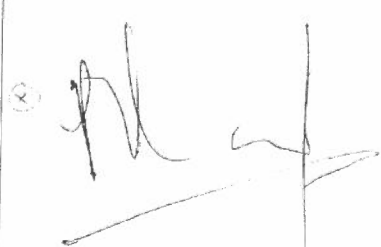


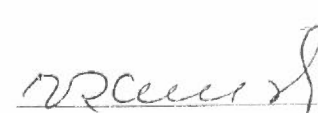


FORM A

Submission of Annual Audit Report as per clause 31 of the Listing Agreement for the financial year Ended 31st March, 2014

1	Name of the Company	INDO NATIONAL LIMITED
2	Annual Financial statement for the Year ended	31 st March, 2014
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	<p>For P. SRINIVASAN & CO., Chartered Accountants</p>  <p align="right">Partner</p>
Mr. V.R. Gupte	Chairman Audit Committee	

41st ANNUAL REPORT 2013 - 14



Indo National Limited

INDO NATIONAL LIMITED

(CIN L31909TN1972PLC006196)

Registered Office: 'Lakshmi Bhavan' IVth Floor, No.609, Mount Road, Chennai - 600 006.

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

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INDO NATIONAL LIMITED

BOARD OF DIRECTORS

Justice S.Natarajan

Chairman (up to 11-04-2014)

V.R. Gupte

Chairman

P. Dwaraknath Reddy

Managing Director

R.P. Khaitan

Joint Managing Director

Dr. S.A. Dave

P. Aditya Reddy

M. Subramanyam

S. Obul Reddy

N. Ramesh Rajan

Mrs. Lakshmmi Subramanian

SECRETARY

J. Srinivasan

AUDITORS

P. Srinivasan & Co.

New No.6 (Old No.24) Sambasivam St.
T. Nagar,
Chennai - 600 017.

BANKERS

Canara Bank

The Bank of Tokyo - Mitsubishi UFJ Ltd.

DBS Bank Ltd

REGISTERED OFFICE

No.609, Mount Road

Lakshmi Bhavan

IVth Floor

Chennai – 600 006

CORPORATE / HEAD OFFICE

‘Pottipati Plaza’ IV Floor,

No.77, Nungambakkam High Road,

Chennai - 600 034.

FACTORY

Tada Village

Nellore District - 524 401.

(Andhra Pradesh)

NOTICE

NOTICE is hereby given that the FORTY-FIRST 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 26th day of September, 2014 at 2.30 P.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, 2014 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.M.Subramanyam (DIN : 01934138), who retires by rotation under Article 147 of the Articles of Association of the Company and as per applicable provisions of the Companies Act 2013, and who, being eligible offers himself for re-appointment.
4. To appoint a Director in the place of Mr. S. Obul Reddy (DIN : 00027829) who retires by rotation under Article 147 of the Articles of Association of the Company and as per applicable provisions of the Companies Act 2013, and who, being eligible offers himself for re-appointment.
5. To re-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 Forty-fourth Annual General Meeting of the Company and to authorize the Audit Committee and Board of Directors to fix their remuneration.

Resolved that pursuant to Section 139, 141, 142, 142(8) and other applicable provisions if any, of the Companies Act, 2013, Rules made there under and recommendations of the Audit Committee of the Board the retiring Auditors M/s. P. Srinivasan & Co., Chartered Accountants (Registration no: 004054S) be and are hereby re-appointed as Auditors of

the Company for a period of 3 (Three) years and to hold office from the conclusion of this Annual General Meeting (41st) to the conclusion of (44th) Annual General Meeting (subject to ratification of appointment by the members at every Annual General Meeting held after this Annual General Meeting) on such remuneration as may be fixed by the Board of Directors as determined by the Audit Committee.

SPECIAL BUSINESS:

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

Resolved that pursuant to provisions of Section 149, 152 and other applicable provisions of the Companies Act, 2013 and rules made there under read with Schedule IV of the Companies Act, 2013 and as per clause 49 of the Listing Agreement Mr. N. Ramesh Rajan (DIN : 01628318), who was appointed as Additional Director of the Company by the Board of Directors of the Company with effect from 7th May 2014 who holds office until the date of the Annual General Meeting , in terms of section 161 of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing from a member under section 160 of the Companies Act, 2013 signifying his intention to propose Mr. N. Ramesh Rajan as a candidature for the office of director of the Company be and is hereby appointed as an Independent Director of the Company to hold office up to May 6th 2019, not 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 pursuant to provisions of section 149,152 and other applicable provisions of the Companies Act, 2013 and rules made there under read with Schedule IV of the Companies Act, 2013 and as per clause 49 of the Listing Agreement Mrs. Lakshmmi Subramanian (DIN :00001439), who was appointed as Additional Director of the Company by the Board of Directors of the Company with effect from 17th July 2014 who

holds office until the date of the Annual General Meeting, in terms of section 161 of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing from a member under section 160 of the Companies Act, 2013 signifying his intention to propose Mrs. Lakshmi Subramanian as a candidature for the office of director of the Company be and is hereby appointed as an Independent Lady Director of the Company to hold office up to 16th July 2019, not liable to retire by rotation.

8. To re-appoint Mr. P. Dwaraknath Reddy (DIN: 00277929) as Managing Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an ORDINARY RESOLUTION:

"Resolved that in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the Company be and is hereby accorded to the re-appointment of Mr. P. Dwaraknath Reddy (DIN: 00277929) as Managing Director of the Company, for a period of 3 (Three) years with effect from 1st October 2014, on the terms and conditions including remuneration as set out in the Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said re-appointment and / or remuneration as it may deem fit and as may be acceptable to Mr. P.Dwaraknath Reddy, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof:

Further resolved that pursuant to sub-section (3) of Section 197 of the Companies Act, 2013, Mr. P. Dwaraknath Reddy, Managing Director be paid minimum remuneration and perquisites in case of absence or inadequacy

of profits in any financial year of the Company during his term of office but does not exceeding the limit specified under Section II of Part-II of Schedule V to the Companies Act, 2013 or such other limits as may be prescribed by the Central Government from time to time as minimum remuneration.

Resolved further that the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

9. To re-appoint Mr.R.P. Khaitan (DIN: 00015801) as Joint Managing Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an ORDINARY RESOLUTION:

Resolved that in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the Company be and is hereby accorded to the re-appointment of Mr. R.P.Khaitan (DIN: 00015801) as Joint Managing Director of the Company, for a period of 3 (Three) years with effect from 1st October 2014, on the terms and conditions including remuneration as set out in the Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said re-appointment and / or remuneration as it may deem fit and as may be acceptable to Mr. R.P.Khaitan, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof:

Further resolved that pursuant to sub-section (3) of Section 197 of the Companies Act, 2013, Mr. R.P. Khaitan, Joint Managing Director, be paid minimum remuneration and perquisites in case of absence or inadequacy

of profits in any financial year of the Company during his term of office but does not exceeding the limit specified under Section II of Part-II of Schedule V to the Companies Act, 2013 or such other limits as may be prescribed by the Central Government from time to time as minimum remuneration.

Resolved further that the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

10. To consider and if thought fit, to pass with or without modification, the following resolution as a SPECIAL RESOLUTION:

Resolved pursuant to the provisions of Section 197 and 198 and other applicable provisions, if any, of the Companies Act, 2013, an amount not exceeding 1% of the Net Profits of the Company for each financial year computed in the manner prescribed under Section 198 of the Companies Act, 2013, be paid and distributed amongst the Non- Executive Independent Directors of the Company or some or any of them in such amounts or proportions and in such manner as may be decided by the Board of Directors for each such year subject to a limit of Rs.3,00,000/- per director, for a period of Three financial years commencing from and including the financial year 2013-14, and that such payment will be made in addition to the sitting fees payable for attending meetings of the Board or Committee thereof.

11. To consider and if thought fit to pass with or without modification, the following as a SPECIAL RESOLUTION:

Resolved that pursuant to section 188 and other applicable provisions if any, of the Companies Act, 2013, and rules made thereunder, including any amendment, modification, variation are re-enactment thereof for the time being in force, the consent of the company be and is hereby accorded for entering in to Related Party Transactions by the company with effect from 1st October 2014 to 30th September, 2015 as per chart appended below.

S.No.	Name of the Related Party	Transactions defined u/s.188 of the Companies Act, 2013	Value of transaction
1	M/s. RAL Consumer Products Ltd	Sale / Supply of Nippo Brand Products	Rs.125 Crs. (Rupees One Hundred Twenty-Five Crores only)

Resolved further that to give effect to the resolution the Board of Directors /Committee thereof be and is hereby authorized to settle any question, difficulty or doubt that may arise with regard to giving effect to the above resolution and to do all such acts, deeds, things as may be necessary to finalise any documents and writings related thereto.

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

Place: Chennai
Date: 14th August, 2014

V.R.Gupte
Chairman
(DIN : 00309699)

NOTES:

1. The Explanatory Statement as per the provisions of section 102 of the Companies Act, 2013 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 / Corporate Office of the Company not less than Forty-Eight hours before the commencement of the meeting.
3. Pursuant to Section 105 of the Companies Act, 2013 a person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

4. The Register of Members and the Share Transfer Books of the Company will remain closed from 19th September, 2014 to 26th September, 2014 (Both days inclusive).
5. Pursuant to the provisions of Sections 107 and 108, read with the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer the option of E-Voting facility to all the members of the Company. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating e-voting. The Members who wish to attend Annual General Meeting can vote at the Meeting. The Company has appointed Mr. M. Damodaran of M.Damodaran & Associates, Practicing Company Secretaries, Chennai as Scrutinizer.

