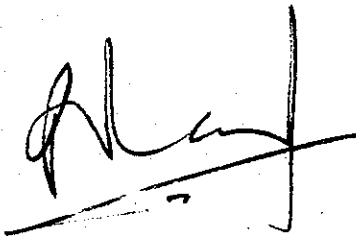
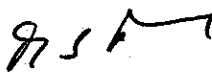
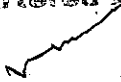
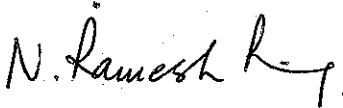


**FORM A**

Submission of Annual Audit Report as per clause 31 of the Listing Agreement for the financial year ended 31<sup>st</sup> March, 2015:

1	Name of the Company	INDO NATIONAL LIMITED	
2	Annual Financial statement for the Year ended	31 <sup>st</sup> March, 2015	
3	Type of Audit observation	Un-qualified	
4	Frequency of observation	N.A.	
	<b>Name</b>	<b>Designation</b>	<b>Signature</b>
	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 &amp; CO., Chartered Accountants</p>  Partner
	Mr. N. Ramesh Rajan	Chairman Audit Committee	

**42<sup>nd</sup> ANNUAL REPORT  
2014 - 15**



**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

**V.R. Gupte**

Chairman (Upto 14-04-2015)

**N. Ramesh Rajan**

Chairman

**P. Dwaraknath Reddy**

Managing Director

**R.P. Khaitan**

Joint Managing Director

**P. Aditya Reddy**

**M. Subramanyam**

**S. Obul Reddy**

**Mrs. Lakshmmi Subramanian**

**M. Sankara Reddy**

**J. Srinivasan**

**P. Srinivasan & Co.**

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

**Canara Bank**

**The Bank of Tokyo - Mitsubishi UFJ Ltd.**

**DBS Bank Ltd**

No.609, Mount Road  
Lakshmi Bhavan  
IVth Floor  
Chennai – 600 006

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

Tada Village

Nellore District - 524 401.  
(Andhra Pradesh)

## CHIEF FINANCIAL OFFICER

## SECRETARY

## AUDITORS

## BANKERS

## REGISTERED OFFICE

## CORPORATE / HEAD OFFICE

## FACTORY



**NOTICE**

NOTICE is hereby given that the FORTY SECOND ANNUAL GENERAL MEETING of INDO- NATIONAL LTD will be held at Sri P.Obul Reddy Hall, Vani Mahal, No.103, G.N.Chetty Road, T.Nagar, Chennai-600 017 on Wednesday, the 23<sup>rd</sup> day of September, 2015 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 31st, 2015 and the statement of Profit and Loss for the year ended that date together with the reports of the Auditors thereon.
2. To declare a Dividend on equity shares.
3. To appoint a Director in the place of Mr.P. Aditya Reddy (DIN: 00482051), 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.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.
5. To ratify the appointment of auditors of the company and fix their remuneration and to pass the following resolution as an Ordinary Resolution thereof:

Resolved that pursuant to Section 139,142 and other applicable provisions if any, of the Companies Act, 2013, and the Rules made thereunder pursuant to the recommendations of the Audit Committee of the Board and pursuant to the resolution passed by the members at the 41st AGM held on 26<sup>th</sup> day of September 2014, the appointment of M/s. P. Srinivasan & Co., Chartered Accountants (Firm Registration No.004054S) as the auditors of the Company to hold office till the conclusion of the 44<sup>th</sup> AGM of the

company be and is hereby ratified on such remuneration as may be fixed by the Board of Directors as determined by the Audit Committee.

**SPECIAL BUSINESS:**

6. To consider and thought fit to pass with or without modification, the following Resolution as SPECIAL RESOLUTION:

Resolved that pursuant to SEBI Circular Nos.CIR/CFD/POLICY CELL/2/2014 dated April 7, 2014 and CIR/CFD/POLICY CELL/7/2014 dated September 15, 2014, the consent of the company be and is hereby accorded for related party transactions entered / to be entered by the company as per chart appended below:

Sl. No.	Name of the Related Party	Transactions defined u/s188 of the Companies Act, 2013	Value of transaction	Period
1.	M/s. Associated Electrical Agencies	Sale / Supply of Nippo Brand Products and interest on over dues.	Rs.80 Crs. (Rupees Eighty Crs. only)	1st April 2014 to 30th September 2015
2.	M/s. Associated Electrical Agencies	Sale / Supply of Nippo Brand Products and interest on over dues.	Rs.100 Crs. (Rupees One Hundred Crores only)	1st October 2015 to 30th September 2016

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.

7. To consider and thought fit to pass with or without modification, the following Resolution as SPECIAL RESOLUTION:

Resolved that pursuant to SEBI Circular Nos.CIR/CFD/POLICY CELL/2/2014 dated April 7, 2014 and CIR/CFD/POLICY CELL/7/2014 dated September 15, 2014 the consent of the company be and is hereby accorded

for, related party transactions entered / to be entered by the company as per chart appended below:

Sl. No.	Name of the Related Party	Transactions defined u/s188 of the Companies Act, 2013	Value of transaction	Period
1.	M/s. Apex Agencies	Sale / Supply of Nippo Brand Products and interest on over dues.	Rs.100 Crs. (Rupees One Hundred Crs. only)	1st April 2014 to 30th September 2015
2.	M/s. Apex Agencies	Sale / Supply of Nippo Brand Products and interest on over dues.	Rs.125 Crs. (Rupees One Hundred Twenty-Five Crs. only)	1st October 2015 to 30th September 2016

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.

8. To consider and thought fit to pass with or without modification, the following Resolution as SPECIAL RESOLUTION:

Resolved that pursuant to SEBI circular nos.CIR/CFD/POLICY CELL/2/2014 dated April 7, 2014 and CIR/CFD/POLICY CELL/7/2014 dated September 15, 2014 and 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 into related party transactions by the company with effect from 1st October, 2015 to 30th September, 2016 as per chart appended below:

Sl. No.	Name of the Related Party	Transactions defined u/s188 of the Companies Act, 2013	Value of Transaction
1.	M/s. Radiohms Agencies	Sale / Supply of Nippo Brand Products and interest on over dues	Rs.60 Crs. (Rupees Sixty 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.

9. To consider and thought fit to pass with or without modification, the following Resolution as SPECIAL RESOLUTION:

Resolved that pursuant to SEBI circular nos.CIR/CFD/POLICY CELL/2/2014 dated April 7, 2014 and CIR/CFD/POLICY CELL/7/2014 dated September 15, 2014 and 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, related party transactions entered / to be entered by the company as per chart appended below:

Sl. No.	Name of the Related Party	Transactions defined u/s188 of the Companies Act, 2013	Value of transaction	Period
1.	M/s. RAL Consumer Products Ltd.	Sale / Supply of Nippo Brand Products and interest on over dues.	Rs.100 Crs. (Rupees One Hundred Crores only)	1st October 2015 to 30th September 2016
2.	M/s. RAL Consumer Products Ltd.	Payment of Charges in terms of Agreement dated 14th August, 2014	Rs.5.75 Crs. (Rupees Five Crores Seventy-five lakhs only)	14th August 2015 to 7th January 2016

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.

10. To approve the remuneration of the Cost Auditor for the financial year ending March



31, 2016 and in this regard to consider and if thought fit to pass the following resolution as Ordinary Resolution.

Resolved that pursuant to the provisions of section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules 2014 (including any statutory modifications or re-enactments thereof, for the time being in force) Mr. P. Raju Iyer, (Firm Registration No.102146) Cost accountant appointed by the Board of Directors of the Company, be paid the remuneration of Rs.25,000/- Plus out of pocket expense to conduct the audit of the cost records of the Company for the financial year ending March 31, 2016.

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

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

Place: Chennai  
Date: 07<sup>th</sup> August, 2015

N. Ramesh Rajan  
Chairman  
(DIN:01628318)

**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 17<sup>th</sup> September, 2015 to 23<sup>rd</sup> September, 2015 (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](http://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	For Members holding shares in Demat Form:- a) For NSDL:- 8 Character DP ID followed by 8 digits Client ID b) For CDSL:- 16 digits beneficiary ID For Members holding shares in Physical Form:- •Folio Number registered with the Company
---------	--

PAN*	Enter your 10 digit alphanumeric 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 at least 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](http://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](mailto:secretarial@mdassociates.co.in) with a copy marked to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- xv) In case you have any queries or issues regarding e-voting, please contact [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- xvi) The e-voting period commences on Sunday, the 20th September, 2015 at 9.00 am and ends on Tuesday, the 22nd September, 2015 at 5.00 p.m.
- xvii) During this period members holding shares in physical or dematerialized form as on 16th September, 2015 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 16th September, 2015.
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 23rd September, 2015. The said dividend will be paid. 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](http://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/DPID 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 124 of the Companies Act, 2013, an amount of Rs.3,58,288/- remaining unclaimed out of the dividend for the year 2006-07 was transferred to the Investor Education and Protection Fund constituted by the Central Government on 25<sup>th</sup> July 2014. The unclaimed dividend, of Rs.6,22,640/- for the year 2007-2008 also transferred to the "Investor Education and Protection Fund" on 1<sup>st</sup> August, 2015.

Pursuant to MCA notification dated 10<sup>th</sup> May 2012, IEPF (uploading of information regarding unpaid and unclaimed amount lying with companies) Rules 2012, the Company has uploaded the information in respect of the unclaimed dividend from the financial year 2007-08 onwards as on the date of Annual General Meeting held on 26<sup>th</sup> September 2014 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 at least 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 21<sup>st</sup> 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 SECOND ANNUAL GENERAL MEETING OF THE COMPANY AS REQUIRED UNDER SECTION 102 OF THE COMPANIES ACT, 2013.

#### ITEM NO.6

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 Ordinary 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.

As per general circular No.30/2014 dated 17<sup>th</sup> July 2014 issued by Ministry of Corporate Affairs contacts entered into by the company after making necessary compliances under section 297 of the Companies Act, 1956 will not require fresh approval under section 188 of the Companies Act, 2013 till the expiry of the original term of the contract.

You may be aware that the company is selling goods through one of the Authorised Wholesale Dealer M/s Associated Electrical Agencies and Company has obtained approval under section 297 of the Companies Act 1956 for sale of Company's products for a period of five years from 21-02-2014 to 20-02- 2019 for Rs.495 crs.

As per above general circular No.30/2014 dated 17<sup>th</sup> July 2014 issued by Ministry of Corporate Affairs , the company doesn't require fresh approval under section 188 of the Companies Act, 2013 for sale of company's products to M/s Associated Electrical Agencies for the period of 5 years as detailed above.

However, as per SEBI circular dated 17<sup>th</sup> April 2014, and 15<sup>th</sup> September 2014 all material related party transactions shall require approval of members by

way of special resolution and it also explains that 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 ten percent of the annual turnover of the company as per the last audited financial statement of the company.

SEBI Circular also explains, all material related party arrangements as on the date of circular which are likely to continue beyond March 31, 2015 shall be placed for approval of the shareholders in the first General Meeting of the Company subsequent to October 01, 2014.

The Board at its meeting held on 07<sup>th</sup> August 2015 in order to comply with SEBI circulars has approved sale of company products, through M/s Associated Electrical Agencies, exceeding 10% of the annual turnover of the company as per the respective financial years for a period from 01<sup>st</sup> April 2014 to 30<sup>th</sup> September 2015 and 01<sup>st</sup> October 2015 to 30<sup>th</sup> September 2016 for Rs.80 Crores and Rs.100 Crores including interest on over dues respectively subject to approval of the Members of the Company.

Accordingly SEBI Circulars and amendment rules made there under requires special resolution and therefore your board recommends the resolution for your approval.

The detail of Relationship is as under:

1. Nature of Relationship : Mr. P. Aditya Reddy, Director of the Company is also a partner of M/s. Associated Electrical Agencies (Firm) and his relative is also a partner of this firm.

Except Mr. P.Aditya Reddy Director of the company and Mr.P. Dwaraknath Reddy, Managing Director of the Company none of other Directors or the Key Managerial Personnel or their relatives are interested or concerned in the Resolution.

#### ITEM NO.7

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 Ordinary 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.

As per general circular No.30/2014 dated 17<sup>th</sup> July 2014 issued by Ministry of Corporate Affairs contacts entered into by the company after making necessary compliances under section 297 of the Companies Act,1956 will not require fresh approval under section 188 of the Companies Act, 2013 till the expiry of the original term of the contract.

You may be aware that the company is selling goods through one of the Authorised Wholesale Dealer M/s Apex Agencies and Company has obtained approval under section 297 of the Companies Act 1956 for sale of Company's products for a period of five years from 21-02-2014 to 20-02- 2019 for Rs.1265 Crs.

As per above general circular No.30/2014 dated 17<sup>th</sup> July 2014 issued by Ministry of Corporate Affairs , the company doesn't require fresh approval under section 188 of the Companies Act, 2013 for sale of company's products to M/s Apex Agencies for the period of 5 years as detailed above.

However, as per SEBI circular dated 17<sup>th</sup> April 2014, and 15<sup>th</sup> September 2014 all material related party transactions shall require approval of members by way of special resolution and it also explains that 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 ten percent of the annual turnover of the company as per the last audited financial statement of the company.

SEBI Circular also explains, all material related party arrangements as on the date of circular which are likely to continue beyond March 31, 2015 shall be placed for approval of the shareholders in the first General Meeting of the Company subsequent to October 01,2014.

