, Finished goods, goods in process, materials in transit, packing materials and stores & spares have been valued at lower of cost and estimated net realisable value. Cost is computed under the FIFO method. Excise duty payable on manufactured finished goods held in the factory is included in the value of closing stock wherever applicable.

d) FIXED ASSETS AND DEPRECIATION

Depreciation has been charged:

- (i) at 10% under straight line method on imported Body maker and Bag openers, other projects under plant and machinery and intangible assets having regard to the expected useful life and residual value and
- (ii) at the rates and in the manner prescribed under schedule XIV of the Companies Act,1956.
 - (a) on assets relating to 3D Project (I line), 3U Unit (New Line) and assets related to Wind Mills under the straight line method.
 - (b) on all the other assets under written down value method.

e) REVENUE RECOGNITION

- (i) Sales exclude discounts,sales tax recoveries and include excise duty.
- (ii) Interest is recognised on time basis determined by the amount outstanding and the rate(s) applicable.

f) FIXED ASSETS

Fixed assets are stated at cost less depreciation except land which is stated at cost. Cost comprises purchase price and attributable costs (including financing costs).

g) FOREIGN CURRENCY TRANSLATION

Net gain or loss on conversion at year end of current assets and current liabilities other than transactions relating to fixed assets is recognised in the Statement of Profit and Loss. In respect of liabilities incurred in foreign currencies for acquisition of fixed assets, variations in exchange rates at the time of repayment of loan instalments are adjusted to the cost of fixed assets.

h) EMPLOYEE BENEFITS

- 1) Short term employee benefits are recognised as expense at the undiscounted amount in the statement of profit and loss of the year in which the related service is rendered.
- 2) Post employment and other long term employee benefits are recognised as expense in the statement of profit and loss of the year in which the employee has rendered services.

- i) Employees Provident Fund, Employees State Insurance and Superannuation are defined contribution plans. The contributions under these plans are charged to revenue.
 - ii) a) Gratuity is a defined benefit plan funded with the L.I.C. The contributions actuarially assessed by the L.I.C. and paid under the plan are charged to revenue.
 - b) Actuarial gains and losses are credited / charged to revenue.
 - iii) In respect of those not covered by L.I.C., schemes necessary provision has been made as applicable.
 - iv) Future liability on leave encashment to employees has been provided as per company's policy.
- 3) Termination benefits : Payments made under employees 'Early Separation Scheme' are charged to the statement of Profit and loss.

i) EARNINGS PER SHARE

The company's share capital consists only of Equity Shares. The basic and diluted earnings per share are calculated and disclosed.

j) ACCOUNTING FOR TAXES ON INCOME

Tax expense for the current year comprises current tax and deferred tax. Deferred tax liability is recognised for all timing differences. The deferred tax asset on temporary difference is recognised subject to consideration of prudence.

k) RELATED PARTY DISCLOSURES have been made as per Accounting Standard 18

l) RESEARCH AND DEVELOPMENT

Revenue expenditure on Research and Development is charged to Profit and Loss Account as and when incurred. Expenditure on assets acquired are capitalised.

m) INTANGIBLE ASSETS

Intangible assets are disclosed in the accounts separately and written off over their useful life.

n) IMPAIRMENT OF ASSETS

There being no indication of impairment of assets determined by the Company, no loss has been recognised on impairment of assets.

	As at Mar. 31, 2013	(Rs. in Lakhs) As at Mar.31, 2012
2. SHARE CAPITAL		
(1) Authorised		
50,00,000 Equity Shares of Rs.10/- each	<u>500.00</u>	<u>500.00</u>
(2) Issued, subscribed and Paid-up		
37,50,000 Equity Shares of Rs.10/- each fully paid up	<u>375.00</u>	<u>375.00</u>
(a) Reconciliation of Number of Shares		
Shares outstanding as at 1st April, 2012 / 1st April 2011	3750000	3750000
Shares outstanding as at 31st March, 2013 / 31st March, 2012	3750000	3750000
(b) Name of share holders holding more than 5% of the total number of shares issued by the company :		
Panasonic Corporation	No. of Shares	No. of Shares
	-	1147125
P. Dwaraknath Reddy	1592269	447144
Krishnakumar Jiwaraika	260512	260512

INDO NATIONAL LIMITED

The Company has issued only one class of equity shares having a par value of Rs.10/- each. Each holder of equity share is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the share holders in the Annual General Meeting and is declared on approval.