The procedure and instructions for e-voting are as under:

- i) Open your web browser during the voting period and log on to the e-voting website www.evotingindia.com.
- ii) Now click on "Shareholders" to cast your votes.
- iii) Now, select the "Company Name" from the drop down menu and click on "SUBMIT".
- iv) Now, fill up the following details in the appropriate boxes:

User ID	<p>For Members holding shares in Demat Form:-</p> <p>a) For NSDL:- 8 Character DP ID followed by 8 digits Client ID</p> <p>b) For CDSL:- 16 digits beneficiary ID</p> <p>For Members holding shares in Physical Form:-</p> <ul style="list-style-type: none"> • Folio Number registered with the Company
PAN*	Enter your 10 digit alpha-numeric PAN issued by the Income Tax Department

DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.

*Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the sequence number (Sequence number has been provided as Serial number in the address label and / or in the e-mail sent to Members) in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name.

Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.

Please enter any one of the details in order to login. In case both the details are not recorded with the depository and company please enter the Member id / folio number in the Dividend Bank details field.

- v) After entering these details appropriately, click on "SUBMIT" tab.
- vi) Members holding shares in Physical form will then reach directly to the voting screen.
- vii) Members holding shares in Demat form will now reach Password Change menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of atleast one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. Kindly note that this password is also to be used by the Demat holders for voting for resolution of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is

strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- viii) You can also update your mobile number and e-mail ID in the user profile details of the folio which may be used for sending communication(s) regarding CDSL e-voting system in future. The same may be used in case the Member forgets the password and the same needs to be reset.
- ix) If you are holding shares in Demat form and had logged on to www.evotingindia.com and casted your vote earlier for EVSN of any company, then your existing login id and password are to be used.
- x) For Members holding shares in physical form, the password and default number can be used only for e-voting on the resolutions contained in this Notice.
- xi) On the voting page, you will see Resolution Description and against the same the option "YES/NO" for voting. Enter the number of shares (which represents number of votes) under YES/NO or alternatively you may partially enter any number in YES and partially in NO, but the total number in YES and NO taken together should not exceed your total shareholding.
- xii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xiv) Institutional members (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF / JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies)

who are authorized to vote, to the Scrutinizer through e-mail at secretarial@mdassociates.co.in with a copy marked to helpdesk.evoting@cdslindia.com.

- xv) In case you have any queries or issues regarding e-voting, please contact helpdesk.evoting@cdslindia.com.
 - xvi) The e-voting period commences on Thursday the 18th September, 2014 @ 9.00 am and ends on Saturday the 20th September, 2014 @ 6.00 pm.
 - (xvii) During this period members holding shares in physical or dematerialized form as on 22nd August 2014 may cast their vote electronically. The e-voting module shall be displayed by CDSL for voting thereafter.
 - (xviii) The voting rights of the members shall be in proportion to their shares of the paid up equity share capital of the Company as on 22nd August 2014.
6. The Dividend upon its declaration at the meeting will be paid to those members, whose names stand in the Register of Members as on 26th September, 2014. The said dividend will be paid on 30th September, 2014. 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.
 7. 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.
 8. 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.

9. 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-600 002 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.
10. 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).
11. 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.
12. Pursuant to Section 205A of the Companies Act, 1956, an amount of Rs.3,81,960/- remaining unclaimed out of the dividend for the year 2005-06 (declared on 20th June 2006) was transferred to the Investor Education and Protection Fund established under Section 205C(1) of the Act on 27th July 2013. The unclaimed dividend, of Rs.3,58,288/- for the year 2006-2007 has been transferred to the "Investor Education and Protection Fund" on 25th July 2014. 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.

Pursuant to Investor Education and Protection fund (Uploading of information regarding

unpaid and unclaimed amount lying with companies) Rules 2012 the Company shall provide/ host the required details of unclaimed amounts referred to Sec.205C (2) of the Companies Act, 1956 on its website and also Ministry of Corporate Affairs (MCA) website in relevant form every year. The Company has uploaded the information in respect of the unclaimed dividend from the financial year 2006-07 onwards as on the date of Annual General Meeting held on 27th September 2013 on the website of the IEPF and on the website of the Company.

13. 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.
14. 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.
15. 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.
16. Pursuant to provisions of Section 72 of the Companies Act, 2013, Members can avail of the facility of nomination in respect of shares held by them in physical form. Members desiring to avail this facility may send their nomination in the prescribed Form SH-13 duly filled in to the Company's Registrar and Share Transfer Agent: Cameo Corporate Services Limited, 'Subramanian Building', No.1, Club House Road, Chennai - 600 002. Members holding shares in electronic form may contact their respective Depository Participant for availing this facility.
17. Corporate Members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their

representatives to attend and vote on their behalf at the Meeting.

18. Members are requested to bring their Attendance Slip along with their copy of the Annual Report to the Meeting.

EXPLANATORY STATEMENT ANNEXED TO THE NOTICE OF THE FORTY FIRST ANNUAL GENERAL MEETING OF THE COMPANY AS REQUIRED UNDER SECTION 102 OF THE COMPANIES ACT, 2013.

ITEM NO.6

The Board at its meeting held on 7th May 2014, appointed Mr. N. Ramesh Rajan, as an Additional Director of the company with effect from 7th May 2014 pursuant to section 161 of the Companies Act, 2013 and hence he hold office only up to the date of this Annual General Meeting. A notice in writing from a member has been received u/s. 160 of the Companies Act, 2013 along with a deposit of Rs. 1,00,000/- proposing the candidature of Mr. N. Ramesh Rajan for the office of Independent Director, to be appointed as such under the provisions of section 149 of the Companies Act, 2013.

The Company has received

- (i) The consent in writing to act as Director in form DIR-2 pursuant to Rule 8 of the Companies (Appointment and qualification of Directors) Rules 2014;
- (ii) Intimation in form DIR-8 in terms of Companies (Appointment and qualification of Directors) Rules 2014 to the effect that he is not disqualified u/s.164(2) of the Companies Act, 2013; and
- (iii) A declaration to meet the criteria of independence as per section 149(6) of the Companies Act, 2013.

The matter regarding the appointment of Mr. N. Ramesh Rajan as an Independent Director was placed before the Nomination & Remuneration Committee, which commends his appointment as Independent Director for a period of 5 (Five) years from 7th May 2014 to 6th May 2019.

The Board of directors opined that Mr. N. Ramesh Rajan fulfills the conditions for appointment as Independent Director of the company specified in

the Companies Act, 2013 and rules made there under.

The resolution seeks the approval of the members for the appointment of Mr. N. Ramesh Rajan as an Independent Director of the Company up to 06th May 2019 pursuant to section 149 and other applicable provisions of the Companies Act, 2013 and rules made there under. He is not liable to retire by rotation.

A copy of the draft letter for the appointment of Mr. N. Ramesh Rajan as an Independent Director is available for inspection without any fees by the members of the Company at the registered office of the Company during working hours on working days up to the date of the Annual General Meeting of the Company.

No Director or key managerial person or their relatives, except, Mr. N. Ramesh Rajan, to whom the resolution relates is interested or concerned in the resolution.

The Board recommends the resolution, for appointment of Mr. N. Ramesh Rajan as an Independent Director of the Company, for the approval of members.

ITEM NO.7

The Board at its meeting held on 17th July 2014, appointed Mrs.Lakshmmi Subramanian, as an Additional Director of the company with effect from 17th July 2014 pursuant to section 160 of the Companies Act, 2013 and hence she hold office only up to the date of this Annual General Meeting. A notice in writing from a member has been received u/s. 161 of the Companies Act, 2013 along with a deposit of Rs. 1,00,000/- proposing the candidature of Mrs.Lakshmmi Subramanian for the office of Lady Independent Director to be appointed as such under the provisions of section 149 of the Companies Act, 2013.

As per clause 49 of the Listing Agreement and section 149 of the Companies Act, 2013 every listed company shall have at least one lady director.

The Company has received

- (i) The consent in writing to act as Director in form DIR-2 pursuant to Rule 8 of the Companies (Appointment and qualification of Directors) Rules 2014;
- (ii) Intimation in form DIR-8 in terms of Companies (Appointment and

qualification of Directors) Rules 2014 to the effect that she is not disqualified u/s.164(2) of the Companies Act, 2013; and

- (iii) A declaration to meet the criteria of independence as per section 149(6) of the Companies Act, 2013.

The matter regarding the appointment of Mrs.Lakshmmi Subramanian as a Lady Independent Director was placed before the Nomination & Remuneration Committee, which commends her appointment as Lady Independent Director for a period of 5 years from 17th July 2014 to 16th July 2019.

The Board of directors opined that Mrs.Lakshmmi Subramanian fulfills the conditions for appointment as Lady Independent Director of the company specified in the Companies Act, 2013 and rules made there under.

The resolution seeks the approval of the members for the appointment of Mrs.Lakshmmi Subramanian as a Lady Independent Director of the Company up to 16th July 2019 pursuant to section 149 and other applicable provisions of the Companies Act, 2013 and rules made there under. She is not liable to retire by rotation.