The Board at its meeting held on 07<sup>th</sup> August 2015 in order to comply with SEBI circulars has approved sale of company products, through M/s Apex Agencies, exceeding 10% of the annual turnover

of the company as per the respective financial years for a period from 01<sup>st</sup> April 2014 to 30<sup>th</sup> September 2015 and 01<sup>st</sup> October 2015 to 30<sup>th</sup> September 2016 for Rs.100 Crores and Rs.125 Crores including interest on over dues respectively subject to approval of the Members of the Company.

Accordingly SEBI Circulars and amendment rules made there under requires special resolution and therefore your board recommends the resolution for your approval.

The detail of Relationship is as under:

1. Nature of Relationship : Mr. P. Aditya Reddy, Director of the Company is also a partner of M/s. Apex Agencies (Firm) and his relative is also a partner of this firm.

Except Mr. P. Aditya Reddy Director of the company and Mr. P. Dwaraknath Reddy, Managing Director of the Company none of other Directors or the Key Managerial Personnel or their relatives are interested or concerned in the Resolution.

#### ITEM NO.8

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 Ordinary 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.

As per SEBI circular dated 17<sup>th</sup> 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 ten percent of the annual turnover as per the last audited balance sheet of the company.

You may be aware that the company is selling goods through one of the Authorised Wholesale Dealer M/s Radiohms Agencies and the Board of directors of the Company at its meeting held on 07<sup>th</sup> August 2015 has approved sale of company products, through M/s Radiohms Agencies exceeding 10% of the last year annual turnover of the company for a period of one year from 1<sup>st</sup> October 2015 to 30<sup>th</sup> September 2016 up to Rs.60 crores including interest on over dues subject to approval of the Members of the Company.

Accordingly SEBI circular and 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) and therefore your board recommends the resolution for your approval.

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

1. Name of the Related party : Radiohms Agencies (Firm)
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 partner of this firm.
4. Nature, Material Terms Monetary value and Particulars : for sale of company products and interest on over dues from 1<sup>st</sup> October 2015 to 30<sup>th</sup> September 2016 for Rs.60 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.

**ITEM NO.9**

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 Ordinary 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.

As per SEBI circular dated 17<sup>th</sup> 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 ten percent of the annual turnover as per the last audited financial statement of the company.

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 07<sup>th</sup> August 2015 has approved sale of company products, through M/s RAL Consumer Products Limited exceeding 10% of the last year annual turnover of the company for a period of one year from 1<sup>st</sup> October 2015 to 30<sup>th</sup> September 2016 up to Rs.100 crores including interest on over dues subject to approval of the Members of the Company.

The company has entered into on agreement with M/s RAL Consumer Products Limited (RAL) for the takeover of direct distribution of company’s products, which was otherwise distributed by RAL, in North India and agreed to pay Rs.5.75 Crores to RAL Consumer Products Ltd. The charges payable by the company in installments from 14<sup>th</sup> August 2014 to 07<sup>th</sup> January 2016.

As per SEBI circular and 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 and other charges exceeds 10% of the last year annual turnover of the company) and therefore your board recommends the resolution for your approval.

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

1. Name of the Related party : 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 and interest on over dues from 1<sup>st</sup> October 2015 to 30<sup>th</sup> September 2016 for Rs.100 Crs. and charges payable during the period from 14<sup>th</sup> August 2014 to 07<sup>th</sup> January 2016 for Rs.5.75Crs.

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.

**ITEM NO.10**

In pursuance of Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Board shall appoint an individual/ firm of cost accountant(s) in practice on the recommendations of the Audit Committee, which shall also recommend remuneration for such cost auditor. The remuneration recommended by Audit Committee shall be considered and approved by the Board of Directors and ratified by the members.

On recommendation of the Audit Committee the Board has considered and approved appointment

of Mr. P. Raju Iyer, Cost accountant (Firm Registration No.102146), for the conduct of the Cost Audit of the Company at a remuneration of Rs.25,000/- plus service tax as applicable and reimbursement of actual travel and out-of-pocket expenses for the Financial Year ending on March 31, 2016.

The resolution of Item No.10 of the Notice is set out as an Ordinary Resolution for approval and ratification by the members in terms of Section 148 of the Companies Act, 2013.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives is concerned or interested in the resolution set out at Item No.10.

**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. P. Aditya Reddy**

Mr. P. Aditya Reddy S/o Mr. P. Dwaraknath Reddy aged 31 years has done B.S (Bachelor of Science) in International Relations & Economics from Lewis & Clark College, Portland, USA.

After completing his studies he joined M/s. Garuda Thermal Power Private Limited as Manager (Projects) and presently he is working as a Whole-time Director in Garuda Thermal Power Private Limited and Executive Director (International Business) in Apollo Hospitals and Enterprises Ltd taking care of all international ventures of Apollo Hospitals and Enterprises Ltd.

Other Directorship : NIL

Chairman/member of Board Committees : NIL

Shareholding (No. of shares) : 6

**Mr. M. Subramanyam**

Mr. M.Subramanyam is a B.Com, C.A, aged 51 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 25 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

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

Place: Chennai

Date: 07<sup>th</sup> August, 2015

N. Ramesh Rajan  
Chairman  
(DIN:01628318)



## DIRECTORS' REPORT

Your Directors have pleasure in presenting the Forty Second Annual Report of your Company together with the Audited Balance Sheet as at March 31, 2015, the Statement of Profit & Loss for the year ended that date and the Auditors' Report thereon.

## FINANCIAL RESULTS

The profit before tax for the year under review is at Rs.40.12 Crores as against Rs.18.29 Crores in the previous year. The financial results for the year 2014-15 as compared with the previous year or summarized as under :

	2014-15 (Rs. in crores)	2013-14 (Rs. in crores)
Profit Before Tax and Depreciation	45.52	23.54
Less : Depreciation for the year	5.40	5.25
Profit Before Tax	<u>40.12</u>	<u>18.29</u>
Provision for tax including Deferred tax	11.20	5.58
Profit after Tax	<u>28.92</u>	12.71
Add : Surplus in P&L Account brought forward	3.50	2.56
Sub - Total	<u>32.42</u>	<u>15.27</u>
Your Directors recommend the following appropriations :		
Less : APPROPRIATION		
Adjustments relating to Fixed Assets	1.80	-
General Reserve	16.00	3.00
Proposed Dividend	9.38	7.50
Tax on proposed dividend	1.88	1.27
Surplus in P&L A/c carried forward	3.36	3.50
Total	<u>32.42</u>	<u>15.27</u>

## REVIEW OF PERFORMANCE

### DRY CELL BATTERIES

The Dry Cell Battery Industry production as a whole increased about 1.54% for the year 2014-15. Your Company's production has decreased from 569 million pieces to 532 million pieces showing decrease of 6.50%. The sales also decreased from 638 million pieces to 617 million pieces. In terms of value, your Company had registered a turnover of Rs.341 crores as against Rs.350 crores in the previous year.

## LIGHTING PRODUCTS

The sales volume of lighting products has decreased from 84.25 Lakh pieces to 61.22 Lakhs pieces as compared to the previous year.

## DIVIDEND

Your Directors recommends a dividend of Rs.25/- per share (250%) for the year 2014-15. This Dividend, if approved, will be paid to the Shareholders whose names appear on the Register of Members as on 23rd September, 2015. The Company intends to pay the dividend on 29th September, 2015.

## FIXED DEPOSITS

The Company has not accepted any deposits from the public.

## MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

Management's Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India, is presented in a separate section forming part of the Annual Report.

## SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES

There are no companies which have become or ceased to be its subsidiaries, joint ventures or associate companies during the year.

## DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors state that:

- in the preparation of the annual accounts for the year ended March 31, 2015, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- the Directors have selected such accounting policies and applied them consistently and made judgements 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 at March 31, 2015 and of the profit of the Company for the year ended on that date;

- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors have prepared the annual accounts on a 'going concern' basis;
- e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

### CORPORATE GOVERNANCE

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

### RELATED PARTY TRANSACTIONS

As per the requirements of the Companies Act, 2013 and Equity Listing Agreement, your Company has formulated a Policy on Related Party Transactions which is also available on Company's website at [www.nippobatteries.com](http://www.nippobatteries.com).

The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and Related Parties. This Policy specifically deals with the review and approval of Material Related Party Transactions keeping in mind the potential or actual conflicts of interest that may arise because of entering into these transactions.

All Related Party Transactions are placed before the Audit Committee as well as Board for review and approval. Prior omnibus approval is obtained for Related Party Transactions on a quarterly basis for transactions which are of repetitive nature and/or entered in the Ordinary Course of Business and are at Arm's Length.

There were no contract / arrangement / transactions entered in to during the year ended March 31, 2015 which were not at arm's length basis.

All the material related party transactions exceeding ten percent of the annual consolidated turnover as per the last audited financial statement were entered during the year by the company are disclosed in accordance with section 134 (3) (h) of the Companies Act, 2013, in form AOC 2 as per Annexure - "C" of this report.

### CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:

The CSR committee comprises Mr.N.Ramesh Rajan, Chairman, Mr. S. Obul Reddy, and Mr. M. Subramanyam as other members.

The Board has laid out the Company's policy on corporate social responsibility (CSR), and the CSR activities of the Company are carried out as per the instructions of the committee. The Committee also monitors the implementation of the framework of the CSR Policy and recommending the amount to be spent on CSR activities. During the year, the Company has spent 2% of its average net profits for the three immediately preceding financial years on CSR activities.

The financial data / Annual Report pertaining to the Company's CSR activities for the financial year 2014-2015 is presented in the prescribed format in Annexure-"D" to the Board Report.

The CSR Policy is available on our website [www.nippobatteries.com](http://www.nippobatteries.com).

### RISK MANAGEMENT

The Board has constituted a Risk Management Committee which has been entrusted with the responsibility to assist the Board in overseeing that all the risks that the organization faces such as strategic, financial, credit, market, legal, regulatory, reputational and other risks have been identified and assessed and there is an adequate risk management infrastructure in place capable of addressing those risks. The Company regularly updates to committee on the principal risks and uncertainties that can impact its ability to achieve its strategic objectives.

### DIRECTORS

In accordance with the Articles of Association of the Company Mr. P. Aditya Reddy and

M. Subramanyam will retire by rotation at this ensuing Annual General Meeting. They being eligible, offer themselves for re-appointment.

As per Ministry of Corporate Affairs (MCA) General Circular 14/2014 dated 09th June, 2014, all existing independent directors within one year from 01st April, 2014 should be re-appointed under Section 149 of the Companies Act, 2013 for a period of 5 years otherwise their terms will be expired on 31st March, 2015.

Mr. V.R.Gupte had resigned from the Board of your Company effective 15th April, 2015.

Dr.S.A.Dave had resigned from the Board of your Company effective 15th April, 2015.

The Board of Directors places on record their appreciation for the valuable contribution made by Mr. V.R.Gupte and Dr.S.A.Dave for the growth of the Company during their tenure as Director of the Company.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under Clause 49 of the Listing Agreement with the Stock Exchanges.

Information about all the Directors proposed to be re-appointed is furnished in the Explanatory Statement under Section 102 of the Companies Act, 2013 under the heading "Information about the Directors proposed to be re-appointed" attached to the Notice of the ensuing Annual General Meeting for your consideration.

As per Companies Act, 2013 and clause 49 of the Listing Agreement mandates that the Board shall monitor and review the Board evaluation framework and a formal annual evaluation needs to be made by the Board of its own performance and that of its committees and individual directors. Schedule IV of the Companies Act, 2013 states that the performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated. The evaluation of all the directors and the Board as a

whole was conducted based on the criteria and framework adopted by the Board.

### **TRAINING OF INDEPENDENT DIRECTORS**

To familiarize the strategy, operations and functions of our Company, the executive directors make presentations / orientation programme to non – executive independent directors about the company's strategy, operations, product and service offerings, markets, organization structure, finance, human resources, production facilities and quality and risk management. The appointment letters of Independent Directors has been placed on the Company's website at [www.nippobatteries.com](http://www.nippobatteries.com).

### **MEETING OF INDEPENDENT DIRECTORS**

The Independent Directors of the Company had met during the year on 06<sup>th</sup> February, 2015 to review the performance of non- Independent Directors and the Board as a whole, review the performance of the Chairperson of the Company and had accessed the quality, quantity and timeliness of flow of information between the company management and the Board.

### **MEETINGS OF THE BOARD**

Six meetings of the Board of directors were held during the year. The details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

### **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.

In terms of the provisions of Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5 (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the information required in respect of employees of the Company, will be provided upon request. As per section 136 (1) of the Companies Act, 2013 the report and accounts are being sent to the members and others entitled thereto. Any member

interested in inspecting or obtaining copy of the statement of particulars of employees being forms part of the Report may contact the Company Secretary at Registered Office during working hours and any member interested in obtaining such information may write to the company secretary and the same will be furnished on request.

### **NOMINATION AND REMUNERATION POLICY**

Your company recognizes the importance of human resource as its valuable assets and aligning the business objectives with specific measurable performance of individual objectives and targets.

This policy on nomination and remuneration of Directors, Key Managerial Personnel (KMPs) and other employees has been formulated in terms of the provisions of the Companies Act, 2013 and the Listing Agreement to pay equitable remuneration to the directors, KMPs and employees of the Company.