		Rs. in Lakhs	
		As at Mar. 31, 2013	As at Mar.31, 2012
3. RESERVES AND SURPLUS			
1. General Reserve			
Opening Balance		13,407.82	13,207.82
Add : Transfer from surplus		150.00	200.00
Closing Balance		<u>13,557.82</u>	<u>13,407.82</u>
2. Surplus			
Opening Balance		455.33	522.44
Less : Early Separation Scheme charged off		-	274.39
Additions during the year (Balance in Statement of Profit & Loss)		389.73	843.12
Appropriations :			
Proposed Dividend		375.00	375.00
Tax on Dividend		63.73	60.84
Transfer to General Reserve		150.00	200.00
Closing Balance		<u>256.33</u>	<u>455.33</u>
GRAND TOTAL		<u>13,814.15</u>	<u>13,863.15</u>
4. DEFERRED TAX LIABILITIES (NET)			
A. Deferred tax for current year			
a) Details of deferred tax asset :			
i. Employees retirement and other benefits		-	2.95
ii. Depreciation		41.00	54.13
iii. Early separation scheme for employees		32.00	-
iii. Others		7.00	0.92
		<u>80.00</u>	<u>58.00</u>
b) Details of deferred tax liability :			
i. Early Separation Scheme for employees		-	27.00
		-	27.00
c) Net Deferred Tax Asset for the year			
		<u>(80.00)</u>	<u>(31.00)</u>
B. Total accumulated deferred tax liability			
Accumulated Deferred Tax Liability for earlier years			
i. Depreciation		559.55	559.55
ii. Accrued Taxes, Payments to employees etc.,		47.51	47.51
		<u>512.04</u>	<u>512.04</u>
Deferred Tax Liability / (Asset)			
Current Year	(80.00)	-	(31.00)
Previous Years	407.76	327.76	407.76
Net Deferred Tax Liability		<u>839.80</u>	<u>919.80</u>

INDO NATIONAL LIMITED

Rs. in Lakhs

	As at Mar. 31, 2013	As at Mar.31, 2012
5. OTHER LONG-TERM LIABILITIES		
Security deposits from distributors	<u>4.12</u>	<u>6.62</u>
6. LONG-TERM PROVISIONS		
Employee benefits	<u>100.75</u>	<u>75.30</u>
7. SHORT-TERM BORROWINGS		
Unsecured Loan from a Bank	-	887.12
<p>The aggregate working capital limits of Rs.1,200 (Rs.1,100) sanctioned by Banks are secured against equitable mortgage by deposit of title deed of factory property situated at Nellore, Andhara Pradesh and hypothecation of imported and indigenous raw materials, components, spares, goods in process and finished goods.</p>		
8. TRADE PAYABLES	<u>1,931.56</u>	<u>1,477.76</u>
<p>There are no outstanding dues to Micro, Small and Medium Enterprises as per the information contained in the vendor list maintained by the Company and to whom the Company had no outstanding dues exceeding forty five days as on 31st March 2013. The additional disclosures as required under the Micro, Small and Medium Enterprises Development Act, 2006 are not furnished.</p>		
9. OTHER CURRENT LIABILITIES		
Interest accrued but not due on borrowings	6.59	7.77
Unclaimed dividends	43.50	46.82
Statutory liabilities payable (Net)	250.65	241.73
Other payables	239.71	165.77
Total	<u>540.45</u>	<u>462.09</u>
10. SHORT-TERM PROVISIONS		
Employee benefits	124.36	125.42
Proposed dividend	375.00	375.00
Others	275.12	233.82
Total	<u>774.48</u>	<u>734.24</u>