A copy of the draft letter for the appointment of Mrs.Lakshmmi Subramanian as a Lady Independent Director is available for inspection without any fees by the members of the Company at the registered office of the Company during working hours on working days up to the date of the Annual General Meeting of the Company.

No Director or key managerial person or their relatives, except, of Mrs.Lakshmmi Subramanian, to whom the resolution relates is interested or concerned in the resolution.

The Board recommends the resolution, for appointment of Mrs.Lakshmmi Subramanian as a Lady Independent Director of the Company, for the approval of members.

ITEM NO.8

The Board of Directors of the Company (the 'Board'), at its meeting held on 14th August, 2014, has, subject to the approval of members, re-appointed Mr. P.Dwaraknath Reddy as Managing Director, for a period of 3 (Three) years from the expiry of his present term, which will expire on

30th September 2014, at the remuneration recommended by the Nomination and Remuneration Committee of the Board and approved by the Board.

It is proposed to seek the members' approval for the re-appointment of and remuneration payable to Mr. P. Dwaraknath Reddy as Managing Director in terms of the applicable provisions of the Act.

Broad particulars of the terms of re-appointment of and remuneration payable to Mr. P. Dwaraknath Reddy is as under:

- (a) Salary, Perquisites and Allowances per annum:

Salary : Rs.48 lacs (Rs.4 lacs per month)

Commission : 1% of the net profits of the Company.

Perquisites:

Medical Reimbursement: Reimbursement of expenses actually incurred for self and family, subject to a ceiling of one month's salary in a year or three month's salary over a period of three years.

Leave Travel Concession: For self and family once in a year as per the rules of the Company.

Club Fees: Fees of clubs subject to a maximum of two clubs, admission and life membership not being allowed.

Personal accident insurance: Annual premium payable as per the policy of the Company.

Company's contribution towards Provident Fund: Not exceeding 12% of the salary as laid down under the Income Tax Rules, 1962.

Company's contribution to Superannuation / Annuity Fund: Not exceeding 15% of the salary as laid down under the Income Tax Rules, 1962.

Gratuity: One full month's salary for each completed year of service.

Encashment of leave at the end of tenure as per the rules of the Company.

Car: For use of Company's business. Use of car for private purposes shall be billed by the Company to Mr. P. Dwaraknath Reddy.

Telephone: Telephone facility at residence. Personal long distance calls shall be billed by the Company to Mr. P. Dwaraknath Reddy.

(b) General:

- (i) The Managing Director will perform his respective duties as such with regard to all work of the Company and he will manage and attend to such business and carry out the orders and directions given by the Board from time to time in all respects and confirm to and comply with all such directions and regulations as may from time to time be given and made by the Board.
- (ii) The Managing Director shall act in accordance with the Articles of Association of the Company and shall abide by the provisions contained in Section 166 of the Act with regard to duties of directors.
- (iii) The Managing Director shall adhere to the Company's Code of Business Conduct & Ethics for Directors and Management Personnel.
- (iv) The Managing Director of the company, in addition to oversee the day to day affairs of the Company, shall perform his respective duties with regard to the decisions concerning purchase, sales, pricing, marketing, publicity, selling and distribution of the Company's products all over India. He shall be the final deciding authority with respect to the aforesaid matters. He is entrusted with substantial powers of management of the affairs of the Company.

Mr. P. Dwaraknath Reddy satisfy all the conditions set out in Part-I of Schedule V to the Act as also conditions set out under sub-section (3) of Section 196 of the Act for being eligible for his re-appointment. He is not disqualified from being appointed as Directors in terms of Section 164 of the Act.

The above may be treated as a written memorandum setting out the terms of re-appointment of Mr. P.Dwaraknath Reddy and under Section 190 of the Act.

Mr. P. Dwaraknath Reddy is interested in the resolution set out respectively at Item No. 8 of the Notice, which pertain to his re-appointment and remuneration payable to him.

The relatives of Mr.P.Dwaraknath Reddy may be deemed to be interested in the resolution set out respectively at Item No. 8 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors/ Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board recommends the Ordinary Resolution for appointment of Mr. P. Dwaraknath Reddy as Managing Director of the Company for the approval of members.

ITEM NO.9

The Board of Directors of the Company (the 'Board'), at its meeting held on 14th August, 2014, has, subject to the approval of members, re-appointed Mr. R.P. Khaitan as Joint Managing Director, for a period of 3 (Three) years from the expiry of his present term, which will expire on 30th September 2014, at the remuneration recommended by the Nomination and Remuneration Committee of the Board and approved by the Board.

It is proposed to seek the members' approval for the re-appointment of and remuneration payable to Mr. R.P.Khaitan as Joint Managing Director in terms of the applicable provisions of the Act.

Broad particulars of the terms of re-appointment of and remuneration payable to Mr. R.P.Khaitan is as under:

- (a) Salary, Perquisites and Allowances per annum:

Salary	: Rs.48 lacs (Rs.4 lacs per month)
Commission	: 1% of the net profits of the Company.

Perquisites:

Medical Reimbursement: Reimbursement of expenses actually incurred for self and family, subject to a ceiling of one month's salary in a year or three month's salary over a period of three years.

Leave Travel Concession: For self and family once in a year as per the rules of the Company.

Club Fees: Fees of clubs subject to a maximum of two clubs, admission and life membership not being allowed.

Personal accident insurance: Annual premium payable as per the policy of the Company.

Company's contribution towards Provident Fund: Not exceeding 12% of the salary as laid down under the Income Tax Rules, 1962.

Company's contribution to Superannuation / Annuity Fund: Not exceeding 15% of the salary as laid down under the Income Tax Rules, 1962.

Gratuity: One full month's salary for each completed year of service.

Encashment of leave at the end of tenure as per the rules of the Company.

Car: For use of Company's business. Use of car for private purposes shall be billed by the Company to Mr. R.P. Khaitan.

Telephone: Telephone facility at residence. Personal long distance calls shall be billed by the Company to Mr. R. P. Khaitan.

(b) General:

- (i) The Joint Managing Director shall abide by the provisions contained in Section 166 of the Act with regard to duties of directors.
- (ii) The Joint Managing Director shall adhere to the Company's Code of Business Conduct & Ethics for Directors and Management Personnel.
- (iii) Managing Director (MD) & Joint Managing Director (JMD) will jointly decide the role of Joint Managing Director of the Company. In case of any diverse views, the view of the MD shall prevail. From time to time, JMD will appraise MD about the progress of the work and will act & operate in accordance with the guidance and on information received from MD.

Mr. R.P. Khaitan satisfy all the conditions set out in Part-I of Schedule V to the Act as also conditions set out under sub-section (3) of Section 196 of the Act for being eligible for his re-appointment. He is not disqualified from being appointed as Directors in terms of Section 164 of the Act.

The above may be treated as a written memorandum setting out the terms of re-appointment of Mr.R.P.Khaitan and under Section 190 of the Act.

Mr.R.P.Khaitan is interested in the resolution set out respectively at Item No. 9 of the Notice, which pertain to his re-appointment and remuneration payable to him.

The relatives of Mr.R.P.Khaitan may be deemed to be interested in the resolution set out respectively at Item No. 9 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors/ Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board recommends the Ordinary Resolution for appointment of Mr. R.P. Khaitan as Joint Managing Director of the Company, for the approval of members.

ITEM NO.10

The Non- Executive / Independent Directors have to devote considerable time to the business of the Company and the Company is benefited by their expertise and mature advice. It is appropriate that they should be paid suitable remuneration by way of commission on the net profits of the Company in addition to the sitting fees payable in recognition of their services. Accordingly it is proposed to pay the Non- Executive / Independent Directors remuneration by way of commission up to 1% of the net profits of the Company for a period of Three Financial Years commencing from the financial year ending March 31, 2014 in the manner stated in the Resolution. The Board of Directors of the Company recommends to the members to approve payment of commission to the Non – Executive / Independent Directors in accordance with the provisions of Sections 149, 197 and 198 and other applicable provisions of Companies Act, 2013.

All the non executive Independent Directors are concerned or interested in this resolution to the extent of commission payable to / receivable by them.

ITEM NO: 11

As per section 188 of the Companies Act, 2013 read with Rule 15 of the Companies (meeting of Board and its power) rules 2014, any amendment thereof, except with prior approval of the Company by Special Resolution, a Company shall not enter in to transactions for sale or supply of goods, with a related party, in a year exceeding 10% of the Annual turnover as per last audited balance sheet

of the company or Rs.100 Crs. whichever is lower. As per SEBI circular dated 17th April 2014, all material related party transactions shall require approval of members by way of special resolution and it also explained a transaction considered to be material if the transaction / transactions to be entered in to individually or taken together with previous transactions during a financial year exceeds five percent of the annual turnover or twenty percent of the net worth of the company as per the last audited financial statement of the company whichever is higher.

You may be aware that the company is selling goods through one of the Authorised Wholesale Dealer M/s RAL Consumer Products Limited and the Board of directors of the Company at its meeting held on 7th May 2014, has approved the sale of company products through M/s. RAL Consumer Products Limited, up to 25% of the annual turnover of the Company arrived as per latest Audited Balance sheet being the one relating to the year ended 31st March 2014.