The objective and purpose of the Remuneration Policy is to determine qualifications, competencies, positive attributes and independence for the appointment of a director (executive / non-executive) and recommend to the Board policies relating to the remuneration of the directors, KMPs and other employees. It also ensures that recognition of performance encourages achieving better operational results.

The Nomination and Remuneration Committee recommends the remuneration/commission payable to executive Directors which is approved by the Board of Directors, subject to the approval of shareholders, wherever necessary.

The Board will have the discretion to retain the Managing Director, KMP and senior management personnel in the same position / remuneration or otherwise, even after attaining the retirement age, for the benefit of the Company. The Statement of Disclosure of Remuneration under Section 197 of Companies Act, 2013 and Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as Annexure-(G)

### **STATUTORY AUDITORS**

At the Annual General Meeting held on September 26, 2014 M/s. P. Srinivasan & Co, Chartered

Accountants, were appointed as statutory auditors of the Company to hold office till the conclusion of the 44<sup>th</sup> Annual General Meeting of the Company. In terms of the first proviso to Section 139 of the Companies Act, 2013, the appointment of the auditors shall be placed for ratification at every Annual General Meeting of the company. Accordingly, the appointment of M/s. P. Srinivasan & Co, Chartered Accountants, as statutory auditors of the Company, is placed for ratification by the shareholders. In this regard, the Company has received a certificate from the auditors to the effect that if they are reappointed, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013. There are no qualification or adverse remarks in the Auditor's Report which require any clarification/explanation.

### **COST AUDITOR**

In terms of Section 148 of the Companies Act, 2013 read with Companies (Cost records and audits) Rules, 2014 the Company has appointed Mr. P. Raju Iyer, Practising Cost Accountant, as the Cost Auditor of the Company for conducting the audit of cost records of the Company for the financial year 2014-15.

### **SECRETARIAL AUDITOR**

As required under Section 204 of the Companies Act, 2013 and Rules thereunder the Board has appointed M.Damodaran & Associates, Practising Company Secretaries as Secretarial Auditor of the company to conduct Secretarial Audit for the financial year 2014-15. The Secretarial Audit Report for the financial year ended March 31, 2015 is annexed herewith marked as Annexure-(F) to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

### **WHISTLE BLOWER POLICY/VIGIL MECHANISM**

The Company has adopted a whistle blower policy/Vigil mechanism that covers directors and employees of the Company to bring to the attention of the management any issues which is to be in violation or in conflict with the fundamental business principles of the Company. The Company is committed to adhere to the highest standards of

ethical, moral and legal conduct of business operations and in order to maintain these standards, the Company encourages its employees who have genuine concerns about suspected misconduct to come forward and express those concerns without fear of punishment or unfair treatment.

No one may take any adverse action against any employee for complaining about, reporting, or participating or assisting in the investigation of, a reasonably suspected violation of any law, this Policy, or the Company's Code of Conduct and Ethics.

All the employees have been given access to the Audit Committee. The Company Secretary is the designated officer for effective implementation of the policy and dealing with the complaints registered under the policy.

The Whistle Blower Policy is available on the website of the Company [www.nippobatteries.com](http://www.nippobatteries.com).

### **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 134 (m) of the Companies Act, 2013 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 additional 0.276 M.W (existing 1.00 M.W) solar power plant at Tada and power generated through solar plant is being consumed in the factory. Your company also applied for REC accreditation for power generated through Solar Plant.

### **EXTRACT OF ANNUAL RETURN**

The extract of Annual Return of the Company is annexed herewith as Annexure –"E" to this report.

### **STATEMENT PURSUANT TO LISTING AGREEMENT**

The Company's Securities are listed with Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). The Company has paid the Annual Listing fees to all the Stock Exchanges. Madras Stock Exchange Limited (MSE) did not achieve the prescribed turnover before the period stipulated by SEBI and hence has opted to seek voluntary surrender of its recognition. Hence your company's securities have been delisted from Madras Stock Exchange Limited.

### **DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS**

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status of the Company.

### **GENERAL**

Your Directors further states that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Woman at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

### **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, Stockiest 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: 07<sup>th</sup> August, 2015

N. Ramesh Rajan  
Chairman  
(DIN:01628318)

**Annexure "A" to Directors' Report**

Information required under Section 134 (m) of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014 and forming part of the Directors' Report for the year ended March 31, 2015.

**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 2014-2015. During the year reduction in consumption of electricity at factory has been carried out by replacement of LED Lights in the place of conventional lamps.

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

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

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

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

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

(3) Future plan of action:

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

(4) Expenditure on R & D	(Rs. in Lakhs)
a) Recurring	9.89
b) Total R & D expenditure as a percentage of total turnover	0.028%

**Technology absorption, adaptation, and innovation**

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

**C. Foreign Exchange Earnings and Outgo:**

(1) Activities relating to Exports; initiatives taken to increase exports; development of new export markets for products and services; and export plans. At present no Exports are being made. However, continuous efforts are being made to procure Export orders.

(2) Total Foreign Exchange used and earned:

Total expenditure on Foreign Currency on imports of raw materials, components, capital goods, spare parts, travel and others amounted to Rs. 2962.22Lakhs as against Rs.2977.88 Lakhs for the previous year.

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

Place: Chennai  
Date: 07<sup>th</sup> August, 2015

N. Ramesh Rajan  
Chairman  
(DIN:01628318)

**ANNEXURE 'B' TO DIRECTORS' REPORT - CORPORATE GOVERNANCE**

As per Clause 49 of the Listing Agreement with BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) the report containing the details of corporate governance system and its process at Indo National Limited (INL) is as follows:

Your company is in full compliance of the Corporate Governance principles enunciated in clause 49 of the Listing Agreement, in terms of structure, composition of Board and its committees and other disclosure requirements.

The Company is regular in complying with the mandatory requirements of the Corporate Governance Code.

**1) 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.

**2) BOARD OF DIRECTORS**

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

The composition and category of Directors is as follows:-

Name	Category	Number of Directorships held in other Indian companies	Number of Board Committee memberships held in other companies	No. of Shares held in the company
Mr. P. Dwaraknath Reddy	Executive Director	7	None	1653695
Mr. R.P. Khaitan	Executive Director	7	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	11	-	6
Mr. S.Obul Reddy	Non-Executive Director	8	-	-
Mr. M. Subramanyam	Non-Executive Director	-	-	-
Mr. N. Ramesh Rajan	Independent Director	-	-	-
Mrs. Lakshmi Subramanian	Independent Director	1	-	-

\* Mr. V.R.Gupte resigned from Directorship of the Board of the Company at the Meeting held on 15<sup>th</sup> April, 2015.

\*\* Dr. S.A. Dave resigned from Directorship of the Board of the Company at the Meeting held on 15<sup>th</sup> April, 2015

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

During the year under review six 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, Company's Annual Financial Results, Financial Statements, Auditor's report and Board's Report, diversify the business of the company, Terms of reference of Board Committees, capital/operating budgets and risk management are brought to the Board. In case of business exigencies or urgency of matters, resolutions are passed by circulation.

**b. DATE OF BOARD MEETINGS:**

07<sup>th</sup> May 2014, 17<sup>th</sup> July, 2014, 14<sup>th</sup> August 2014, 26<sup>th</sup> September 2014, 31<sup>st</sup> October 2014, and 06<sup>th</sup> February 2015.

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

Name of the Director	No. of Board Meetings Held during the tenure of the Director	No. of Board Meetings Attended	Last AGM attendance (Yes/No)
Mr. P. Dwaraknath Reddy	6	6	Yes
Mr. R.P. Khaitan	6	6	Yes
Mr. V R Gupte	6	6	Yes
Dr. S.A. Dave	6	6	No
Mr. P. Aditya Reddy	6	6	Yes
Mr. S. Obul Reddy	6	5	Yes
Mr. M. Subramanyam	6	6	Yes
Mr. N. Ramesh Rajan	6	6	Yes
Mrs. Lakshmi Subramanian	4	4	Yes

**3) 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 statutory/internal auditors are permanent invitees to the audit committee meetings. 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.
- Approval or subsequent modification and review of related party transactions, scrutiny of inter corporate loans and investments, to review the functioning of the whistle blower mechanism statutory compliance etc.,
- Approval of extension of Retirement age of CFO after assessing age, and experience etc.,



During the year, four meetings were held one of which was before finalisation of accounts. The said meetings were held on 07<sup>th</sup> May 2014, 14<sup>th</sup> August, 2014, 31<sup>st</sup> October, 2014 and 06<sup>th</sup> February 2015. The constitution of the Committee and the attendance of each member of the Committee as on March 31, 2015 are given below:

Name	Status	No. of meetings held	No. of meetings attended
Mr. V.R. Gupte #	Chairman	4	4
Mr. N. Ramesh Rajan*	Member	3	3
Dr. S.A. Dave ^	Member	4	4
Mrs. Lakshmmi Subramanian**	Member	-	-
Mr. S. Obul Reddy**	Member	-	-

\* Mr. N.Ramesh rajan has been appointed as Chairman of the Audit Committee on 22<sup>nd</sup> May, 2015.

\*\* Mrs. Lakshmmi Subramanian / Mr. S. Obul Reddy has been appointed as Member of the Audit Committee on 22<sup>nd</sup> May, 2015.

# Mr. V.R. Gupte resigned from the member/ chairman of Audit Committee on 15<sup>th</sup> April, 2015

^ Dr.S.A. Dave resigned from the member of Audit Committee on 15<sup>th</sup> April, 2015

#### 4) 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., The committee also monitors the implementation and compliance with the Company's Code of conduct for prohibition of Insider Trading.

No complaints of material nature were received during the year under review. As on 31<sup>st</sup> March 2015 no complaints were outstanding. The committee consists of the following Directors:

1. Mr. N. Ramesh Rajan, Chairman
2. Mrs. Lakshmmi Subramanian, 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@nipobatteries.com) for grievance redressal.

#### 5) NOMINATION AND REMUNERATION COMMITTEE:

The main agenda of the committee is to identify persons who are qualified to become directors in accordance with the criteria laid down and to recommend to the Board their appointment and / or removal. The committee also formulate the criteria for evaluation of independent directors and to determine the Company's policy on specific remuneration packages for Executive Directors and any compensation payments etc.,

1. Mrs. Lakshmi Subramanian, Chairman
2. Mr. S. Obul Reddy, 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 2014-15 are given below:

(Rs. in lakhs)

Name & Designation	Salary	Perquisites	Total
Mr. P. Dwaraknath Reddy Managing Director	48.00	84.08	132.08
Mr. R.P. Khaitan Joint Managing Director	48.00	65.60	113.60

The Board of Directors shall decide the remuneration of Non-Executive/Independent Directors. The Non-Executive/Independent Directors are paid sitting fees of Rs.20,000/- 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, 2014 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, 2015 amounting to Rs.3,00,000/-. In total the sitting fees of Rs.5.20 lakhs for attending Board Meetings and attending Audit committee meetings were paid to Non- Executive/Independent Directors during the financial year 2014-2015. 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 2014-2015. 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.

#### 6) CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:

The Board of Directors at its Meeting held on 7<sup>th</sup> May, 2014 constituted “Corporate Social Responsibility Committee” (CSR) as required under Section 135 of the Companies Act, 2013. The Committee comprises of three Members. The Chairman of the Committee is a Non – Executive and Independent Director.

Composition of the Committee:

Name of Director	Designation in the Company	Status in the Committee
Mr. N. Ramesh Rajan	Independent Director	Chairman
Mr. S. Obul Reddy	Director	Member
Mr. M. Subramanian	Director	Member

The committee’s primary responsibility is to formulate and recommend to the Board, a Corporate Social Responsibility (CSR) Policy indicating activities to be undertaken by the Company.

The committee also monitors the implementation of the CSR policy and recommend the amount of expenditure to be incurred on CSR activities.

One meeting of the committee was held during the year.

#### 7) RISK MANAGEMENT COMMITTEE:

In accordance with the requirement of Listing Agreement, your Company constituted a Risk Management Committee during the year. The Committee comprises Mr. N.Ramesh Rajan as the

Chairman and Mr. M. Subramanyam, Mr. S.Obul Reddy, Directors and Mr. M. Sankara Reddy, Chief Financial Officer and J. Srinivasan, Company Secretary as members of the Committee.

The role of Risk Management Committee is as follows:

- Implementation of Risk Management Systems and Framework;
- Reviewing the Company’s financial and risk management policies;
- Assessing risk and minimizing the procedures;
- Framing, implementing and monitoring the risk management plan for the Company.

The Committee met once during the Financial Year ended 31st March, 2015.

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

AGM	YEAR	VENUE	DATE	TIME
39 <sup>th</sup>	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 <sup>th</sup>	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.
41 <sup>ST</sup>	2013-2014	Sri. P. Obul Reddy Hall Vani Mahal, No.103, G.N. Chetty Road, Chennai – 600 017	26-09-2014	2.30 p.m.