11. FIXED ASSETS

Rs. in Lakhs

DESCRIPTION OF ASSET	GROSS BLOCK			DEPRECIATION / AMORTISATION				NET BLOCK		
	As at 1st April 2012	Additions	Deletions	As at 31st March 2013	Upto 31st March 2012	For the Year	Deletions	Upto 31st March 2013	As at 31st March 2013	As at 31st March 2012
Own Assets										
I. Tangible Assets										
1. Land	70.29	-	-	70.29	-	-	-	-	70.29	70.29
2. Buildings	2,197.25	39.69	-	2,236.94	1,120.62	97.86	-	1,218.48	1,018.46	1,076.64
3. Plant and Machinery	12,781.64	700.02	-	13,481.66	9,365.69	358.26	-	9,723.95	3,757.71	3,415.95
4. Furniture & Fixtures	178.69	3.28	-	181.97	120.62	10.80	-	131.42	50.55	58.07
5. Vehicles	208.82	59.29	-	268.11	142.64	24.45	-	167.09	101.02	66.18
6. Office Equipments	147.31	4.09	-	151.40	103.20	6.34	-	109.54	41.86	44.11
7. (i) Computer Systems	348.74	14.94	-	363.68	313.86	16.11	-	329.97	33.71	34.88
(ii) Airconditioners & Refrigerators	236.42	1.58	-	238.00	160.38	10.75	-	171.13	66.87	76.04
Sub-Total (A)	16,169.16	822.89	-	16,992.05	11,327.01	524.57	-	11,851.58	5,140.47	4,842.15
II. Intangible Assets										
1. Computer Software	61.89	-	-	61.89	3.23	6.19	-	9.42	52.47	58.66
Sub-Total (B)	61.89	-	-	61.89	3.23	6.19	-	9.42	52.47	58.66
III. Capital Work in Progress	32.33	25.13	32.33	25.13	-	-	-	-	25.13	32.34
Sub-Total (C)	32.33	25.13	32.33	25.13	-	-	-	-	25.13	32.34
Grand Total (A+B+C)	16,263.38	848.02	32.33	17,079.07	11,330.24	530.76	-	11,861.00	5,218.07	4,933.15
Previous Year	15,771.61	554.14	62.37	16,263.39	10,839.84	504.14	13.74	11,330.24	4,933.15	4,931.77

INDO NATIONAL LIMITED

	As at Mar. 31, 2013	Rs. in Lakhs As at Mar.31, 2012
12. LONG TERM LOANS AND ADVANCES		
Security deposits	<u>66.63</u>	<u>64.38</u>
13. INVENTORIES		
(as taken, valued & certified by the management)		
Raw materials	858.80	1,541.47
Work in process	305.77	476.93
Finished goods	1,017.53	1,002.92
Stock-in-trade (Traded goods)	1,342.88	1,105.71
Stores and spares	256.75	242.93
Total	<u>3,781.73</u>	<u>4,369.96</u>
14. TRADE RECEIVABLES		
(Unsecured and considered good)		
Outstanding for a period exceeding six months from the due date for payment	358.35	301.55
Outstanding for a period of less than six months from the due date for payment	5,895.30	6,095.41
Total	<u>6,253.65</u>	<u>6,396.96</u>
15. CASH & BANK BALANCES		
Cash and cash equivalents		
Cash on hand	3.15	1.87
Cheques and drafts on hand	785.11	792.30
Balance with banks		
Held as fixed deposits (Less than 12 months)	1,379.81	1,457.18
In Current accounts	219.48	136.42
Unpaid dividend accounts	43.50	46.82
Held as margin money against borrowings and other commitments	15.66	15.57
Total	<u>2,446.71</u>	<u>2,450.16</u>
16. SHORT TERM LOANS & ADVANCES		
(Unsecured and considered good)		
Advances recoverable in cash or In kind for the value to be received	350.70	451.81
Receivable from Revenue authorities	60.21	29.51
Income tax and TDS (Net of liability)	54.85	25.46
Total	<u>465.76</u>	<u>506.78</u>
17. OTHER CURRENT ASSETS		
Prepaid expenses	124.83	65.19
Insurance claims	22.93	14.50
Total	<u>147.76</u>	<u>79.69</u>