The Board at its meeting held on 14th August 2014 has approved sale of company products, through M/s. RAL Consumer Products Limited, exceeding 25% of the last year annual turnover of the company for a period of one year from 1st October 2014 to 30th September 2015 up to Rs.125 Crores subject to approval of the Members of the Company and subject to the conditions prescribed by the Board that it should not deal with other competitors brand products in the territories allocated to the Company and it should deal with products manufactured / traded by the Company in the territories appointed by the Board as Authorised Wholesale Dealers of the company.

Accordingly Section 188 of the Companies Act, 2013 and amendment rules made there under requires special resolution (if any related party transactions for sale of goods exceeds 10% of the last year annual turnover of the company or Rs.100 Crs whichever is lower) and therefore your board recommends the special resolution for your approval.

All prescribed disclosures as required under the Companies Act, 2013 and Companies (meeting of Board and its power) rules 2014 and amendment thereof are given below:

1. Name of the Related party : M/s. RAL Consumer Products Ltd (RAL)
2. Name of the Director or Key Managerial Personnel who is related if any : Mr. R.P. Khaitan
3. Nature of Relationship : Mr. R.P. Khaitan, Joint managing Director of the Company is also a Director of RAL and along with relatives hold 100% share holding in RAL.
4. Nature, Material Terms Monetary value and Particulars : for sale of company products from 1st October 2014 to 30th September 2015 for Rs.125 Crs.

Except Mr. R.P. Khaitan, Joint Managing Director of the company none of other Directors or the Key Managerial Personnel or their relatives are interested or concerned in the Resolution.

ADDITIONAL 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. M. Subramanyam

Mr. M .Subramanyam is a B.Com, C.A, aged 50 years, presently working as Chief Executive Officer of Garuda Thermal Power 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 24 years experience in the areas of corporate finance, strategy & Project Management.

Other Directorship : NIL
Chairman/ member of Board Committees : NIL
Share holding (no. of shares) : NIL

Mr. S. Obul Reddy

Mr. S. Obul Reddy is a B.Com, B.L aged 52 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 21 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.
4. Indian Hospitals Company Ltd
5. Apollo Rajshree Hospitals Private Limited

Chairman/ member of Board Committees : NIL

Share holding (No. of shares) : NIL

Mr. N. Ramesh Rajan

Mr. N. Ramesh Rajan, B.Com, F.C.A aged 57 years, is the former chairman and senior partner of PwC India between May 2007 and December 2009. Thereafter he accepted a global role within PwC International reviewing the global delivery strategy for the international firm till June 2013.

Mr. N. Ramesh Rajan held several leadership positions in PwC india including heading the Risk advisory practice before becoming the first elected chairman and senior partner of PwC India. As a Chairman and Senior Partner he represented India in the Global Strategy Council of PwC International was a member of the Leadership Team of The Central Cluster led by PwC UK.

Mr. N. Ramesh Rajan has served as the Engagement Partner/ Country Relationship Partner for several Multinational & Domestic clients including Hindustan Unilever, Britannia Industries, cognizant, ford, visteon, IBM, Bosch, Volvo, Saint Gobin, Murugappa Group etc., He has also led several large due diligence engagements and Risk Advisory engagements.

As a Chairman and Senior Partner of PwC india, he completed acquisition / integration of RSM, Dalal & Shah and Eicher consulting services in to PwC Inida.

In July 2013, he founded LeapRidge Advisors LLP providing Advisory, Assurance & Tax Services etc., LeapRidge Advisors is now a member firm of Crowe Horwath International.

He is also a Member of Audit Committee, Investor grievance and share transfer committee and Remuneration committee.

Other Directorship : NIL

Chairman/ member of Board Committees : NIL

Share holding (no. of shares) : NIL

Mrs. Lakshmmi Subramanian

Mrs. Lakshmmi Subramanian, B.Com, F.C.S, started her carrier as practicing company Secretary and in the year 2001 she founded Lakshmmi Subramanian & Association (LSA) a practicing company secretary firm where she is working as senior partner.

She handled several public issues from 1994 to 1998 and served as Vice Chairperson of ICSI during 2009-2010. LSA was ranked 3rd in India amongst the IPO issue advisory firms by Bloomberg in 2011. She is also a member of the secretarial standard Board of ICSI.

LSA expertise in providing IPO services like drafting of prospectus, due diligence to the issue, liaisoning with lead managers, Registrars to the issue, merchant bankers and proficiency in providing complete corporate solutions, advising on financial restructuring, assisting in loan syndication, complying with legal formalities and helping the corporate in complying with overall Corporate Governance.

Other Directorship:

1. Mercury Capital Private Ltd

Chairman/ member of Board Committees : NIL

Share holding (No. of shares) : NIL

Mr. P. Dwaraknath Reddy

Mr. P. Dwaraknath Reddy S/o Mr. P. Obul Reddy aged 61 years is a holder of degree in Commerce from Madras University and he is serving in the Company since inception and designated as Manager (Special Operations) from 01-07-1982 onwards.

During the period he contributed for the growth and development of the Company in all fields and

mainly relating to production, sales and marketing etc.,

He has to his credit vast, rich and varied experience and cross functional experience in all fields of Dry cell battery Industry.

Other Directorship :

- 1) PDR Investments Private Limited
- 2) Sindya Securities and Investments private Limited
- 3) Sindya Properties Private Limited
- 4) IRIS KPO resourcing (India) private Limited
- 5) Emedlife Insurance Broking Services Limited
- 6) Obul Reddy Investments Private Limited
- 7) Helios Holding private Limited

Member of Board Committees : NIL

Share holding (no. of shares) : 1653695

Mr. R. P. Khaitan

Mr. R. P. Khaitan S/o Late Mr. H.N. Khaitan aged 66 years is a holder of degree in Commerce (Hons) from St. Xavier's – Kolkata.

Other Directorship:

- 1) RAL Consumer Products Limited
- 2) Radiohms Properties Private Limited
- 3) Glide International private Limited
- 4) Video Electronics Private Limited
- 5) Manya Education private Limited

Member of Board Committees : NIL

Share holding (no. of shares) : 57960

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

Place : Chennai
Date : 14th August, 2014

V.R.Gupte
Chairman
(DIN:00309699)

DIRECTORS' REPORT

Your Directors have pleasure in presenting the Forty First Annual Report of your Company together with the Audited Balance Sheet as at March 31, 2014, 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 5% for the year 2013-14. Your Company's production also decreased from 577 million pieces to 569 million pieces showing decrease of 1.39%. The sales also decreased from 669 million pieces to 638 million pieces. In terms of value, your Company had registered a turnover of Rs.350 crores as against Rs.340 crores in the previous year.

LIGHTING PRODUCTS

The sales volume of lighting products had increased from 80.96 Lakh pieces to 84.25 Lakhs pieces as compared to the previous year.

FINANCIAL RESULTS

The profit before tax for the year under review is at Rs.18.29 Crores as against Rs. 4.19 Crores in the previous year. The financial results for the year 2013-14 as compared with the previous year are summarized as under.

	2013-14 (Rs. in crores)	2012-13 (Rs. in crores)
Profit for the year	23.54	9.49
Less : Depreciation for the year	5.25	5.30
Profit after depreciation	18.29	4.19
Profit Before Tax	18.29	4.19
Provision for tax including Deferred tax	5.58	0.30
Profit after Tax	12.71	3.89
Surplus in P&L Account brought forward	2.56	4.55
Profit available for appropriation	15.27	8.44
Your Directors recommend the following appropriations :		
General Reserve	3.00	1.50
Proposed Dividend	7.50	3.75
Tax on proposed dividend	1.27	0.63
Surplus in P&L A/c carried forward	3.50	2.56
Total	15.27	8.44

DIVIDEND

Your Directors recommends a dividend of Rs.20/- per share (200%) for the year 2013-14. This Dividend, if approved, will be paid to the Shareholders whose names appear on the Register of Members as on 26th September, 2014. The Company intends to pay the dividend on 30th September, 2014.

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.

Your company had installed 1 MW. Solar Power Plant at Tada and power generated through solar plant is consumed in the factory. Your company also applied for REC mechanism.

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 Factory, Head office and other Branches were cordial during the year.

As per section 219 (1) (b) (iv) of the Companies Act, 1956 any member interested in inspecting or obtaining copy of the statement of particulars of employees being forms part of the Report and as required to be annexed under Section 217(2A) of the Companies Act, 1956 may contact the Company Secretary at Registered Office during working hours.

DIRECTORS

In accordance with the Articles of Association of the Company Mr. M. Subramanyam and Mr. S. Obul Reddy will retire by rotation at this ensuing Annual General Meeting. They being eligible, offer themselves for re-appointment.

On May 7, 2014 the Nomination and Remuneration Committee recommended the induction of Mr. N. Ramesh Rajan as an Independent Director of the Board.

On July 17, 2014 the Nomination and Remuneration Committee recommended the induction of Mrs. Lakshmmi Subramanian as Lady Independent Director of the Board.

Justice S. Natarajan ceased to be a Director of the Company w.e.f. 11th April 2014 due to his death which has been taken on record in the Board Meeting held on 7th May 2014. The Board of Directors condole the untimely demise of Justice S. Natarajan and took on record the invaluable contributions made by Justice S. Natarajan towards the progress of the Company.