Four 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.	Remuneration payable to Mr. P. Dwaraknath Reddy., Managing Director	31 <sup>st</sup> July, 2012	31 <sup>st</sup> March, 2012
2.	Remuneration payable to Mr. R.P. Khaitan, Joint Managing Director	31 <sup>st</sup> July, 2012	31 <sup>st</sup> March, 2012
3.	NIL	27 <sup>th</sup> Sept. 2013	31 <sup>st</sup> March, 2013
4.	Approval of 1% of the Net Profits of the Company be paid and distributed amongst the Non-Executive Independent Directors of the Company	26 <sup>th</sup> Sept. 2014	31 <sup>st</sup> March, 2014
5	Approval of Related Party transactions U/s. 188 of the Companies Act, 2013.	26 <sup>th</sup> Sept. 2014	31 <sup>st</sup> March, 2014

**9) DISCLOSURES:**

- i) **Related Party Transactions:** There have been no materially significant related party transactions, monetary transactions or relationships between the Company and directors, the Management, subsidiaries or relatives, except for those disclosed in the Board’s report. The detailed information on materially significant related party transactions is annexed to the Board’s report. The transactions are not prejudicial to the interest of the Company.
- ii) **Compliances by the Company:** The Company has complied with the requirements of the Stock Exchanges, SEBI and other Statutory Authorities on all matters related to capital markets during the last three years. No penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority.

- iii) Whistle Blower Policy: The Company has established a mechanism for Whistle Blower Policy.
- iv) We affirmed that no personnel have been denied access to the audit committee.
- v) Compliance with mandatory requirements: The Company has complied with all Mandatory requirements as mentioned in clause 49(VI) (i) of the Listing Agreement.
- vi) Adoption of Non- Mandatory requirements: The Company is in the process of adopting other non – mandatory requirements in future as mentioned in clause 49 VII) (ii) of the Listing Agreement.
- vii) The Chief Executive Officer and the Chief Financial Officer have issued the necessary certificate to the Board of Directors in compliance with clause 49 of the Listing Agreement.

#### **10) WHISTLE BLOWER POLICY/VIGIL MECHANISIM:**

As part of corporate governance and as per companies act 2013, the company has adopted Vigil Mechanism / Whistle blower policy that covers our directors and employees. The Company promotes ethical behaviour in all its business activities and has put in place a mechanism for reporting illegal or unethical behaviour. The employees are free to report violations of applicable laws and regulations and the Code of Conduct.

The mechanism provides for adequate safeguards against victimization of Directors and employees and also provide for direct access to the Chairman of the Audit Committee. This neither releases employees from their duty of confidentiality in the course of their work nor can it be used as a route for raising malicious or unfounded allegations about a personal situation. During the year under review, no employee was denied access to the Audit Committee.

#### **11) MEETING OF INDEPENDENT DIRECTORS:**

The company's independent directors meet atleast once in a year without the presence of Executive / Non- Executive Directors. The Independent Directors met once during the year under review on 06<sup>th</sup> February 2015 and inter – alia discussed:

1. the performance of non-Independent Directors and the Board as a whole;
2. the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non- Executive Directors; and
3. the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

#### **12) 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](http://www.nippobatteries.com).

#### **13) MANAGEMENT DISCUSSION AND ANALYSIS:**

Appended to this Report.

**14) GENERAL SHAREHOLDERS' INFORMATION:**

- 1. AGM date, time and venue** : 23rd September, 2015; Wednesday 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)** : Tuesday, 17th September, 2015 to Wednesday, 23rd September, 2015 (both days inclusive)
- 3. Financial Year** : 01-04-2014 to 31-03-2015
- 4. Annual Results** : 7th May, 2015
- 5. Posting of Annual Reports** : 29th August, 2015
- 6. Last date of receipt of proxy Forms** : 48 hrs before AGM
- 7. Dividend payment date** : 29th September, 2015
- 8. Listing Fees** : Paid to all the above stock exchanges for the year 2014-15.
- 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 the provisions of section 110 of the Companies Act, 2013 read with Rule 22 of the Company's (Management and Administration) Rules 2014 during the financial year 2014-15.

One special resolution through postal ballot was passed on 01.11.2014.

Resolution No.1	Alteration of the main objects under clause III (A) of the Memorandum of Association of the Company.
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**12. Listing on Stock Exchanges :**

- (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
- (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

(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

**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 12<sup>th</sup> June 2014 informed us to delist the shares from MSE. Accordingly the Company has delisted its shares from MSE on 16<sup>th</sup> March, 2015.

**15) MONTHLY SHARE PRICE DETAILS AT BSE & NSE DURING 2014-15 ARE :**

MONTH	BSE			NSE		
	HIGH (Rs.)	LOW (Rs.)	NO. OF SHARES TRADED	HIGH (Rs.)	LOW (Rs.)	NO. OF SHARES TRADED
APRIL – 14	379.75	332.50	5690	378.00	316.00	15440
MAY – 14	409.80	346.10	25957	435.00	347.30	39767
JUNE – 14	445.00	385.00	19817	423.00	379.05	15996
JULY -14	449.80	396.05	22727	449.95	395.00	19187
AUGUST -14	656.00	385.10	129357	622.95	404.95	177444
SEPTEMBER – 14	839.00	643.80	162585	839.00	640.00	194624
OCTOBER -14	820.00	586.00	59459	825.00	570.05	67827
NOVEMBER -14	876.60	760.00	62401	900.00	745.50	85613
DECEMBER -14	799.00	666.20	19012	812.70	667.15	16197
JANUARY – 15	830.75	742.80	26482	849.70	739.60	29828
FEBRUARY -15	820.00	695.75	45111	820.00	689.60	78720
MARCH – 15	736.50	600.00	20438	740.00	611.00	24213

**16) 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 (6 lines)  
Fax No.: 044-28460129  
Email : cameo@cameoindia.com

**17) 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 immediately 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 7 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 31<sup>st</sup> March 2015.

**18) NSE ELECTRONIC APPLICATION PROCESSING SYSTEM (NEAPS):**

The NEAPS is a web-based application designed by NSE for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are filed electronically on NEAPS.

**19) SEBI COMPLAINTS REDRESS SYSTEM (SCORES):**

The investor complaints are processed in a centralised web-based complaints redress system. The salient features of this system are: Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.

**20) 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 31<sup>st</sup> March, 2015, 97.43% of the Company's total shares representing 3653889 shares are in dematerialized form.

**21) OUTSTANDING GDR/ADR/WARRANTS OR ANY CONVERTIBLE INSTRUMENTS:**

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

**22) DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2015:**

Number of shares	Number of shareholders	Percentage of shareholders	Number of shares held	Percentage of shareholding
1 - 500	5852	94.67	420924	11.22
501 - 1000	198	3.20	147188	3.92
1001 - 2000	70	1.13	100929	2.70
2001 - 3000	21	0.34	53555	1.42
3001 - 4000	7	0.11	25689	0.69
4001 - 5000	7	0.11	33665	0.90
5001 - 10000	10	0.16	65331	1.74
10001 & above	17	0.28	2902719	77.41
<b>TOTAL</b>	<b>6182</b>	<b>100.00</b>	<b>3750000</b>	<b>100.00</b>

**23) CATEGORIES OF SHAREHOLDERS AS ON 31<sup>ST</sup> MARCH, 2015:**

Category	No. of shares held	% of shareholding
Indian Promoters	2806920	74.85
Resident Indians	813952	21.71
Non-Resident Indians	28606	0.76
Foreign Institutional Investors	50	-
Domestic Companies	100001	2.67
Banks/Insurance Companies	4.71	0.01
<b>TOTAL</b>	<b>3750000</b>	<b>100.00</b>

**24) 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.

**25) UNCLAIMED DIVIDEND AMOUNTS:**

Pursuant to the provisions of Section 123 of the Companies Act, 2013, the dividend for the following years, which remain unclaimed for seven years, will be transferred to Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to Section 125 of the Companies Act, 2013. Members who have not so far encashed their dividend warrant(s) are requested to seek revalidation of dividend warrants in writing to the Company Secretary, M/s. Indo National Ltd.

During the year under review, the Company has credited Rs.3,58,288 to the Investor Education and Protection Fund (IEPF) pursuant to Section 205C of the Companies Act, 1956 read with the Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001.

Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 26<sup>th</sup> September, 2014 (date of last Annual General Meeting) on the Company's website [www.nippobatteries.com](http://www.nippobatteries.com) and on the website of the Ministry of Corporate Affairs.



Information in respect of such unclaimed dividends due for transfer to the Investor Education and Protection Fund (IEPF) is as follows:

Financial Year	Amount outstanding as on 31.03.2015 (Rs.)	Date of Declaration of Dividend	Proposed date of transfer to IEPF
2007-08	6,22,660.00	18-06-2008	24.07.2015
2008-09	9,09,180.01	11-09-2009	17-10-2016
2009-10	7,02,040.00	23-07-2010	28-08-2017
2010-11	8,06,660.00	20-07-2011	25-08-2018
2011-12	2,89,370.00	31-07-2012	05-09-2019
2012-13	3,05,860.00	27-09-2013	02-11-2020
2013-14	5,42,660.00	26-09-2014	01-11-2021

**26) RECONCILIATION OF SHARE CAPITAL AUDIT:**

A quarterly audit was conducted by a practising company secretary, reconciling the issued and listed capital of the company with the aggregate of the number of shares held by investors in physical form and in the depositories and the said certificates were submitted to the stock exchanges within the prescribed time limit. As on 31st March 2015 there was no difference between the issued and listed capital and the aggregate of shares held by investors in both physical form and in electronic form with the depositories.

**27) PREVENTION OF INSIDER TRADING:**

In accordance with the SEBI Regulations as amended, the Company has established a code of conduct for prohibition of insider trading in the company’s shares. The objective of this Code is to prevent misuse of any unpublished price sensitive information and prohibit any insider trading activity, in order to protect the interest of the shareholders at large. The Board of Directors of the Company have adopted a new Share Dealing Code, in line with new SEBI (Prohibition of Insider Trading) Regulations, 2015.

## Annexure - "C" to the Board Report

FORM NO. AOC.2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso is given below:

1. Details of contracts or arrangements or transactions not at Arm's length basis: Not Applicable

2. Details of contracts or arrangements or transactions at Arm's length basis :

S.No	Name of the Related Party	Nature of Relationship	Contracts / Arrangements / Transactions		Date of Approval Board / Members	Sales value during the year (Rs.in Cr.)	Amount paid as advances, if any	
			Nature	Duration				Salient terms
1	Associated Electrical Agencies	Director and relatives of Director is a Partner	Sale of Nippo brand products and interest on over dues	Five years	Prevailing Market Rates	Ordinary course of business being carried on for many years	49.80	Nil
2	Apex Agencies	Director and relatives of Director is a Partner	Sale of Nippo brand products and interest on over dues	Five years	Prevailing Market Rates	Ordinary course of business being carried on for many years	63.58	Nil
3	RAL Consumer Products Ltd	One common Director	Sale of Nippo brand products and interest on over dues	Yearly	Prevailing Market Rates	Ordinary course of business being carried on for many years	147.20	Nil
		One common Director	Payment of charges	N.A	Payable in installments	Promoting INL Products, develop & create infrastructure and relinquish distribution right as per agreement entered by the Company	1.96	Nil
4	Radiohms Agencies	Director is a Partner	Sale of Nippo brand products and interest on over dues	Yearly	Prevailing Market Rates	Ordinary course of business being carried on for many years	15.54	Nil
5	Kalpatharu Enterprises Pvt.Ltd	One common Director and relatives of Director is a Director	Rent	Two years	Prevailing Market Rates	N.A	1.11	0.73
6	Radiohms Properties Pvt.Ltd	One common Director	Rent	Two years	Prevailing Market Rates	N.A	0.30	0.14

\* Approval u/s.297 of the Companies Act 1956 was obtained for Rs. 495 crs for the period from 21.02.2014 to 20.02. 2019

\*\* Approval u/s.297 of the Companies Act 1956 was obtained for Rs.1265 crs for the period from 21.02.2014 to 20.02. 2019

**ANNEXURE-“D”**

**ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES**

1. A brief outline of the company’s CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:-

CSR Policy is stated herein below:

<http://www.nippobatteries.com/html/pdf/CSR%20POLICY-INL.pdf>

2. The CSR Committee consisting of the following three members:-

1. Mr N.Ramesh Rajan Chairman (Independent Director)
2. Mr. S.Obul Reddy, Member ( Director)
3. Mr M.Subramanyam, Member ( Director)

3. The average net profit of the company for last three financial years is as follows:

<b>S.NO.</b>	<b>FINANCIAL YEAR</b>	<b>Rs .in Lakhs</b>
1	2011-2012	1172.12
2	2012-13	419.73
3	2013-14	1829.17
	<b>TOTAL PROFIT</b>	<b>3421.02</b>
	<b>AVERAGE FOR 3 YEARS</b>	<b>1140.34</b>

4. The total CSR Budget on the basis of @2% of average net profits of the Company for the financial year 2014-2015 is Rs.22.80 lakhs.
5. Details of CSR spent during the financial year.  
Total amount spent for the financial year : Rs. 22.94 lakhs
6. Amount unspent, if any; Nil

7. Manner in which the amount spent during the financial year is detailed below:-

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or program wise	Amount spent on the projects or programs Sub-heads (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure up to the reporting period	Amount spent Direct or through implementing agency*
1	Establishing Institutions for primary and higher education for the benefit of the down trodden community people in the society	Education	Trichy, Tamil Nadu	200000	200000	200000	Agency : Siddhartha Trust, No.2 Arivagam, VOC Nagar, Trichy – 620 001
2	Water supply to Tada Village	Drinking water	Tada, Andhra Pradesh, Nellore District	652300	652300	852300	Direct
3	Torchlights given free for Vijayawada Flood	Flood	Vishakha-patnam Andhra Pradesh	465355	465355	1317655	Direct
4	Thunder torchlights given free for Jammu Flood	Flood	Jammu (J & K)	46056	46056	1363711	Agency: Vidya Bharati Akhil Bharatiya Shiksha Sansthan, Jammu
5	Construction of R.O. Plant at Tada (RO System, SS Tank & Cable)	Drinking Water	Tada, Andhra Pradesh, Nellore District	930470	930470	2294181	Direct