INDO NATIONAL LIMITED

Rs. in Lakhs

	As at Mar. 31, 2013	As at Mar.31, 2012
18. REVENUE FROM OPERATIONS		
Sale of Goods		
Manufactured Goods		
Dry Batteries	22,502.10	24,743.23
Traded goods		
Torches and others	11,580.01	9,324.09
Total	<u>34,082.11</u>	<u>34,067.32</u>
19. OTHER INCOME		
Interest income		
- Deposits	45.94	114.32
- Over due bills	989.75	864.16
Income tax refund	11.22	15.05
Net gain on sale of fixed assets	-	0.12
Other non-operating income	61.96	122.65
Total	<u>1,108.87</u>	<u>1,116.30</u>
20. COST OF MATERIALS CONSUMED		
Material Consumed Comprises of :		
Zinc	3,489.21	4,042.20
Others*	10,845.50	11,874.42
Total	<u>14,334.71</u>	<u>15,916.62</u>
* Include raw material, components and packing materials none of which individually accounts for more than 10% of the total consumption.		
21. PURCHASES OF TRADED GOODS : (Torch and others)	<u>9,879.05</u>	<u>7,492.71</u>
*None of which individually accounts for more than 10%		
22. CHANGES IN INVENTORIES		
At the beginning of the accounting year		
Finished goods	1,002.92	1,254.63
Goods-in- process	476.94	299.21
Stock-in-trade	1,105.71	1,267.53
Total	<u>2,585.57</u>	<u>2,821.37</u>
At the end of the accounting year		
Finished goods	1,017.53	1,002.92
Goods-in- process	305.77	476.94
Stock-in-trade	1,342.88	1,105.71
Total	<u>2,666.18</u>	<u>2,585.57</u>
	<u>(80.61)</u>	<u>235.80</u>

INDO NATIONAL LIMITED

	As at Mar. 31, 2013	Rs. in Lakhs As at Mar.31, 2012
23. EMPLOYEE BENEFITS EXPENSE		
Salary,wages and Bonus	1,275.95	1,214.89
Directors remuneration	114.14	131.44
Contribution to Provident and other funds	163.00	192.04
Staff welfare expenses(including compensated absences)	445.04	530.50
Total	<u>1,998.13</u>	<u>2,068.87</u>
24. FINANCIAL COSTS		
Interest to bank	98.91	37.72
Other borrowing costs	7.61	7.89
Applicable net Loss / (gain) of foreign currency transaction/translation	114.59	(4.27)
Total	<u>221.11</u>	<u>41.34</u>
25. DEPRECIATION AND AMORTIZATION EXPENSE		
Depreciation	524.57	500.87
Amortisation	6.19	3.23
Total	<u>530.76</u>	<u>504.10</u>
26. OTHER EXPENSES		
Consumption of stores and spare parts	504.85	562.34
Power, Gas and Water	582.62	380.71
Repairs to :		
Machinery	17.86	26.01
Buildings	41.07	6.23
General	655.62	558.06
	<u>714.55</u>	<u>590.30</u>
Insurance	15.38	15.01
Research & Development Expenses	10.95	11.62
Rent	187.48	182.34
Travelling & Conveyance	222.47	247.38
Communication expenses	49.28	48.41
Printing and Stationery	13.25	18.99
Vehicle Maintenance	70.61	69.25
Auditors' Remuneration		
Statutory audit	2.50	2.50
Taxation and certification	1.25	1.25
Tax audit	1.25	1.25
Out of pocket expenses	0.50	0.50
	<u>5.50</u>	<u>5.50</u>
Professional charges	168.82	174.64
Additional Sales Tax, etc	58.58	24.86
Rates and taxes	70.81	81.22
Advertisement expenses	201.07	584.18
Freight charges	854.89	1,002.16
Sales promotion, Selling and Distribution expenses	258.82	338.29
Loss on sale of fixed assets	-	0.20
Miscellaneous expenses	62.23	82.85
Total	<u>4,052.16</u>	<u>4,420.25</u>