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 annual accounts, the applicable Accounting Standards have been followed and there are no material departure from the same;
- 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, 2014 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

The Statutory Auditors of the Company M/s. P. Srinivasan & Co, Chartered Accountants retire at the ensuing Annual General Meeting of the Company. As per section 139 of the Companies Act, 2013, and Rules made there under it is proposed to appoint M/s. P. Srinivasan & Co, Chartered Accountants as Statutory Auditors of the Company for three years until the conclusion of the 44th Annual General Meeting of the Company. The Company has received a Certificate from them confirming that their appointment will be within the limits laid down under Section 141(3)(g) of the Companies Act, 2013.

COST AUDITOR

As per the directions of Central Government, the Company has appointed Mr. P. Raju Iyer, Practicing 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 2014.

ACKNOWLEDGEMENT

Your Directors thank the Central and State Governments and the Banks for their continued help and support.

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 Ltd

Place : Chennai
Date : 14th August, 2014

V.R.Gupte
Chairman
(DIN:00309699)

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, 2014.

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 2013-14.

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:

- New Products Development
- Finding alternate source of materials
- Import Substitution
- Development of improved designs
- Development of new products to suit consumer requirements.

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

- Efficiency in usage of raw materials
- Cost Reduction
- Improvement in product quality
- Automatic and accurate testing of batteries
- 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	12.22
b) Total R & D expenditure as a percentage of total turnover	3.48

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.,

- Improvement of designs.
- Import Substitution.
- Cost Reduction
- Product Quality Maintenance & Improvement.
- New products development.

3. Imported Technology: Not Applicable

(Imported during the last 5 years reckoned from the beginning of the financial year)

- Technology imported: —
- Year of Import: -
- 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.2977.88 Lakhs as against Rs.4352.25 Lakhs for the previous year.

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

Place: Chennai
Date :14th August, 2014

V.R.Gupte
Chairman
(DIN:00309699)

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 enuciated 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 Four 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	7	None	1653695
Mr. R.P. Khaitan	Executive Director	5	None	57960
Mr. V R Gupte	Independent Director	1	1	-
Dr S.A.Dave	Independent Director	9	5	-
Mr. P.Aditya Reddy	Non-Executive Director	12	-	6
Mr. S.Obul Reddy	Non-Executive Director	5	-	-
Mr. M.Subramanyam	Non-Executive Director	-	-	-
Mr. N. Ramesh Rajan**	Independent Director	-	-	-
Mrs. Lakshmi Subramanian***	Independent Director	-	-	-

* Justice Mr.S. Natarajan ceased to be a director of the Company.

** Mr. N.Ramesh Rajan has been appointed as Director with effect from 07th May 2014.

*** Mrs. Lakshmmi Subramanian has been appointed as Director with effect from 17th July 2014.

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:

17th May 2013, 26th July, 2013, 8th November, 2013 and 24th January 2014.

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	4	Yes
Mr. P. Dwaraknath Reddy	4	4	Yes
Mr. R.P. Khaitan	4	4	Yes
Mr. V R Gupte	4	4	Yes
Dr. S.A. Dave	4	4	Yes
Mr. P. Aditya Reddy	4	4	Yes
Mr. S. Obul Reddy	4	2	Yes
Mr. M. Subramanyam	4	4	Yes
Mr. N. Ramesh Rajan*	N.A	N.A	N.A
Mrs. Lakshmi Subramanian**	N.A	N.A	N.A

*Mr. N.Ramesh Rajan has been appointed as Director with effect from 7th May 2014.

**Mrs. Lakshmmi Subramanian has been appointed as Director with effect from 17th July 2014.

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 17th May 2013, 26th July, 2013, 08th November, 2013 and 24th January 2014. The constitution of the Committee and the attendance of each member of the Committee as on March 31, 2014 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	4
Dr S.A. Dave	Member	4	4
Mr. N. Ramesh Rajan**	Member	N.A	N.A

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

* Justice Mr. S. Natarajan ceased to be a Member of Audit Committee

** Mr. N. Ramesh Rajan has been appointed as Member of the Audit Committee on 7th May, 2014.

b) INVESTORS GRIEVANCE AND SHARE TRANSFER COMMITTEE / STAKEHOLDER RELATIONSHIP 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 look into the matters of issue of duplicate share certificates, approval / reject 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. On 17th July 2014, the Board renamed the Committee as "STAKEHOLDER RELATIONSHIP AND SHARE TRANSFER COMMITTEE" and the committee consists of the following Directors:

1. Mr. V.R. Gupte, Chairman
2. Mr.N. Ramesh Rajan, 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@nippobatteries.com) for grievance redressal.

c) REMUNERATION COMMITTEE / NOMINATION AND 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. On 17th July 2014 the Board renamed the committee as " NOMINATION AND REMUNERATION COMMITTEE" and the Committee consists of the following Directors:

1. Dr.S. A.Dave, Chairman
2. Mr. V.R. Gupte, Member and
3. Mr. N.Ramesh Rajan Member

The Company Secretary is the Compliance Officer of the Committee.

The details of remuneration paid to the Executive Directors for the financial year 2013-14 are given below:

(Rs. in lakhs)

Name & Designation	Salary	Perquisites	Total
Mr. P. Dwaraknath Reddy Managing Director	48.00	54.55	102.55
Mr. R.P. Khaitan Joint Managing Director	48.00	46.15	94.15

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, 2014 amounting to Rs.3,00,000/-. The sitting fees of Rs.2.20 lakhs for attending Board Meetings and Rs.1.20 Lakhs for attending Audit committee meetings were paid to Non- Executive/Independent Directors during the financial year 2013-2014.

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 2013-2014. 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
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.
40 th	2012-2013	Sri. P. Obul Reddy Hall Vani Mahal, No.103, G.N. Chetty Road, Chennai – 600 017	27-09-2013	10.15 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	Payment of Commission to Independent / Non – Executive Directors.	20 th July, 2011	31 st March, 2011
2	Remuneration payable to Mr. P. Dwaraknath Reddy, Managing Director	31 st July, 2012	31 st March, 2012
3	Remuneration payable to Mr. R.P. Khaitan, Joint Managing Director	31 st July, 2012	31 st March, 2012
4	Nil	27 th Sept, 2013	31 st March, 2013

e) DISCLOSURES:

- Related party Transactions : The Company had disclosed all related party transactions as required under Accounting Standard 18. The transactions are not prejudicial to the interest of the Company.
- 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.
- Whistle Blower Policy: The Company has established a mechanism for Whistle Blower Policy.
- We affirmed that no personnel have been denied access to the audit committee.
- Compliance with mandatory requirements: The Company has complied with all Mandatory requirements as mentioned in clause 49(VI) (i) of the Listing Agreement.
- 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.
- 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 proforma 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** : 26th September, 2014; Friday at 2.30 p.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, 19th September, 2014 to Friday, 26th September, 2014 (both days inclusive)
- 3. Financial Year** : 01-04-2013 to 31-03-2014
- 4. Annual Results** : 7th May, 2014
- 5. Posting of Annual Reports** : 4th September, 2014
- 6. Last date of receipt of proxy Forms** : 48 hrs before AGM
- 7. Dividend payment date** : 30th September, 2014
- 8. Listing Fees** : Paid to all the above stock exchanges for the year 2013-14.
- 9. Address** : **Registered Office** **Corporate / Head Office**
No.609, Mount Road, 'Pottipati Plaza', IV Floor,
Lakshmi Bhavan, No.77, Nungambakkam
IVth Floor, High Road,
Chennai – 600 006. Chennai - 600 034.
- 10. Plant location** : (i) Tada Kandriga Village, Nellore. (A.P.)
- 11. Postal ballot resolutions** : 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.

12. Listing on Stock Exchanges :

- | | |
|---|---|
| <p>(i) BSE Ltd.
Floor 25, Phiroze Jheejibhoy Towers
Dalal Street; Mumbai – 400 001
Tel : 91-22-2272 1233/ 22721234
Fax : 91-22-2272 2082/ 2061
Email : corp.relations@bseindia.com</p> | <p>(ii) Madras Stock Exchange Ltd.
Exchange Building, Post Box.183
30, Second Line Beach Road, Chennai - 1
Tel : 044-25228951
Fax : 044-25244897
Email : info@mseindia.in</p> |
| <p>(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
Email : cmlist@nse.co.in</p> | |

13. Stock Code :

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

* The Madras Stock Exchange (MSE) vide its letter dated 12th june 2014 informed us to delist the shares from MSE. The Company is in the process of delisting its shares from MSE.

14. Monthly share price details at BSE & NSE during 2013-14 are :

MONTH	BSE			NSE		
	HIGH (Rs.)	LOW (Rs.)	NO. OF SHARES TRADED	HIGH (Rs.)	LOW (Rs.)	NO. OF SHARES TRADED
APRIL – 13	269.00	221.95	4031	277.00	222.30	6203
MAY – 13	265.00	231.30	6306	266.50	230.30	4755
JUNE – 13	269.00	203.40	2527	245.00	209.00	4756
JULY -13	285.00	197.00	1684	286.00	201.00	1522
AUGUST -13	243.25	180.00	784	235.00	180.45	1234
SEPTEMBER – 13	226.90	180.10	2990	222.00	184.00	805
OCTOBER -13	233.00	195.15	2526	218.95	201.50	2986
NOVEMBER -13	287.00	218.40	9420	280.50	207.00	3314
DECEMBER -13	299.00	265.20	6589	294.00	261.00	4903
JANUARY – 14	339.90	270.30	16224	334.95	270.00	14819
FEBRUARY -14	333.90	285.00	12916	340.00	280.05	6881
MARCH – 14	365.80	322.00	33248	369.00	305.00	8858

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 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 2014.