**EXTRACT OF ANNUAL RETURN**  
**Financial year ended on 31.03.2015**  
**FORM NO. MGT - 9**

**[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]**

**Annexure- "E"**

**I. Registration and other details :**

1. CIN	L31909TN1972PLC006196
2. Registration Date	15/07/1972
3. Name of the Company	INDO NATIONAL LIMITED
4. Category / Sub-Category of the Company	Company having Share Capital
5. Address of the Registered Office and contact details	No.609, Mount Road, Lakshmi Bhawan, 4th Floor, Chennai - 600 006. Tamil Nadu 044-28272711 Email Id: jsrinivasan@nippobatteries.com
6. Whether listed company	Yes (Listed in BSE and NSE)
7 Name, address and contact details of Registrar and Share Transfer Agent	M/s.Cameo Corporate Services Ltd. Subramaniam Building, No.1, Club House Road, Chennai-600 002 Ph: 44-28460390 -44-28460129 Email id: investor@cameoindia.com

**II. Principal Business Activities of the Company :**

All the Business Activities contributing 10% or more of the total turnover of the company shall be stated

Name and Description of main Products / Services	NIC Code of the Product / Service	% to total turnover of the company
Dry Batteries	27201	85.01
Flashlights and others	-	14.99

**III. Particulars of Holding, Subsidiary and Associate Companies :**

Name and address of the Company	CIN / GLN	Holding / subsidiary / associate	% of shares held	Applicable Section
<b>NOT APPLICABLE</b>				

**IV. Shareholding Pattern (Equity Share Capital Breakup as percentage of Total Equity)**

**i. Category-wise Shareholding**

Category of Share Holders	No. of Shares held at the beginning of the Year				No. of Shares held at the end of the Year				% Change during the year
	Demat	Physical	Total	% of the Total Shares	Demat	Physical	Total	% of the Total Shares	
<b>A. Promoters</b>									
<b>1. Indian</b>									
a) Individual / HUF	2557553	0	2557553	68.2014	2557553	0	2557553	68.2014	0.0000
b) Central Govt.	0	0	0	0.0000	0	0	0	0.0000	0.0000
c) State Govt.(s)	0	0	0	0.0000	0	0	0	0.0000	0.0000
d) Bodies Corporate	249367	0	249367	6.6498	249367	0	249367	6.6498	0.0000
e) Banks / FI	0	0	0	0.0000	0	0	0	0.0000	0.0000
f) Any Other....	0	0	0	0.0000	0	0	0	0.0000	0.0000
<b>Sub-Total (A)(1)</b>	<b>2806920</b>	<b>0</b>	<b>2806920</b>	<b>74.8512</b>	<b>2806920</b>	<b>0</b>	<b>2806920</b>	<b>74.8512</b>	<b>0.0000</b>
<b>2. Foreign</b>									
a) NRIs - Individuals	0	0	0	0.0000	0	0	0	0.0000	0.0000
b) Other - Individuals	0	0	0	0.0000	0	0	0	0.0000	0.0000
c) Bodies Corporate	0	0	0	0.0000	0	0	0	0.0000	0.0000
d) Banks / FI	0	0	0	0.0000	0	0	0	0.0000	0.0000
e) Any Other....	0	0	0	0.0000	0	0	0	0.0000	0.0000
<b>Sub-Total (A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>0.0000</b>
<b>Total Shareholding of Promoters (A)=(A)(1)+(A)(2)</b>	<b>2806920</b>	<b>0</b>	<b>2806920</b>	<b>74.8512</b>	<b>2806920</b>	<b>0</b>	<b>2806920</b>	<b>74.8512</b>	<b>0.0000</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds / UTI	0	0	0	0.0000	0	0	0	0.0000	0.0000
b) Banks / FI	0	0	0	0.0000	471	0	471	0.0126	0.0126
c) Central Govt.	0	0	0	0.0000	0	0	0	0.0000	0.0000
d) State Govt.(s)	0	0	0	0.0000	0	0	0	0.0000	0.0000
e) Venture Capital Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000
f) Insurance Companies	0	0	0	0.0000	0	0	0	0.0000	0.0000
g) FIs	50	0	50	0.0013	50	0	50	0.0013	0.0000
h) Foreign Venture Capital	0	0	0	0.0000	0	0	0	0.0000	0.0000
i) Others (specify) - -	0	0	0	0.0000	0	0	0	0.0000	0.0000
<b>Sub-Total (B)(1)</b>	<b>50</b>	<b>0</b>	<b>50</b>	<b>0.0013</b>	<b>521</b>	<b>0</b>	<b>521</b>	<b>0.0139</b>	<b>0.0126</b>

**IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

**i. Category-wise Shareholding**

Category of Share Holders	No. of Shares held at the beginning of the Year				No. of Shares held at the end of the Year				% Change during the year
	Demat	Physical	Total	% of the Total Shares	Demat	Physical	Total	% of the Total Shares	
<b>2. Non-Institutions</b>									
<b>a. Bodies Corporate</b>									
i) Indian	86750	463	87213	2.3257	99538	463	100001	2.667	0.3410
ii) Overseas	0	0	0	0.0000	0	0	0	0	0.0000
<b>b. Individuals</b>									
i) Individual Shareholders holding nominal share capital up to 1 lakh	602428	103388	705816	18.8218	615063	95648	710711	18.952	0.1305
ii) Individual Shareholders holding nominal share capital in excess of 1 lakh	56882	0	56882	1.5169	61556	0	61556	1.641	0.1246
<b>c. Others (specify)</b>									
i) Shares held by Pakistani citizens vested with the custodian of enemy property	0	0	0	0.0000	0	0	0	0	0.0000
ii) Other Foreign / Nationals	0	0	0	0.0000	0	0	0	0	0.0000
iii) Foreign Bodies	0	0	0	0.0000	0	0	0	0	0.0000
iv) NRI / OCBs	66937	0	66937	1.7850	28606	0	28606	0.763	-1.0222
v) Clearing Members/ Clearing House	499	0	499	0.0133	6190	0	6190	0.165	0.1518
vi) Hindu Undivided Families	25683	0	25683	0.6849	35495	0	35495	0.947	0.2617
vii) Limited Liability Partnership	0	0	0	0.0000	0	0	0	0	0.0000
viii) Foreign Portfolio Investor (Corporate)	0	0	0	0.0000	0	0	0	0	0.0000
ix) Qualified Foreign Investor	0	0	0	0.0000	0	0	0	0	0.0000
<b>Sub-Total (B)(2):</b>	<b>839179</b>	<b>103851</b>	<b>943030</b>	<b>25.1475</b>	<b>846448</b>	<b>96111</b>	<b>942559</b>	<b>25.1349</b>	<b>-0.0126</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>839229</b>	<b>103851</b>	<b>943080</b>	<b>25.1488</b>	<b>846969</b>	<b>96111</b>	<b>943080</b>	<b>25.1488</b>	<b>0.0000</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>
<b>Grand Total (A+B+C)</b>	<b>3646149</b>	<b>103851</b>	<b>3750000</b>	<b>100.00</b>	<b>3653889</b>	<b>96111</b>	<b>3750000</b>	<b>100.00</b>	<b>0.0000</b>

ii. Shareholding of Promoters

Sl. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in shareholding during the year
		No. of Shares	% of Total shares of the Company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of Total shares of the Company	% of shares Pledged/encumbered to total shares	
1	M/s. PDR Inestments Pvt.Ltd	163907	4.3709	97.25	163907	4.3709	97.25	0.0000
2	M/s Preetha Investments Pvt.Ltd	47788	1.2743		0	0.0000		-1.2743
3	Obul Reddy Investments Pvt.Ltd	20772	0.5539	100.00	68560	1.8283	30.29	1.2743
4	Mrs.P. Sindoori Reddy	11000	0.2933		11000	0.2933		0.0000
5	Krishna kumar Jiwarajka	260512	6.9470	100.00	0	0.0000		-6.9470
6	Mrs. Suneeta Reddy	18608	0.4962	78.35	59580	1.5888	24.47	1.0926
7	Mr. P. Dwaraknath Reddy	1592269	42.4605	85.31	1653695	44.0985	90.31	1.6380
8	Mrs.Preetha Reddy	20972	0.5593		0	0.0000		-0.5593
9	Mrs.Gnanamba Reddy	15950	0.4253		0	0.0000		-0.4253
10	Mr.P. Obul Reddy	45476	1.2127		0	0.0000		-1.2127
11	Sindoori Reddy	135016	3.6004	100.00	135016	3.6004	100.00	0.0000
12	Mr. Aditya dev Reddy	6	0.0002		6	0.0002		0.0000
13	Mr.Karthik Anand	20000	0.5333		0	0.0000		-0.5333
14	M/s.Krishna kumar Jiwarjka (HUF)	57772	1.5406		57772	1.5406		0.0000
15	M/s. H.N.Khaitan (HUF)	21540	0.5744		21540	0.5744		0.0000
16	M/s.JSK Marketing Pvt.Ltd	6400	0.1707		6400	0.1707		0.0000
17	M/s.Radiohms Investment and Trading Pvt.Ltd	5300	0.1413		5300	0.1413		0.0000
18	M/s.Radiohms Properties Pvt.Ltd	5200	0.1387		5200	0.1387		0.0000
19	Mrs.Lakshmi devi Jiwarajka	4000	0.1067		264512	7.0537	86.95	6.9470
20	Mrs. Saraladevi Khaitan	83036	2.2143		83036	2.2143		0.0000
21	Mr.R.P.Khaitan	57960	1.5456		57960	1.5456		0.0000
22	Mrs. Savitri devi Jiwarajka	44456	1.1855		44456	1.1855		0.0000
23	Mrs. Saraladevi Khaitan	166248	4.4333		166248	4.4333		0.0000
24	Ms.Anju Ganeriwal	2732	0.0729		2732	0.0729		0.0000
	<b>Total</b>	<b>2806920</b>	<b>74.8512</b>		<b>2806920</b>	<b>74.8512</b>		0.0000



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

Sl. No.	Shareholders Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of Total shares of the Company	No. of Shares	% of Total shares of the Company
1	<b>M/s. PDR Inestments Pvt.Ltd</b> At the beginning of the year 01-04-2014 At the end of the year 31-03-2015	163907 163907	4.371 4.371	163907 163907	4.371 4.371
2	<b>M/s. Preetha Investments Pvt.Ltd</b> At the beginning of the year 01-04-2014 Interse transfer-(Sale) -29th Sep 2014 At the end of the year 31-03-2015	47788 -47788 0	1.274 1.274 0.000	47788 0 0	1.274 0.000 0.000
3	<b>Obul Reddy Investments Pvt.Ltd</b> at the beginning of the year 01-04-2014 Interse transfer-(Purchase) -29th Sep 2014 at the end of the year 31-03-2015	20772 47788 68560	0.554 1.274 1.828	20772 47788 68560	0.554 1.274 1.828
4	<b>Mrs. P. Sindoori Reddy</b> At the beginning of the year 01-04-2014 At the end of the year 31-03-2015	11000 11000	0.293 0.293	11000 11000	0.293 0.293
5	<b>Krishna kumar Jivarajka</b> At the beginning of the year 01-04-2014 Interse transmission - 13th Feb 2015 At the end of the year 31-03-2015	260512 -260512 0	6.947 6.947 0.000	260512 0 0	6.947 0.000 0.000
6	<b>Mrs. Suneeta Reddy</b> At the beginning of the year 01-04-2014 Interse transfer-(purchase) -23rd Jun 2014 At the end of the year 31-03-2015	18608 40972 59580	0.496 1.093 1.589	18608 40972 59580	0.496 1.093 1.589
7	<b>Mr.P. Dwaraknath Reddy</b> At the beginning of the year 01-04-2014 Interse transmission - 13th Feb 2015 At the end of the year 31-03-2015	1592269 61426 1653695	42.461 1.638 44.099	1592269 61426 1653695	42.461 1.638 44.099
8	<b>Mrs. Preetha Reddy</b> At the beginning of the year 01-04-2014 Interse transfer-(purchase) -23rd Jun 2014 Interse transfer-(Sale) -23rd Jun 2014 At the end of the year 31-03-2015	20972 20000 -40972 0	0.559 0.533 -1.093 0.000	20972 40972 0 0	0.559 1.093 0.000 0.000
9	<b>Mrs. Gnanamba Reddy</b> At the beginning of the year 01-04-2014 Interse transmission - 13th Feb 2015 At the end of the year 31-03-2015	15950 -15950 0	0.425 -0.425 0.000	15950 0 0	0.425 0.000 0.000
10	<b>Mr. P. Obul Reddy</b> At the beginning of the year 01-04-2014 Interse transmission - 13th Feb 2015 At the end of the year 31-03-2015	45476 -45476 0	1.213 1.213 0.000	45476 0 0	1.213 0.000 0.000
11	<b>Sindoori Reddy</b> At the beginning of the year 01-04-2014 At the end of the year 31-03-2015	135016 135016	3.600 3.600	135016 135016	3.600 3.600

iii. Change in Promoters' Shareholding (Please specify, if there is no change) (contd.)