INDO NATIONAL LIMITED

	As at Mar. 31, 2013	Rs. in Lakhs As at Mar.31, 2012
27. EXCEPTIONAL ITEMS		
Employees early separation scheme	203.00	-
28. DEFINED BENEFIT PLAN		
Defined benefit plan as per actuarial valuation as on 31 st March, 2013 and recognised in the financial statements in respect of Employee Benefit Scheme: (AS - 15)		
	Gratuity (funded)	
		Rs. in Lakhs
(i) Component of Employee Cost	2012 - 2013	2011 - 2012
a) Current Service Cost	26.75	20.24
b) Interest Cost	50.25	44.94
c) Expected return on Plan Assets	49.95	79.59
d) Actuarial gain /(loss)	4.27	(39.17)
e) Net Liability recognised in the Profit and Loss A/c.	22.78	24.76
(ii) Net Asset/(Liability) recognised in Balance Sheet		
a) Present value of obligation	601.29	628.18
b) Fair value of Plan Assets	615.94	647.99
c) Asset / (Liability) to be recognised in the Balance Sheet	14.65	19.81
(iii) Changes in defined benefit obligation		
a) Present value at the beginning	628.18	561.75
b) Current Service Cost	26.75	20.24
c) Interest Cost	50.25	49.94
d) Benefits paid	99.62	37.93
e) Actuarial loss	4.27	39.17
f) Present value at the end	601.29	628.18
(iv) Changes in fair value of Plan assets		
a) Present value at the beginning	647.99	516.83
b) Expected actual return on Plan Assets	49.95	79.59
c) Contributions	17.62	89.49
d) Benefit paid	99.62	37.93
e) Actuarial gain / (loss)	-	-
f) Fair value at the end	615.94	647.99
g) Funded Status Asset / (Liability)	14.65	19.81
(v) Actuarial Assumptions	%	%
a) Discount rate (per annum)	8.00	8.00
b) Expected rate of return on assets	8.00	8.00
c) Salary escalation rate	8.00	5.00
d) Attrition rate	1-3	1-3
29. No Provision has been made for		
a) Differential Sales Tax of Rs.111.09 Lakhs (111.09 Lakhs) levied by APGST authorities for the period from April 2001 to March 2005, based on sales turnover of Company's Authorised whoelsale Dealer, treating them as related persons under the amended provisions of the Sales Tax Act. The company has so far paid Rs.110.42 lakhs (Rs.110.42Lakhs) towards the said disputed sales tax "under protest".		
b) Part of Gratuity payable to Managing Director estimated at Rs.37 Lakhs (37 Lakhs).		

30. Related party disclosures : Are disclosed as per Accounting Standards 18

Enterprises under Common Control :

- a) Panasonic Corporation *
- b) Panasonic Asia Pacific Pte Ltd *
- c) Panasonic Carbon India Co. Ltd *
- d) Panasonic Home Appliances India Co. Ltd *
- e) Panasonic Energy India Company Limited *

Associates :

- f) Apollo Hospitals & Enterprises Ltd
- g) Sindoori Travels
- h) Apex Agencies
- i) Associated Electrical Agencies
- j) P. Obul Reddy & Sons
- k) Kalpatharu Enterprises Pvt. Ltd
- l) Radiohms Properties Pvt. Ltd
- m) Radiohms Agencies *
- n) Radiohms Agencies Ltd
- o) R. P. Electronics *

Key Managerial Personnel

Mr. P. Dwaraknath Reddy

Mr. R.P. Khaitan

Relative of Key Managerial Personnel

Mr. P. Aditya Reddy

Rs. in Lakhs

Nature of Transaction	Associates	Key Managerial Personnel	Enterprises under Common Control	Total
Sale of Goods	25,822.78	-	-	25,822.78
	(24,744.07)			(24,744.07)
Purchase of Goods	-	-	1,449.88	1,449.88
	-		(2,350.67)	(2,350.67)
Receiving of Services	298.61	-	-	298.61
	(640.39)			(640.39)
Rendering of Services	1,022.02	-	-	1,022.02
	(796.26)			(796.26)
Remuneration	-	114.44	-	114.44
		(131.44)		(131.44)
Due from as on 31st March, 2013	5,036.82	-	-	5,036.82
	(4,860.16)			(4,860.16)
Due to as on 31st March, 2013	7.65	12.31	-	19.96
	(7.42)	(10.00)	(210.81)	(228.23)

* Part of the year

INDO NATIONAL LIMITED

		2012 - 2013		2011 - 2012	
		Value	% of Total Consumption	Value	% of Total Consumption
31.	Value of Raw Materials, Stores, Spare parts and components consumed				
	i) Raw Materials				
	i) Imported	2,781.83	19.4	3,126.85	19.6
	ii) Indigenous	11,552.88	80.6	12,789.77	80.4
	Total	14,334.71	100.0	15,916.62	100.0
	ii) Stores and Spares				
	i) Imported	13.92	2.8	28.56	5.1
	ii) Indigenous	490.93	97.2	533.78	94.9
	Total	504.85	100.0	562.34	100.0
					Rs. Lakhs
			2012 - 2013		2011 - 2012
32.	CIF Value of Imports				
	Raw Materials & Components		2,352.60		2,671.19
	Stores & Spares		14.05		24.77
	Capital Goods		455.08		1.77
	Traded Goods		1,516.41		1,426.01
33.	Expenditure in Foreign Currency on Account of				
	Foreign Travel		5.19		26.35
	Other matters		8.92		-
34.	Other Contingent Liabilities				
	Estimated amount of contracts remaining to be executed on Capital Accounts and not provided for (Net of Advances)		24.00		37.87
	Letters of Credit		-		233.89
	Bills Discounted with Bankers and others		2,837.14		2,375.39
	Sales Tax disputed in Appeals		2.15		2.15
	Income Tax disputed in Appeals		17.51		15.20
35.	Computation of earnings per share				
	Net profit for the year		389.73		843.12
	Total number of Equity Shares		3750000		3750000
	Earnings per share (Rs.)		10.39		22.48
	Nominal Value per share (Rs.)		10		10
36.	Remittance in Foreign Currency to Non-Resident Shareholders				
	Dividends		-		22,943
	Number of Shareholders		-		ONE
	Number of Shares held		-		1,147,125
	Year to which Dividends relate		2011-2012		2010-2011