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, 2014, 97.23% of the Company's total shares representing 3646149 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, 2014:

Number of shares	Number of shareholders	Percentage of shareholders	Number of shares held	Percentage of shareholding
1 - 500	5460	94.41	415125	11.07
501 - 1000	180	3.11	130875	3.49
1001 - 2000	78	1.35	111000	2.96
2001 - 3000	20	0.35	50625	1.35
3001 - 4000	9	0.16	34125	0.91
4001 - 5000	4	0.07	18375	0.49
5001 - 10000	10	0.17	63750	1.70
10001 & above	22	0.38	2926125	78.03
TOTAL	5783	100.00	3750000	100.00

20. Categories of Shareholders as on 31st March, 2014:

Category	No. of shares held	% of shareholding
Indian Promoters	2806920	74.85
Resident Indians	788381	21.02
Non-Resident Indians	66937	1.79
Foreign Institutional Investors	50	-
Domestic Companies	87712	2.34
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 2013-14, the Dry Cell Battery Industry as a whole had registered a de-growth of 2%. The sale of dry cell batteries in the industry had decreased from 2294 million pieces to 2243 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 difficult 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.350 crores as compared to Rs.340 crores in the previous year. The profit before depreciation is at Rs.23.54 crores as against Rs.9.49 crores in 2012-13 and the depreciation for the year is Rs.5.25 crores as against Rs.5.30 crores in the previous year. The profit before tax is Rs.18.29 crores as against Rs.4.19 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, 2014, the number of employees stood at 361 covering all locations compared to 377 as of March 31, 2013.

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 : 14th August, 2014

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 31.03.2014 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 : 14th August, 2014

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, 2014 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") read with the general circular 15/2013 dated 13th September 2013 of the Ministry of corporate Affairs in respect of section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. 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 but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.. 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 aforesaid 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, 2014;
- (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 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 notified under the Act read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013.

(e) On the basis of the written representations received from the directors as on 31st March, 2014 taken on record by the Board of Directors, none of the director is disqualified as on 31st March, 2014 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
(P. SRINIVASAN)
Partner
Membership No:2090

Place : Chennai
Date : 7th May, 2014

Annexure referred to in paragraph 1 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 Companies Act 1956.
- (b) The company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained u/s.301 of the Companies Act 1956.
- iv) a) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures and systems commensurate with the size of the Company and nature of its business with regard to the purchase 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 explanations 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 and referred to in 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) According to the information and explanation given to us the Company has not accepted any deposits from the public during the year. Therefore the provisions of Clause (vi) of paragraph 4 of the order are not applicable to the Company.
 - 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. 23.11 lacs disputed and pending before the Income Tax Authorities as under:
 - 1. The First Appellate Authority - Rs.11.60 lacs
 - 2. The Second Appellate Authority- Rs.11.51 lacs
 - x) The Company did not have accumulated losses at the end of the financial year. 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 according to the information and explanations given to us and on an overall examination of the financial statements of the company, we report that no funds raised on short term basis have been used for long term investment. The company did not raise any funds on long term basis.
 - 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 explanations 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
Membership No:2090

Place : Chennai
Date : 7th May, 2014

BALANCE SHEET AS AT MARCH 31, 2014

(Rs. in Lakhs)

Particulars	Note Nos.	As at March 31, 2014	As at March 31, 2013
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	2	375.00	375.00
(b) Reserves and Surplus	3	14,207.86	13,814.15
(2) Non-Current Liabilities			
(a) Deferred tax liabilities (Net)	4	925.80	839.80
(b) Other Long-term liabilities	5	4.12	4.12
(c) Long-term provisions	6	201.04	100.75
(3) Current Liabilities			
(a) Short-term borrowings	7	1,736.24	-
(b) Trade payables	8	1,988.96	1,931.56
(c) Other current liabilities	9	428.09	540.45
(d) Short term provisions	10	1,200.54	774.48
TOTAL		21,067.65	18,380.31
II. ASSETS			
(1) Non-current Assets			
(a) Fixed assets	11		
(i) Tangible assets		5,941.73	5,140.47
(ii) Intangible assets		52.45	52.47
(iii) Capital work-in-progress		-	25.13
(b) Long-term loans and advances	12	66.06	66.63
(2) Current Assets			
(a) Inventories	13	4,216.84	3,781.73
(b) Trade receivables	14	7,548.41	6,253.65
(c) Cash and cash equivalents	15	2,616.02	2,446.71
(d) Short-term loans and advances	16	461.85	465.76
(e) Other current assets	17	164.29	147.76
TOTAL		21,067.65	18,380.31
Significant Accounting Policies and Notes on Accounts	1		

V.R. GUPTA
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 : 7th May, 2014

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

(Rs. in Lakhs)

Sl. No.	Particulars	Note Nos.	Year ended March 31, 2014	Year ended March 31, 2013
I.	Revenue from operations (Gross)	18	35,090.14	34,082.11
	Less : Excise Duty		3,650.54	3,632.94
	Revenue from operations (Net)		31,439.60	30,449.17
II.	Other Income	19	1,274.14	1,108.87
III.	Total Revenue (I + II)		32,713.74	31,558.04
IV.	Expenses			
a.	Cost of materials consumed	20	13,920.62	14,334.71
b.	Purchases of stock-in-trade	21	9,959.22	9,879.05
c.	Changes in inventories of finished goods Work-in-progress and stock-in-trade	22	(365.07)	(80.61)
d.	Employee benefits expenses	23	2,297.78	1,998.13
e.	Finance costs	24	165.98	221.11
f.	Depreciation and amortization expense	25	525.53	530.76
g.	Other expenses	26	4,364.54	4,052.16
	Total Expenses		30,868.60	30,935.31
V.	Profit before exceptional and extraordinary items (III-IV)		1,845.14	622.73
VI.	Exceptional items	27	15.97	203.00
VII.	Profit before tax and after exceptional and extraordinary items (V-VI)		1,829.17	419.73
VIII.	Less : Tax expenses			
a.	Current tax		472.00	110.00
b.	Deferred tax		86.00	(80.00)
IX.	Profit for the year		1,271.17	389.73
X.	Earning per share (of Rs.10/- each)			
a.	Basic		33.90	10.39
b.	Diluted		33.90	10.39
	Significant Accounting Policies and Notes on Accounts	1		

V.R. GUPTA
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 : 7th May, 2014

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

(Rs. in Lakhs)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
A. Cash flow from operating activities		
Net Profit before Tax	1,829.17	419.73
Adjustment for :		
Depreciation	525.53	530.76
Loss on sale of Fixed Assets	0.79	-
Profit on sale of Fixed Assets	(1.16)	-
Early separation Scheme	15.97	203.00
Operating Profit before working capital changes	2,370.30	1,153.49
(Increase) / Decrease in Trade Receivables	(1,294.76)	143.31
(Increase) / Decrease in other Receivables	(41.34)	0.09
(Increase) / Decrease in Inventories	(435.11)	588.23
(Decrease) / Increase in Trade payables and other payables	96.39	595.35
Changes in Working Capital	(1,674.82)	1,326.98
Cash generated from operations	695.48	2,480.47
Income Tax paid	506.44	142.28
Net cash generated from operating activities	189.04	2,338.19
B. Cash flow from investing Activities		
Purchase of Fixed Assets	(1,312.91)	(815.69)
Proceeds from sale of Fixed Assets	11.64	-
Proceeds from short term borrowings	1,736.24	-
Repayment of short term borrowings	-	(887.12)
Net Cash used in Investing Activities	434.97	(1,702.81)
C. Cash flow from Financing Activities		
Early separation scheme	(15.97)	(203.00)
Dividend paid including Tax thereon	(438.73)	(435.83)
Net cash used in Financing Activities	(454.70)	(638.83)
D. Net Increase / (Decrease) in Cash & Cash Equivalents	169.31	(3.45)
E. Cash & Cash Equivalents (Opening)	2,446.71	2,450.16
F. Cash and Cash Equivalents (Closing)	2,616.02	2,446.71

V.R. GUPTA
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 : 7th May, 2014

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 and Solar Plant under the straight line method.
 - (b) on all the other assets under the 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.