Sl. No.	Shareholders Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of Total shares of the Company	No. of Shares	% of Total shares of the Company
12	<b>Mr. Aditya Dev Reddy</b> At the beginning of the year 01-04-2014 At the end of the year 31-03-2015	6 6	0.0002 0.0002	6 6	0.0002 0.0002
13	<b>Mr. Karthik Anand</b> At the beginning of the year 01-04-2014 Interse transfer-(Sale) -23rd Jun 2014 At the end of the year 31-03-2015	20000 -20000 0	0.533 0.533 0.000	20000 0 0	0.5333 0.000 0.000
14	<b>M/s. Krishna kumar Jiwarijka (HUF)</b> At the beginning of the year 01-04-2014 At the end of the year 31-03-2015	57772 57772	1.541 1.541	57772 57772	1.541 1.541
15	<b>M/s. H.N. Khaitan (HUF)</b> At the beginning of the year 01-04-2014 At the end of the year 31-03-2015	21540 21540	0.574 0.574	21540 21540	0.574 0.574
16	<b>M/s. JSK Marketing Pvt.Ltd</b> At the beginning of the year 01-04-2014 At the end of the year 31-03-2015	6400 6400	0.171 0.171	6400 6400	0.171 0.171
17	<b>M/s. Radiohms Investment and Trading Pvt.Ltd</b> At the beginning of the year 01-04-2014 At the end of the year 31-03-2015	5300 5300	0.141 0.141	5300 5300	0.141 0.141
18	<b>M/s. Radiohms Properties Pvt.Ltd</b> At the beginning of the year 01-04-2014 At the end of the year 31-03-2015	5200 5200	0.139 0.139	5200 5200	0.139 0.139
19	<b>Mrs. Lakshmi devi Jiwarijka</b> At the beginning of the year 01-04-2014 Interse transmission - 13th Feb 2015 At the end of the year 31-03-2015	4000 260512 264512	0.107 6.947 7.054	4000 260512 264512	0.107 6.947 7.054
20	<b>Mrs. Saraladevi Khaitan</b> At the beginning of the year 01-04-2014 At the end of the year 31-03-2015	83036 83036	2.214 2.214	83036 83036	2.214 2.214
21	<b>Mr. R.P. Khaitan</b> At the beginning of the year 01-04-2014 At the end of the year 31-03-2015	57960 57960	1.546 1.546	57960 57960	1.546 1.546
22	<b>Mrs. Savitri Devi Jiwarijka</b> At the beginning of the year 01-04-2014 At the end of the year 31-03-2015	44456 44456	1.185 1.185	44456 44456	1.185 1.185
23	<b>Mrs. Saraladevi Khaitan</b> At the beginning of the year 01-04-2014 At the end of the year 31-03-2015	166248 166248	4.433 4.433	166248 166248	4.433 4.433
24	<b>Ms. Anju Ganeriwal</b> At the beginning of the year 01-04-2014 At the end of the year 31-03-2015	2732 2732	0.073 0.073	2732 2732	0.073 0.073

**iv) Shareholding Pattern of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)**

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	% of Total shares of the Company	No. of Shares	% of Total shares of the Company
1	Sharad kanyalal shah	39372	1.0499	39,372	1.0499
2	Share bazar financial services ltd	35,350	0.9427	35,350	0.9427
3	R.Vijayakumar	17,510	0.4669	22,184	0.5916
4	Bharat K.Dalal	50,685	1.3516	18,531	0.4942
5	Indravadan H. Metha	9,000	0.2400	0	0.0000
6	Uttam khobragade	0	0.0000	9,774	0.2606
7	Satyabhama madanlal raika	0	0.0000	7,500	0.2000
8	MK Meera Reddy	7,084	0.1889	7,084	0.1889
9	Star grain and shipping pvt.ltd	6,574	0.1753	-	0.0000
10	Om Prakash baheti	6,500	0.1733	6,500	0.1733
11	Exim scrips dealers pvt.ltd	5,617	0.1498	-	0.0000
12	Angel fincorp pvt.ltd	0	0.0000	5,317	0.1418
13	Godavari devi baheti	5,289	0.1410	5239	0.1397
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment/transfer/bonus/sweat equity etc):	Sale / Purchase from open market			

**v) Shareholding of Directors and Key Managerial Personnel**

Sl.	Name	Shareholding at the beginning of the year		Date	Increase/Decrease in Share Holding	Reason	Cumulative shares during the year 01.04.2014 to 31.03.2015	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
1	Mr. P. Dwaraknath Reddy	1592269	42.461	2/13/2015	61426	interse transfer Closing	1592269 1653695 1653695	42.461 44.099 44.099
2	Mr. Aditya dev Reddy	6	0.00016		NIL	Closing	6 6	0.00016 0.00016
3	Mr. R.P. Khaitan	57960	1.5456		NIL	Closing	57960 57960	1.5456 1.5456
4	Mr. N. Ramesh Rajan	Nil				Closing	Nil	
5	Mr. S. Obul Reddy	Nil				Closing	Nil	
6	Mr. M. Subramanyam	Nil				Closing	Nil	
7	Mrs. Lakshmmi Subramanian	Nil				Closing	Nil	
8	Mr. M. Sankara Reddy	1500	0.004			Closing	1500	0.004
9	Mr. J. Srinivasan	Nil				Closing	Nil	

**V) INDEBTEDNESS**

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

Rs. in lakhs

	Secured Loans excluding deposits	Unsecured Loan	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1736.24	0	0	1736.24
ii) Interest due but not paid	0.00	0	0	0
iii) Interest accrued but not due	0.00	0	0	0
<b>Total (i+ii+iii)</b>	1736.24	0	0	1736.24
<b>Change in Indebtedness during the financial year</b>		0	0	0
Addition	4810.32	0	0	4810.32
Reduction	5690.68	0	0	5690.68
Net Change	-880.36	0.00	0.00	-880.36
Indebtedness at the end of the financial year		0	0	0
i) Principal Amount -	855.88	0	0	855.88
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	855.88	0	0	855.88

**VI) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

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

(Figures in Rupees)

Sr.No	Particulars of Remuneration	Mr. P. Dwaraknath Reddy Managing Director	Mr. R.P. Khaitan Joint Managing Director	Total Amount
	Gross Salary			
1	a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	4800000	4800000	9600000
	b) Value of perquisites under section 17(2) of Income Tax Act, 1961	4272588	2423636	6696224
	c) Profit in lieu of salary under section 17(3) of Income Tax Act, 1961	-	-	-
2	Stock Options	-	-	-
3	Sweat Equity	-	-	-
4	Commission	3416000	3416000	6832000
5	-as a percentage of profit	-	-	-
	-others specify (Superannuation)	720000	720000	1440000
	<b>Total (A)</b>	13208588	11359636	24568224

**B. Remuneration to other Directors:**  
**1. Independent Directors**

(Figures in Rupees)

Sr. No.	Particulars of Remuneration	Name of the Director				
		Mr.V.R.Gupte	Dr.S.A.Dave	Mr.N.Ramesh Rajan	Mrs. Lakshmmi Subramanian	Total Amount
1	Fee for attending Board / Committee Meetings	160000	160000	140000	60000	<b>520000</b>
2	Commission	300000	300000	300000	225000	<b>1125000</b>
3	Others Please Specify	-	-	-	-	-
	<b>Total (B) (1)</b>	<b>460000</b>	<b>460000</b>	<b>440000</b>	<b>285000</b>	<b>1645000</b>

**2. Other Non Executive Directors**

Sr. No.	Particulars of Remuneration	Name of the Director			
		Mr.Aditya Reddy	Mr.M.Subramanyam	Mr.S.Obul Reddy	Total Amount
1	Fee for attending Board / Committee Meetings	90000	90000	70000	250000
2	Commission	0	0	0	0
3	Others Please Specify	-	-	-	0
	<b>Total (B) (2)</b>	<b>90000</b>	<b>90000</b>	<b>70000</b>	<b>250000</b>
	<b>Total (B)=(B)(1)+(B)(2)</b>	<b>550000</b>	<b>550000</b>	<b>510000</b>	<b>1895000</b>

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		Total amount
		Mr. M.Sankara Reddy Chief Financial Officer	Mr. J.Srinivasan Company Secretary	
1	Gross Salary (a) Salary as per provisions contained in Section 17(1) of the Income Tax Act 1961 (b) Value of perquisites under Section 17(2) Income Tax Act, 1961 (c) Profit in lieu of salary under Section 17(3) Income Tax Act, 1961	5062843	1580235	6643078
2	Stock Options	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit - - -	-	-	-
5	- others, specify	-	-	-
	<b>Total ©</b>	<b>5062843</b>	<b>1580235</b>	<b>6643078</b>

**VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:V**

Type	Sections of the Companies Act	Brief Description	Details of Penalty/Punishment/Compounding Fees imposed	Authority [RD/NCLT/COURT]	Appeal made, if any (give details)
<b>A. COMPANY</b>					
Penaly			NIL		
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penaly			NIL		
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penaly			NIL		
Punishment					
Compounding					

**Annexure- "F"**

**Form No. MR-3**

**SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31.03.2015**

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

**SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31.03.2015**

To,  
The Members,  
INDO- NATIONAL LIMITED  
CIN: L31909TN1972PLC006196  
NO. 609, MOUNT ROAD, LAKSHMI BHAWAN, IVTH FLOOR  
CHENNAI - 600006.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by INDO- NATIONAL LIMITED (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me/us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion there on.

Based on my verification of the INDO- NATIONAL LIMITED books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31.03.2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made here in after:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by INDO- NATIONAL LIMITED ("the Company") for the financial year ended on 31.03.2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (vi) Other laws as may be applicable specifically to the company - Nil

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

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

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations: NIL

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through and recorded as part of the minutes.

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

I further report that during the audit period the company had following specific events/actions having a major bearing on the company's affairs:

- a. Company passed an Ordinary Resolution for appointment of Mr. N. Ramesh Rajan (DIN : 01628318) as an Independent Director 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 vide Annual General Meeting dated 26/09/2014.



- b. Company passed an Ordinary Resolution for appointment of Mrs. Lakshmmi Subramanian (DIN:00001439) as an Independent Director 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 vide Annual General Meeting dated 26/09/2014.
- c. Company passed a Special Resolution for payment amount not exceeding 1% of the Net Profits of the Company for each financial year to the Non- Executive Independent Directors of the Company pursuant to the provisions of Section 197 and 198 and other applicable provisions, if any, of the Companies Act, 2013 vide Annual General Meeting dated 26/09/2014.
- d. Company passed a Special Resolution for entering into Related Party Transactions with effect from 1<sup>st</sup> October 2014 to 30<sup>th</sup> September, 2015 with M/s. RAL Consumer Products Ltd vide Annual General Meeting dated 26/09/2014.
- e. Company passed a Special Resolution for alteration of Object Clause of the Memorandum of Association pursuant to the provisions of Section 13 and other applicable provisions, if any of the Companies Act, 2013 vide Postal Ballot dated 1/11/2014.
- f. Company changed its Registered Office within local limits of City from Nungambakkam High Road to Mount Road vide Board Resolution dated 17/07/2014.

For M.Damodaran & Associates

Place : Chennai  
Date : 07.08.2015

M. Damodaran  
FCS No.5837  
C P No.5081

**ANNEXURE-G**

Statement of Disclosure of Remuneration under Section 197 of Companies Act, 2013 and Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

- a) The ratio of the remuneration of each director to the median employee’s remuneration of the company for the financial year are given below:

Name	Designation	Ratio
Mr. P. Dwaraknath Reddy	Managing Director & CEO	6:1
Mr. R.P. Khaitan	Joint Managing Director	5:1

- b) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:

Name	Designation	Percentage increase in remuneration
Mr. P. Dwaraknath Reddy	Managing Director & CEO	28.78
Mr. R.P. Khaitan	Joint Managing Director	20.65
Mr. M. Sankara Reddy	Chief Financial Officer	10.04
Mr. J. Srinivasan	Company Secretary	16.68

- c) The percentage increase in the median remuneration of employees in the financial year was:11%  
 d) The Company has 367 permanent employees on the rolls of company as on 31<sup>st</sup> March 2015.  
 e) Relationship between average increase in remuneration and Company’s performance:

Every year, the salary increases for the Company are decided on the basis of a benchmarking exercise that is undertaken in line with similar organizations in the Industry. Salary increases during the year were in line with Company’s performance as well as per Company’s market competitiveness. The Profit after tax of the Company has grown from Rs.1271.17 Lakhs to 2892.19 Lakhs, an increase of 127.52 % against last year. The average increase of 11% is very well within the policy of the Company.

- f) Comparison of the remuneration of the Key Managerial Personnel against the performance of the company:

Name	Designation	CTC Rs.in Lakhs	% Increase in CTC	PAT (Rs. in crore)	% Increase in PAT
Mr. P. Dwaraknath Reddy	Managing Director & CEO	132.08*	28.78	28.92	132%
Mr. R.P. Khaitan	Joint Managing Director	113.60#	20.65		
Mr. M. Sankara Reddy	Chief Financial Officer	59.19	10.04	-	-
Mr. J. Srinivasan	Company Secretary	18.05	16.68	-	-

\*# It consists of salary, perquisites, commission and retirement benefits with in the limit approved by members at the AGM held on 26<sup>th</sup> September 2014.