37. Figures have been given in lakhs of rupee's. Figures for the previous year (including those within brackets) have been regrouped wherever necessary to conform to those of the current year.

JUSTICE S. NATARAJAN
Chairman

P. DWARAKNATH REDDY
Managing Director

R.P. KHAITAN
Joint Managing Director

As per our Report attached
for **P. SRINIVASAN & Co.**
Chartered Accountants

J. SRINIVASAN
Secretary

P. SRINIVASAN
Partner

Place : Chennai

Date : 17th May, 2013

INDO NATIONAL LIMITED

Registered Office : 'Pottipati Plaza, No.77, Nungambakkam High Road,
IV Floor, Nungambakkam, Chennai - 600 034.

ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER
AT THE ENTRANCE OF MEETING HALL

Folio No. : D.P. ID : Client ID :

Name in full :

I Certify that I am a Shareholder of the Company and holdshares.
I hereby record my presence of the Fortieth Annual General Meeting of the Company held at
Sri P. Obul Reddy Hall, Vani Mahal, No.103, G.N. Chetty Road, T. Nagar, Chennai - 600 017, on
Friday, the 27th day of September, 2013 at 10.15 A.M

* Please indicate whether Member or Proxy

Signature of the Member or Proxy *

INDO NATIONAL LIMITED

Registered Office : 'Pottipati Plaza, No.77, Nungambakkam High Road,
IV Floor, Nungambakkam, Chennai - 600 034.

PROXY FORM

Folio No. : D.P. ID : Client ID :

I / We of
in the District of being a
Member(s) of the above named Company hereby appoint Mr. / Ms.
of in the District of or failing
him Mr. / Ms. of in the
District of as my / our
Proxy to attend and vote for me / us on my / our behalf at the Fortieth Annual General Meeting
of the Company to be held on Friday, the 27th day of September, 2013 at 10.15 A.M and at
every adjournment thereof.

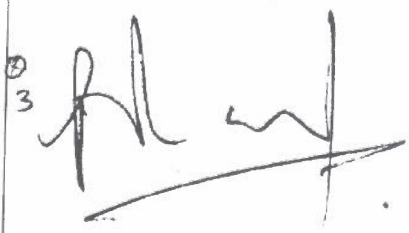


Affix
1 Rupee
Revenue
Stamp

Signed this day of 2013

Note : Any member entitled to attend and vote at the Meeting is entitled to appoint a Proxy to attend and vote instead of himself and the
Proxy need not be a member. The form duly completed must be deposited at the Registered Office of the Company not less than
48 hours before the time for holding the meeting.

FORM-A

Submission of Annual Audit Report as per clause 31 of the Listing Agreement for the financial year ended 31st March 2013.

1	Name of the Company	INDO-NATIONAL LIMITED	
2	Annual Financial statement for the year ended	31 st March 2013	
3	Type of Audit observation	Un-qualified	
4	Frequency of observation	N.A	
Name		Designation	Signature
Mr.P.Dwaraknath Reddy		Managing Director	
Mr.M.Sankara Reddy		Chief Financial Officer	
Mr. P.Srinivasan		Partner M/s. P.Srinivasan&Co., Statutory Auditors	For P. SRINIVASAN & CO., Chartered Accountants  Partner

MD & CEO	MKT PLACE	SECRET	SP&P	HR	INVEST & A/C
RCD					DOT/DIT
LEGAL	BSE LTD. 06 SEP 2013 157742				DOT 3RD FLR
MS & D					DOSS
BD & M					DCS
IPF					USE
INTER'L RELA	NO.....				
BTI	INTER CONT'L	INF. PROD	SME	ESTATE	CORP. COMM