2. SHARE CAPITAL

(1) Authorised

50,00,000 Equity Shares of Rs.10/- each

(Rs. in Lakhs)

	As at Mar. 31, 2014	As at Mar.31, 2013
--	------------------------	-----------------------

500.00

500.00

(2) Issued, subscribed and Paid-up

37,50,000 Equity Shares of Rs.10/- each fully paid up

375.00

375.00

(a) Reconciliation of Number of Shares

Shares outstanding as at 1st April, 2013 / 1st April 2012

3750000

3750000

Shares outstanding as at 31st March, 2014 / 31st March, 2013

3750000

3750000

(b) Name of share holders holding more than 5% of the total number of shares issued by the company :

No. of Shares

No. of Shares

P. Dwaraknath Reddy

1592269

1592269

Krishnakumar Jiwarajka

260512

260512

The Company has issued only one class of equity shares having at 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, 2014	As at Mar.31, 2013	
3. RESERVES AND SURPLUS			
1. General Reserve			
Opening Balance	13,557.82	13,407.82	
Add : Transfer from surplus	300.00	150.00	
Closing Balance	13,857.82	13,557.82	
2. Surplus			
Opening Balance	256.33	455.33	
Balance in Statement of Profit & Loss	1,271.17	389.73	
Appropriations :			
Proposed Dividend	750.00	375.00	
Tax on Dividend	127.46	63.73	
Transfer to General Reserve	300.00	150.00	
Closing Balance	350.04	256.33	
GRAND TOTAL	14,207.86	13,814.15	
4. DEFERRED TAX LIABILITIES (NET)	925.80	839.80	
A. Deferred tax for current year			
a) Details of deferred tax asset :			
i. Employees retirement and other benefits	7.07	-	
ii. Depreciation	-	41.00	
iii. Early seperation scheme for employees	-	32.00	
iii. Others	-	7.00	
	7.07	80.00	
b) Details of deferred tax liability :			
i. Depreciation	61.55	-	
ii. Early Separation Scheme for employees	31.52	-	
	93.07	-	
c) Net Deferred Tax Asset for the year	86.00	(80.00)	
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	
	512.04	512.04	
Deferred Tax Liability / (Asset)			
Current Year	86.00	(80.00)	-
Previous Years	327.76	407.76	327.76
Net Deferred Tax Liability	925.80	839.80	

INDO NATIONAL LIMITED

Rs. in Lakhs

	As at Mar. 31, 2014	As at Mar.31, 2013
5. OTHER LONG-TERM LIABILITIES		
Security deposits from distributors	4.12	4.12
6. LONG-TERM PROVISIONS		
Employee benefits	201.04	100.75
7. SHORT-TERM BORROWINGS		
Secured Loan from a Bank	1,736.24	-
The aggregate working capital limits of Rs.1,300 (Rs.1,300) 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 and the loan of Rs.1100 availed from banks against fixed deposits		
8. TRADE PAYABLES	1,988.96	1,931.56
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 2014. The additional disclosures as required under the Micro, Small and Medium Enterprises Development Act, 2006 are not furnished.		
9. OTHER CURRENT LIABILITIES		
Interest accrued but not due on borrowings	-	6.59
Unclaimed dividends	41.53	43.50
Statutory liabilities payable (Net)	242.04	250.65
Other payables	144.52	239.71
Total	428.09	540.45
10. SHORT-TERM PROVISIONS		
Employee benefits	125.07	124.36
Proposed dividend	750.00	375.00
Others	325.47	275.12
Total	1,200.54	774.48

11. FIXED ASSETS

Rs. in Lakhs

DESCRIPTION OF ASSET	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK	
	As at 1st April 2013	Additions	Deletions	As at 31st March 2014	Upto 31st March 2013	For the Year	Deletions	Upto 31st March 2014	As at 31st March 2014	As at 31st March 2013
Own Assets										
I. Tangible Assets										
1. Land	70.29	137.01	-	207.30	-	-	-	-	207.30	70.29
2. Buildings	2,236.94	156.48	-	2,393.42	1,218.48	91.10	-	1,309.58	1,083.84	1,018.46
3. Plant and Machinery	13,481.66	1,012.19	4.33	14,489.52	9,723.95	361.48	4.30	10,081.13	4,408.39	3,757.71
4. Furniture & Fixtures	181.97	4.08	2.71	183.34	131.42	9.36	2.43	138.35	44.99	50.55
5. Vehicles	268.11	12.09	43.38	236.82	167.09	23.89	32.66	158.32	78.50	101.02
6. Office Equipments	151.40	4.03	0.08	155.35	109.54	6.09	0.08	115.55	39.80	41.86
7. (i) Computer Systems	357.31	9.10	0.86	365.55	329.77	17.80	0.62	346.95	18.60	27.54
(ii) Airconditioners & Refrigerators	238.00	3.06	-	241.06	171.13	9.62	-	180.75	60.31	66.87
Sub-Total (A)	16,985.68	1,338.04	51.36	18,272.36	11,851.38	519.34	40.09	12,330.63	5,941.73	5,134.30
II. Intangible Assets										
1. Computer Software	68.26	-	-	68.26	9.62	6.19	-	15.81	52.45	58.64
Sub-Total (B)	68.26	-	-	68.26	9.62	6.19	-	15.81	52.45	58.64
III. Capital Work in Progress										
Sub-Total (C)	25.13	512.95	538.08	-	-	-	-	-	-	25.13
Grand Total (A+B+C)	17,079.07	1,850.99	589.44	18,340.62	11,861.00	525.53	40.09	12,346.44	5,994.18	5,218.07
Previous Year	16,263.38	848.02	32.33	17,079.07	11,330.24	530.76	-	11,861.00	5,218.07	4,933.15

INDO NATIONAL LIMITED

	Rs. in Lakhs	
	As at Mar. 31, 2014	As at Mar.31, 2013
12. LONG TERM LOANS AND ADVANCES		
Security deposits	<u>66.06</u>	<u>66.63</u>
13. INVENTORIES		
(as taken, valued & certified by the management)		
Raw materials	908.87	858.80
Work in process	389.29	305.77
Finished goods	1,206.36	1,017.53
Stock-in-trade (Traded goods)	1,435.59	1,342.88
Stores and spares	276.73	256.75
Total	<u>4,216.84</u>	<u>3,781.73</u>
14. TRADE RECEIVABLES		
(Unsecured and considered good)		
Outstanding for a period exceeding six months from the due date for payment	205.32	358.35
Outstanding for a period of less than six months from the due date for payment	7,343.09	5,895.30
Total	<u>7,548.41</u>	<u>6,253.65</u>
15. CASH & BANK BALANCES		
Cash and cash equivalents		
Cash on hand	4.92	3.15
Cheques and drafts on hand	1,147.21	785.11
Balance with banks		
Held as fixed deposits (Less than 12 months)	1,371.66	1,379.81
In Current accounts	19.16	219.48
Unpaid dividend accounts	41.53	43.50
Held as margin money against borrowings and other commitments	31.54	15.66
Total	<u>2,616.02</u>	<u>2,446.71</u>
16. SHORT TERM LOANS & ADVANCES		
(Unsecured and considered good)		
Advances recoverable in cash or In kind or for the value to be received	333.95	350.70
Receivable from Revenue authorities	102.34	60.21
Income tax and TDS (Net of liability)	25.56	54.85
Total	<u>461.85</u>	<u>465.76</u>
17. OTHER CURRENT ASSETS		
Prepaid expenses	145.63	124.83
Insurance claims	18.66	22.93
Total	<u>164.29</u>	<u>147.76</u>

INDO NATIONAL LIMITED

	As at Mar. 31, 2014	Rs. in Lakhs As at Mar.31, 2013
18. REVENUE FROM OPERATIONS		
Sale of Goods		
Manufactured Goods		
Dry Batteries	23,591.02	22,502.10
Traded goods		
Batteries	4,290.10	4,371.47
Flashlights	4,889.92	4,414.09
Compact Fluorescent Lamp	1,821.33	1,712.36
Others	497.77	1,082.09
	<u>11,499.12</u>	<u>11,580.01</u>
Total	<u>35,090.14</u>	<u>34,082.11</u>
19. OTHER INCOME		
Interest income		
- Deposits	43.97	45.94
- Over due bills	1,165.42	989.75
Income tax refund	-	11.22
Net gain on sale of fixed assets	1.16	-
Other non-operating income	63.59	61.96
	<u>1,274.14</u>	<u>1,108.87</u>
Total	<u>1,274.14</u>	<u>1,108.87</u>
20. COST OF MATERIALS CONSUMED		
Material Consumed Comprises of :		
Zinc	3,851.72	3,489.21
Electrolytic Manganese Dioxide	1,727.65	1,492.27
Others*	8,341.25	9,353.23
	<u>13,920.62</u>	<u>14,334.71</u>
Total	<u>13,920.62</u>	<u>14,334.71</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)		
Batteries	3,868.28	3,764.67
Flashlights	4,279.74	3,853.21
Compact Fluorescent Lamp	1,595.49	1,545.07
Others	215.71	716.10
	<u>9,959.22</u>	<u>9,879.05</u>
22. CHANGES IN INVENTORIES		
At the beginning 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
	<u>2,666.18</u>	<u>2,585.57</u>
Total	<u>2,666.18</u>	<u>2,585.57</u>
At the end of the accounting year		
Finished goods	1,206.36	1,017.53
Goods-in- process	389.29	305.77
Stock-in-trade	1,435.59	1,342.88
	<u>3,031.25</u>	<u>2,666.18</u>
Total	<u>3,031.25</u>	<u>2,666.18</u>
	<u>(365.07)</u>	<u>(80.61)</u>