- g) Variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase or decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer:

Date	Paid up Capital	Closing Market Price per shares	EPS	PE Ratio	Market Capitalisation (Rs. in Lakhs)
31.03.2015	3,75,00,000	699.50	77.13	9.06	26231.25
31.03.2014	3,75,00,000	326.20	33.90	9.62	12232.50
Increase/Decrease	NIL	373.30	43.23	(0.56)	13998.75
% Increase/Decrease	NIL	114	127	(5.82)	114
No issue of shares during the year	-	-	-	-	-

- h) Average percentage increase made in the salaries of employees other than the managerial personnel in the financial year was 12.22% whereas the increase in the managerial remuneration was 24.72%

i. The key parameters for any variable component of remuneration availed by the directors:

The Company has paid variable components of remuneration to Managing /Joint Managing Director, by way of Perquisites and commission, within the limit as approved by members. Independent – Non Executive directors are paid sitting fees and commission as per their terms of appointment and Non-executive directors are paid sitting fees only.

- i) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year: N.A.
- j) It is hereby affirmed that the remuneration paid during the year is as per the policy of the company.

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

During the financial year 2014-15, the Dry Cell Battery Industry as a whole had registered a growth of 3%. The sale of dry cell batteries in the industry had increased from 2143 million pieces to 2209 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.341 crores as compared to Rs.350 crores in the previous year. The profit before depreciation and tax is at Rs.45.52 crores as against Rs.23.54 crores in 2013-14 and the depreciation for the year is Rs.5.40 crores as against Rs.5.25 crores in the previous year. The profit before tax is Rs.40.12 crores as against Rs.18.29 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, 2015, the number of employees stood at 367 covering all locations compared to 361 as of March 31, 2014.

**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 : 7<sup>th</sup> August, 2015

**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 31.03.2015 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 : 7<sup>th</sup> August, 2015

P. SRINIVASAN  
Partner  
Membership No.: 2090

**INDEPENDENT AUDITOR’S REPORT to the Members of M/s. INDO NATIONAL LIMITED**

**Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of M/s. Indo National Limited (the company) which comprise the Balance Sheet as at 31<sup>st</sup> March, 2015 the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management’s Responsibility for the Standalone Financial Statements**

The Company’s Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013, (“The Act”) with respect to the preparation and presentation of these standalone 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 principles generally accepted in India including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditors’ Responsibility**

Our responsibility is to express an opinion on these stand alone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the standards on auditing specified under Section : 143 (10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain

reasonable assurance about whether the financial statements are free from material misstatement.

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 financial internal control relevant to the Company’s preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimate made by the Company’s Directors, 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 on the standalone financial statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2015 and its profit and its cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor’s Report) Order, 2015 (“the Order”) issued by the Central Government of India in terms of sub-Section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the 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 aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act; and
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. the Company has disclosed the impact of pending litigations on its financial position in its financial statements.
  - ii. the Company did not have long-term contracts including derivative contracts for which there were any material foreseeable losses; and
  - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**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.
- 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) The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained u/s 189 of the Act.
- 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,

For P. SRINIVASAN & CO.  
Chartered Accountants  
Firm No.004054S  
(P. SRINIVASAN)  
Partner  
Membership No:2090

Place : Chennai  
Date : 22<sup>nd</sup> May, 2015

there is no continuing failure to correct major weaknesses in internal control system of the Company.

- v) The Company has not accepted any deposits from the public during the year to which the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under are applicable.
- vi) According to the records produced and the information given to us, the cost records prescribed by the Central Government under sub-section 1 of Section 148 of the Companies Act are being made and maintained by the Company. No examination of such records has been carried out by us.
- vii) (a) According to the records of the Company, the Company is regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance,, Income Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, 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 lakhs disputed and pending before the Income Tax Authorities as under ;

- 1. The First Appellate Authority - Rs.11.60 lakhs
- 2. The Second Appellate Authority - Rs.11.51 lakhs
- iii) The Company is required to transfer an amount of Rs.3,58,288 to investor education and protection fund under the relevant provisions of the Companies Act, 1956 and the same has been transferred to the said fund within time.
- viii) The Company does 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.
- ix) The Company has not availed borrowing facilities from financial institutions and debenture holders.
- x) 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.
- xi) The company has not raised any term loans during the year.
- xii) 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 : 22<sup>nd</sup> May, 2015



**BALANCE SHEET AS AT MARCH 31, 2015**

(Rs. in Lakhs)

Particulars	Note Nos.	As at March 31, 2015	As at March 31, 2014
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	2	375.00	375.00
(b) Reserves and Surplus	3	15,794.53	14,207.86
<b>(2) Non-Current Liabilities</b>			
(a) Deferred tax liabilities (Net)	4	1,116.80	925.80
(b) Other Long-term liabilities	5	4.12	4.12
(c) Long-term provisions	6	158.26	201.04
<b>(3) Current Liabilities</b>			
(a) Short-term borrowings	7	855.88	1,736.24
(b) Trade payables	8	1,471.00	1,988.96
(c) Other current liabilities	9	414.10	428.09
(d) Short term provisions	10	1,430.60	1,200.54
<b>TOTAL</b>		<b>21,620.29</b>	<b>21,067.65</b>
<b>II. ASSETS</b>			
<b>(1) Non-current Assets</b>			
(a) Fixed assets	11		
(i) Tangible assets		5,611.85	5,941.73
(ii) Intangible assets		34.29	52.45
(iii) Capital work-in-progress		1.33	-
(b) Long-term loans and advances	12	40.49	66.06
<b>(2) Current Assets</b>			
(a) Inventories	13	4,103.91	4,216.84
(b) Trade receivables	14	8,524.98	7,548.41
(c) Cash and cash equivalents	15	2,658.22	2,616.02
(d) Short-term loans and advances	16	499.07	461.85
(e) Other current assets	17	146.15	164.29
<b>TOTAL</b>		<b>21,620.29</b>	<b>21,067.65</b>
Significant Accounting Policies and Notes on Accounts	1		

**N. RAMESH RAJAN**  
Chairman

**P. DWARAKNATH REDDY**  
Managing Director

**R.P. KHAITAN**  
Joint Managing Director

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

**M. SANKARA REDDY**  
Chief Financial Officer

**J. SRINIVASAN**  
Secretary

**P. SRINIVASAN**  
Partner

Place : Chennai  
Date : 22<sup>nd</sup> May, 2015

**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015**

(Rs. in Lakhs)

Sl. No.	Particulars	Note Nos.	Year ended March 31, 2015	Year ended March 31, 2014
I.	Revenue from operations (Gross)	<b>18</b>	<b>34,141.98</b>	35,090.14
	Less : Excise Duty		<b>3,348.83</b>	3,650.54
	Revenue from operations (Net)		<b>30,793.15</b>	31,439.60
II.	Other Income	<b>19</b>	<b>2,315.16</b>	1,274.14
III.	<b>Total Revenue (I + II)</b>		<b>33,108.31</b>	32,713.74
IV.	<b>Expenses</b>			
a.	Cost of materials consumed	<b>20</b>	<b>13,019.19</b>	13,920.62
b.	Purchases of stock-in-trade	<b>21</b>	<b>8,113.54</b>	9,959.22
c.	Changes in inventories of finished goods Work-in-progress and stock-in-trade	<b>22</b>	<b>21.00</b>	(365.07)
d.	Employee benefits expenses	<b>23</b>	<b>2,358.36</b>	2,297.78
e.	Finance costs	<b>24</b>	<b>138.36</b>	165.98
f.	Depreciation and amortization expense	<b>25</b>	<b>540.10</b>	525.53
g.	Other expenses	<b>26</b>	<b>4,905.57</b>	4,364.54
	<b>Total Expenses</b>		<b>29,096.12</b>	30,868.60
V.	Profit before exceptional and extraordinary items (III-IV)		<b>4,012.19</b>	1,845.14
VI.	Exceptional items	<b>27</b>	-	15.97
VII.	Profit before tax and after exceptional and extraordinary items (V-VI)		<b>4,012.19</b>	1,829.17
VIII.	<b>Less : Tax expenses</b>			
a.	Current tax		<b>929.00</b>	472.00
b.	Deferred tax		<b>191.00</b>	86.00
IX.	Profit for the year		<b>2,892.19</b>	1,271.17
X.	Earning per share (of Rs.10/- each)			
a.	Basic		<b>77.13</b>	33.90
b.	Diluted		<b>77.13</b>	33.90
	Significant Accounting Policies and Notes on Accounts	<b>1</b>		

**N. RAMESH RAJAN**  
Chairman

**P. DWARAKNATH REDDY**  
Managing Director

**R.P. KHAITAN**  
Joint Managing Director

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

**M. SANKARA REDDY**  
Chief Financial Officer

**J. SRINIVASAN**  
Secretary

**P. SRINIVASAN**  
Partner

Place : Chennai  
Date : 22<sup>nd</sup> May, 2015

CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015

(Rs. in Lakhs)

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
<b>A. Cash flow from operating activities</b>		
<b>Net Profit before Tax</b>	<b>4,012.19</b>	1,829.17
<b>Adjustment for :</b>		
Depreciation	<b>540.10</b>	525.53
Loss on sale of Fixed Assets	-	0.79
Profit on sale of Fixed Assets	<b>(861.78)</b>	(1.16)
Early separation Scheme	-	15.97
<b>Operating Profit before working capital changes</b>	<b>3,690.51</b>	2,370.30
(Increase) / Decrease in Trade Receivables	<b>(976.57)</b>	(1,294.76)
(Increase) / Decrease in other Receivables	<b>5.47</b>	(41.34)
(Increase) / Decrease in Inventories	<b>112.94</b>	(435.11)
(Decrease) / Increase in Trade payables and other payables	<b>(532.17)</b>	96.39
<b>Changes in Working Capital</b>	<b>(1,390.33)</b>	(1,674.82)
<b>Cash generated from operations</b>	<b>2,300.18</b>	695.48
Income Tax paid	<b>987.96</b>	506.44
<b>Net cash generated from operating activities</b>	<b>1,312.22</b>	189.04
<b>B. Cash flow from investing Activities</b>		
Purchase of Fixed Assets	<b>(376.86)</b>	(1,312.91)
Proceeds from sale of Fixed Assets	<b>864.66</b>	11.64
Proceeds from short term borrowings	<b>855.88</b>	1,736.24
Repayment of short term borrowings	<b>(1,736.24)</b>	-
<b>Net Cash used in Investing Activities</b>	<b>(392.56)</b>	434.97
<b>C. Cash flow from Financing Activities</b>		
Early separation scheme	-	(15.97)
Dividend paid including Tax thereon	<b>(877.46)</b>	(438.73)
<b>Net cash used in Financing Activities</b>	<b>(877.46)</b>	(454.70)
<b>D. Net Increase / (Decrease) in Cash &amp; Cash Equivalents</b>	<b>42.20</b>	169.31
<b>E. Cash &amp; Cash Equivalents (Opening)</b>	<b>2,616.02</b>	2,446.71
<b>F. Cash and Cash Equivalents (Closing)</b>	<b>2,658.22</b>	2,616.02

**N. RAMESH RAJAN**  
Chairman

**P. DWARAKNATH REDDY**  
Managing Director

**R.P. KHAITAN**  
Joint Managing Director

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

**M. SANKARA REDDY**  
Chief Financial Officer

**J. SRINIVASAN**  
Secretary

**P. SRINIVASAN**  
Partner

Place : Chennai  
Date : 22<sup>nd</sup> May, 2015

## 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, 2013

#### b) USE OF ESTIMATES

The preparation of the financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions that affect the reported amounts, 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. The management believes that the estimates used in the preparation of financial statements are prudent and reasonable. The actual results could differ from these estimates.

#### c) PROVISIONS AND CONTINGENCIES

**Provisions :** Provisions are recognized when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the balance sheet date and are not discounted to their present value.

**Contingent Liabilities :** Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

#### d) INVENTORIES

Raw materials including components, Finished goods, Work in process, Stock in trade (Traded Goods), 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.

#### e) DEPRECIATION

Depreciation is charged on the fixed assets except land at the rates provided in Part "C" of Schedule II of the Companies Act, 2013 as under :

- (i) under straight line method on imported Body maker and Bag openers, other projects under plant and machinery on assets relating to 3D Project (I Line), 3U Unit (New Line), Wind Mills and Solar Plant and on intangible assets.
- (ii) under written down value method on all the other tangible assets, having regard to the expected useful life and residual value commencing from the date the asset is available for use.

Assets individually costing Rs.5,000/- or less is fully depreciated.

#### f) 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.

#### g) 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).

**h) FOREIGN CURRENCY TRANSLATION**

Net gain or loss on conversion at year end of monetary assets and 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.

**i) 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. and HDFC Life. 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. and HDFC Life 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.

**j) EARNINGS PER SHARE**

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

**k) ACCOUNTING FOR TAXES ON INCOME**

Tax expense for the current year comprises of current tax and deferred tax. Current tax is recognised based on assessable income computed in accordance with the Income Tax Act, 1961, and at the prevailing rates. Deferred tax liability is recognized for all timing differences. The deferred tax asset on temporary difference is recognized subject to consideration of prudence.

Deferred tax asset and liabilities are measured at the tax rates that have been enacted or substantively enacted at the balance sheet date.