INDO NATIONAL LIMITED

		Rs. in Lakhs
	As at Mar. 31, 2014	As at Mar.31, 2013
23. EMPLOYEE BENEFITS EXPENSE		
Salary,wages and Bonus	1,313.13	1,275.95
Directors remuneration	196.71	114.14
Contribution to Provident and other funds	291.61	163.00
Staff welfare expenses(including compensated absences)	496.33	445.04
Total	<u>2,297.78</u>	<u>1,998.13</u>
24. FINANCIAL COSTS		
Interest to bank	163.81	98.91
Other borrowing costs	2.17	7.61
Applicable net Loss / (gain) of foreign currency transaction/translation	-	114.59
Total	<u>165.98</u>	<u>221.11</u>
25. DEPRECIATION AND AMORTIZATION EXPENSE		
Depreciation	519.34	524.57
Amortisation	6.19	6.19
Total	<u>525.53</u>	<u>530.76</u>
26. OTHER EXPENSES		
Consumption of stores and spare parts	501.59	504.85
Power, Gas and Water	559.22	582.62
Repairs to :		
Machinery	14.92	17.86
Buildings	101.82	41.07
General	617.18	655.62
	<u>733.92</u>	<u>714.55</u>
Insurance	17.86	15.38
Research & Development Expenses	12.22	10.95
Rent	200.06	187.48
Travelling & Conveyance	208.55	222.47
Communication expenses	44.34	49.28
Printing and Stationery	11.55	13.25
Vehicle Maintenance	50.26	70.61
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	200.20	168.82
Additional Sales Tax, etc	61.24	58.58
Rates and taxes	94.85	70.81
Advertisement expenses	573.51	201.07
Freight charges	818.23	854.89
Sales promotion, Selling and Distribution expenses	181.30	258.82
Loss on sale of fixed assets	0.79	-
Miscellaneous expenses	89.35	62.23
Total	<u>4,364.54</u>	<u>4,052.16</u>

	As at Mar. 31, 2014	Rs. in Lakhs As at Mar.31, 2013
27. EXCEPTIONAL ITEMS		
Employees early separation scheme	15.97	203.00

28. DEFINED BENEFIT PLAN

Defined benefit plan as per actuarial valuation as on 31st March, 2014 and recognised in the financial statements in respect of Employee Benefit Scheme: (AS - 15)

	Gratuity (funded)	
	2013 - 2014	2012 - 2013
(i) Component of Employee Cost		
a) Current Service Cost	32.83	26.75
b) Interest Cost	48.10	50.25
c) Expected return on Plan Assets	110.26	49.95
d) Actuarial gain /(loss)	(143.40)	4.27
e) Net Liability recognised in the Profit and Loss A/c.	114.08	22.78
(ii) Net Asset/(Liability) recognised in Balance Sheet		
a) Present value of obligation	719.62	601.29
b) Fair value of Plan Assets	689.68	615.94
c) Asset / (Liability) to be recognised in the Balance Sheet	29.93	14.65
(iii) Changes in defined benefit obligation		
a) Present value at the beginning	601.29	628.18
b) Current Service Cost	32.83	26.75
c) Interest Cost	48.10	50.25
d) Benefits paid	106.01	99.62
e) Actuarial loss	(143.40)	4.27
f) Present value at the end	719.62	601.29
(iv) Changes in fair value of Plan assets		
a) Present value at the beginning	615.94	647.99
b) Expected actual return on Plan Assets	110.26	49.95
c) Contributions	69.50	17.62
d) Benefit paid	106.01	99.62
e) Actuarial gain / (loss)	-	-
f) Fair value at the end	689.68	615.94
g) Funded Status Asset / (Liability)	(29.23)	14.65
(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	8.00
d) Attrition rate	1-3	1-3

29. No Provision has been made for

- 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".
- Part of Gratuity payable to Managing Director estimated at Rs.27 Lakhs (37 Lakhs).

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

Enterprises under Common Control :

a) Panasonic Carbon India Co. Ltd *

Associates :

- | | |
|---------------------------------------|---|
| b) Apollo Hospitals & Enterprises Ltd | h) Sindya Infrastructure Development Company Pvt. Ltd. |
| c) Sindoori Travels | i) Radiohms Properties Pvt. Ltd |
| d) Apex Agencies | j) Radiohms Agencies * |
| e) Associated Electrical Agencies | k) Radiohms Agencies Ltd. / RAL Consumer Products Limited |
| f) P. Obul Reddy & Sons | l) R. P. Electronics * |
| g) Kalpatharu Enterprises Pvt. Ltd | |

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	26,636.66	-	-	26,636.66
	(25,822.78)			(25,822.78)
Purchase of Goods	-	-	-	-
	-		(1,449.88)	(1,449.88)
Receiving of Services	348.02	-	-	348.02
	(298.61)			(298.61)
Rendering of Services	993.80	-	-	993.80
	(1,022.02)			(1,022.02)
Remuneration	-	196.71	-	196.71
		(114.14)		(114.14)
Due from as on 31st March, 2014	4,942.60	-	-	4,942.60
	(5,036.82)			(5,036.82)
Due to as on 31st March, 2014	73.55	59.00	-	132.55
	(7.65)	(12.31)	-	(19.96)

* Current Year - Nil; Previous year Part of the year

Rs. in Lakhs

		2013 - 2014		2012 - 2013	
31. Value of Raw Materials, Stores, Spare parts and components consumed		Value	% of Total Consumption	Value	% of Total Consumption
i) Raw Materials					
i) Imported		3,851.72	27.7	2,781.83	19.4
ii) Indigenous		10,068.90	72.3	11,552.88	80.6
	Total	13,920.62	100.0	14,334.71	100.0
ii) Stores and Spares					
i) Imported		18.25	3.6	13.92	2.8
ii) Indigenous		483.34	96.4	490.93	97.2
	Total	501.59	100.0	504.85	100.0

		Rs. Lakhs
	2013- 2014	2012 - 2013
32. CIF Value of Imports		
Raw Materials & Components	1869.69	2,352.60
Stores & Spares	26.95	14.05
Capital Goods	431.92	455.08
Traded Goods	641.71	1,516.41
33. Expenditure in Foreign Currency on Account of		
Foreign Travel	4.24	5.19
Other matters	3.37	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
Letters of Credit	-	-
Bills Discounted with Bankers and others	2,806.87	2,837.14
Sales Tax disputed in Appeals	2.15	2.15
Income Tax disputed in Appeals	23.11	17.51
35. Computation of earnings per share		
Net profit for the year	1,271.17	389.73
Total number of Equity Shares	3750000	3750000
Earnings per share (Rs.)	33.90	10.39
Nominal Value per share (Rs.)	10	10
36.	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.	

V.R. GUPTA
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 : 7th May, 2014

INDO NATIONAL LIMITED

(CIN L31909TN1972PLC006196)

Registered Office: 'Lakshmi Bhavan' IVth Floor, No.609, Mount Road, Chennai - 600 006.

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

ATTENDANCE SLIP

Name & Address of the Shareholder Folio No : _____

_____ DP ID : _____

_____ Client ID : _____

Certify that I am a member / proxy appointed by the member* of the Company and record my presence at the 41st Annual General Meeting of the Company, at Sri P.Obul Reddy Hall, Vani Mahal, No.103, G.N.Chetty Road, T.Nagar, Chennai - 600 017, on Friday, the 26th September 2014 at 2.30 p.m.

Name of the Shareholder / Proxy*

Signature of the Shareholder / Proxy*

* Strike out whichever is not applicable.

Note: Please fill up this attendance slip and hand over at the entrance of the meeting hall.

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PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of the Member (s) :

Registered Address :

E-mail ID :

Folio No./ DP ID :

I/ We, being the Member (s) holding shares of the above named company, hereby appoint:

1. Name : Address :

E-mail Id : Signature : or failing him/her

2. Name : Address :

E-mail Id : Signature : or failing him /her

3. Name : Address :

E-mail Id : Signature :

as my/our proxy to attend and vote (on a poll) for me/us and on my /our behalf at the 41st Annual General Meeting of the Company, to be held on Friday the 26th day of September 2014 at 2.30 P.M. at Sri P.Obul Reddy Hall, Vani Mahal, No.103, G.N.Chetty Road, T.Nagar, Chennai-600 017 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No	Resolutions
Ordinary Business	
1.	Adoption of Financial Statements for the year ended 31 st March, 2014
2.	Declaration of Dividend for the year 2013-14
3.	Appointment of Director in the place of Mr. M. Subramanyam (DIN: 01934138), who retires by rotation and being eligible, offers himself for re-appointment.
4.	Appointment of Director in the place of Mr. S. Obul Reddy (DIN : 00027829) who retires by rotation and being eligible, offers himself for re-appointment.
5.	Appointment of M/s. P. Srinivasan & CO., Chartered Accountants, as Auditors of the Company.
Special Business	
6.	Appointment of Mr. N. Ramesh Rajan (DIN: 01628318) as Independent Director of the Company.
7.	Appointment of Mrs. Lakshmmi Subramanian (DIN: 00001439) as Independent Director of the Company.
8.	Re-appointment of Mr. P. Dwaraknath Reddy (DIN : 00277929) as Managing Director of the Company
9.	Re-appointment of Mr. R.P. Khaitan (DIN : 00015801) as Joint Managing Director of the Company
10.	Approve 1% of the Net Profits of the Company be paid and distributed amongst the Non- Executive Independent Directors of the Company.
11.	Approve Related party transactions U/s.188 of the Companies Act, 2013.

Signed this day of..... 2014

Signature of Shareholder

Signature of Proxy holder(s)

Affix
1 Rupee
Revenue
Stamp

Member's Signature

Note: A 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 of the Company. The instrument appointing a proxy must be received at the Registered Office of the Company, not less than 48 hours before the commence of the meeting.



Indo National Limited

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