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

**m) 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.

**n) INTANGIBLE ASSETS**

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

**o) IMPAIRMENT OF ASSETS**

At each balance sheet date, the Company assesses whether there is any indication that an asset may be impaired. If any such indication exists, the recoverable amount is estimated. If the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognized in the statement of profit and loss to the extent the carrying amount exceeds the recoverable amount.

	As at Mar. 31, 2015	(Rs. in Lakhs) As at Mar.31, 2014
<b>2. SHARE CAPITAL</b>		
<b>(1) Authorised</b>		
50,00,000 Equity Shares of Rs.10/- each	<b>500.00</b>	500.00
<b>(2) Issued, subscribed and Paid-up</b>		
37,50,000 Equity Shares of Rs.10/- each fully paid up	<b>375.00</b>	375.00
<b>(a) Reconciliation of Number of Shares :</b>		
Shares outstanding as at 1st April, 2014 / 1st April 2013	<b>3,750,000</b>	3,750,000
Shares outstanding as at 31st March, 2015 / 31st March, 2014	<b>3,750,000</b>	3,750,000
<b>(b) Name of share holders holding more than 5% of the total number of shares issued by the company :</b>		
	<b>No. of Shares</b>	No. of Shares
P. Dwaraknath Reddy	<b>1653695</b>	1592269
Laxmi Devi Jiwarajika	<b>264512</b>	4000
Sarla Devi Khaitan	<b>249284</b>	249284
Krishnakumar Jiwarajika	<b>-</b>	260512
<p>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.</p>		
<b>3. RESERVES AND SURPLUS</b>		
<b>1. General Reserve</b>		
Opening Balance	<b>13,857.82</b>	13,557.82
Add : Transfer from surplus	<b>1,600.00</b>	300.00
Closing Balance	<b>15,457.82</b>	13,857.82
<b>2. Surplus</b>		
Opening Balance	<b>350.04</b>	256.33
Less : Depreciation based on the revised remaining useful life of the assets	<b>180.58</b>	-
Balance in Statement of Profit & Loss	<b>2,892.19</b>	1,271.17
Appropriations :		
Proposed Dividend	<b>937.50</b>	750.00
Tax on Dividend	<b>187.44</b>	127.46
Transfer to General Reserve	<b>1,600.00</b>	300.00
Closing Balance	<b>336.71</b>	350.04
GRAND TOTAL	<b>15,794.53</b>	14,207.86

	As at Mar. 31, 2015	(Rs. in Lakhs) As at Mar.31, 2014
<b>4. DEFERRED TAX LIABILITY (NET)</b>		
a. Deferred tax Liability		
i. Depreciation	1,059.73	893.81
ii. Others	179.10	179.10
	<u>1,238.83</u>	<u>1,072.91</u>
b. Deferred Tax Asset		
i. Employee Benefits	122.03	147.11
c. Net Deferred Tax Liability	<u>1,116.80</u>	<u>925.80</u>
<b>5. OTHER LONG-TERM LIABILITIES</b>		
Security deposits from Scrap dealers	<u>4.12</u>	<u>4.12</u>
<b>6. LONG-TERM PROVISIONS</b>		
Employee benefits	<u>158.26</u>	<u>201.04</u>
<b>7. SHORT-TERM BORROWINGS</b>		
Secured Loan from a Bank	<u>855.88</u>	<u>1,736.24</u>
<p>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, Andhra Pradesh and hypothecation of imported and indigenous raw materials, components, spares, goods in process and finished goods and the loan of Rs.300 availed from banks against fixed deposits</p>		
<b>8. TRADE PAYABLES</b>	<u>1,471.00</u>	<u>1,988.96</u>
<p>There are no outstanding dues to Micro, Small and Medium Enterprises as per the information contained in the vendor list maintained by the Company and to whom the Company had no outstanding dues exceeding forty five days as on 31st March 2015. The additional disclosures as required under the Micro, Small and Medium Enterprises Development Act, 2006 are not furnished.</p>		
<b>9. OTHER CURRENT LIABILITIES</b>		
a. Unclaimed dividends	41.78	41.53
b. Statutory liabilities payable (Net)	249.48	242.04
c. Other payables	122.84	144.52
Total	<u>414.10</u>	<u>428.09</u>
<b>10. SHORT-TERM PROVISIONS</b>		
a. Employee benefits	136.84	125.07
b. Proposed dividend	937.50	750.00
c. Others	356.26	325.47
Total	<u>1,430.60</u>	<u>1,200.54</u>

11. FIXED ASSETS

Rs. in Lakhs

DESCRIPTION OF ASSET	GROSS BLOCK			DEPRECIATION / AMORTISATION						NET BLOCK	
	As at 1st April 2014	Additions	Deletions	As at 31st March 2015	Upto 31st March 2014	Life Completed	For the Year	Deletions	Upto 31st March 2015	As at 31st March 2015	As at 31st March 2014
<b>Own Assets</b>											
<b>I. Tangible Assets</b>											
1. Land	207.30	-	-	207.30	-	-	-	-	-	207.30	207.30
2. Buildings	2,393.42	78.42	17.78	2,454.06	1,309.58	11.29	55.74	17.78	1,358.84	1,095.23	1,083.84
3. Plant and Machinery	14,489.52	217.00	170.21	14,536.31	10,081.13	119.46	407.57	169.58	10,438.58	4,097.73	4,408.39
4. Furniture & Fixtures	183.34	41.22	-	224.56	138.35	2.68	12.71	-	153.74	70.82	44.99
5. Vehicles	236.82	18.65	43.38	212.09	158.32	4.24	15.50	41.13	136.93	75.16	78.50
6. Office Equipments	155.35	6.12	-	161.47	115.55	18.84	9.07	-	143.46	18.01	39.80
7. (i) Computer Systems	365.55	7.17	-	372.72	346.95	5.05	9.09	-	361.09	11.63	18.60
(ii) Airconditioners & Refrigerators	241.06	6.95	-	248.01	180.75	19.02	12.26	-	212.03	35.98	60.31
Sub-Total (A)	18,272.36	375.53	231.37	18,416.52	12,330.63	180.58	521.94	228.49	12,804.67	5,611.85	5,941.73
<b>II. Intangible Assets</b>											
1. Computer Software	68.26	-	-	68.26	15.81	-	18.16	-	33.97	34.29	52.45
Sub-Total (B)	68.26	-	-	68.26	15.81	-	18.16	-	33.97	34.29	52.45
<b>III. Capital Work in Progress</b>											
Sub-Total (C)	-	1.33	-	1.33	-	-	-	-	-	1.33	-
<b>Grand Total (A+B+C)</b>	18,340.62	376.86	231.37	18,486.11	12,346.44	180.58	540.10	228.49	12,838.64	5,647.47	5,994.18
Previous Year's Total	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



Rs. in Lakhs

	<b>As at Mar. 31, 2015</b>	As at Mar.31, 2014
<b>12. LONG TERM LOANS AND ADVANCES</b>		
Security deposits	<u>40.49</u>	<u>66.06</u>
<b>13. INVENTORIES</b>		
(as taken, valued & certified by the management)		
Raw materials	818.29	908.87
Work in process	326.49	389.29
Finished goods	1,437.92	1,206.36
Stock-in-trade (Traded goods)	1,245.83	1,435.59
In Transit (Material and Traded goods)	54.26	-
Stores and spares	221.12	276.73
Total	<u>4,103.91</u>	<u>4,216.84</u>
<b>14. TRADE RECEIVABLES</b>		
(Unsecured and considered good)		
Outstanding for a period exceeding six months from the due date for payment	425.02	205.32
Outstanding for a period of less than six months from the due date for payment	8,099.96	7,343.09
Total	<u>8,524.98</u>	<u>7,548.41</u>
<b>15. CASH &amp; BANK BALANCES</b>		
Cash and cash equivalents		
Cash on hand	4.76	4.92
Cheques and drafts on hand	1,068.86	1,147.21
Balance with banks		
Held as fixed deposits (Less than 12 months)	1,460.03	1,371.66
In Current accounts	80.50	19.16
Unpaid dividend accounts	41.78	41.53
Held as margin money against borrowings and other commitments	2.29	31.54
Total	<u>2,658.22</u>	<u>2,616.02</u>
<b>16. SHORT TERM LOANS &amp; ADVANCES</b>		
(Unsecured and considered good)		
Advances recoverable in cash or in kind or for the value to be received	378.60	333.95
Receivable from Revenue authorities	95.93	102.34
Income tax and TDS (Net of liability)	24.54	25.56
Total	<u>499.07</u>	<u>461.85</u>
<b>17. OTHER CURRENT ASSETS</b>		
Prepaid expenses	131.68	145.63
Insurance claims	14.47	18.66
Total	<u>146.15</u>	<u>164.29</u>

Rs. in Lakhs

	<b>As at Mar. 31, 2015</b>	As at Mar.31, 2014
<b>18. REVENUE FROM OPERATIONS</b>		
Sale of Goods		
Manufactured Goods		
Dry Batteries	<b>24,201.27</b>	23,591.02
Traded goods		
Batteries	<b>4,822.61</b>	4,290.10
Flashlights	<b>3,554.28</b>	4,889.92
Compact Fluorescent Lamp	<b>1,257.97</b>	1,821.33
Others	<b>305.85</b>	497.77
	<u><b>9,940.71</b></u>	<u>11,499.12</u>
Total	<u><b>34,141.98</b></u>	<u>35,090.14</u>
<b>19. OTHER INCOME</b>		
Interest income		
- Deposits	<b>39.88</b>	43.97
- Over due bills	<b>1,286.66</b>	1,165.42
Net gain on sale of fixed assets	<b>861.78</b>	1.16
Other non-operating income	<b>126.84</b>	63.59
Total	<u><b>2,315.16</b></u>	<u>1,274.14</u>
<b>20. COST OF MATERIALS CONSUMED</b>		
Material Consumed Comprises of :		
Zinc	<b>4,030.54</b>	3,851.72
Electrolytic Manganese Dioxide	<b>1,573.37</b>	1,727.65
Others*	<b>7,415.28</b>	8,341.25
Total	<u><b>13,019.19</b></u>	<u>13,920.62</u>
* Include raw material, components and packing materials none of which individually accounts for more than 10% of the total consumption.		
<b>21. PURCHASES OF TRADED GOODS : (Torch and others)</b>		
Batteries	<b>3,995.93</b>	3,868.28
Flashlights	<b>3,029.61</b>	4,279.74
Compact Fluorescent Lamp	<b>1,036.14</b>	1,595.49
Others	<b>51.86</b>	215.71
	<u><b>8,113.54</b></u>	<u>9,959.22</u>
<b>22. CHANGES IN INVENTORIES</b>		
At the beginning of the accounting year		
Finished goods	<b>1,206.36</b>	1,017.53
Goods-in-process	<b>389.29</b>	305.77
Stock-in-trade	<b>1,435.59</b>	1,342.88
Total	<u><b>3,031.24</b></u>	<u>2,666.18</u>
At the end of the accounting year		
Finished goods	<b>1,437.92</b>	1,206.36
Goods-in- process	<b>326.49</b>	389.29
Stock-in-trade	<b>1,245.83</b>	1,435.59
Total	<u><b>3,010.24</b></u>	<u>3,031.24</u>
Decrease / (Increase) in Inventories	<u><b>21.00</b></u>	<u>(365.07)</u>

	As at Mar. 31, 2015	Rs. in Lakhs As at Mar.31, 2014
<b>23. EMPLOYEE BENEFITS EXPENSE</b>		
Salary,wages and Allowances	1,396.22	1,313.13
Directors remuneration	245.68	196.71
Contribution to Provident and other funds	267.26	291.61
Staff welfare expenses(including compensated absences)	449.20	496.33
Total	<u>2,358.36</u>	<u>2,297.78</u>
<b>24. FINANCIAL COSTS</b>		
Interest to bank	135.42	163.81
Other borrowing costs	-	2.17
Applicable net Loss / (gain) of foreign currency transaction/translation	2.94	-
Total	<u>138.36</u>	<u>165.98</u>
<b>25. DEPRECIATION AND AMORTIZATION EXPENSE</b>		
Depreciation	521.94	519.34
Amortisation	18.16	6.19
Total	<u>540.10</u>	<u>525.53</u>
<b>26. OTHER EXPENSES</b>		
Consumption of stores and spare parts	417.97	501.59
Power, Gas and Water	423.42	559.22
Repairs to :		
Machinery	11.78	14.92
Buildings	114.96	101.82
General	613.42	617.18
	<u>740.16</u>	<u>733.92</u>
Insurance	15.75	17.86
Research & Development Expenses	9.89	12.22
Rent	223.28	200.06
Travelling & Conveyance	247.29	208.55
Communication expenses	49.56	44.34
Printing and Stationery	12.02	11.55
Vehicle Maintenance	51.70	50.26
Auditors' Remuneration		
Statutory audit	3.50	2.50
Taxation and certification	2.00	1.25
Tax audit	1.75	1.25
Out of pocket expenses	0.75	0.50
	<u>8.00</u>	<u>5.50</u>
Professional charges	263.80	200.20
Additional Sales Tax, etc	62.58	61.24
Rates and taxes	105.25	94.85
Advertisement expenses	586.49	573.51
Freight charges	824.57	818.23
Sales promotion, Selling and Distribution expenses	527.65	181.30
Loss on sale of fixed assets	-	0.79
Corporate social responsibility	22.94	-
Miscellaneous expenses	313.25	89.35
Total	<u>4,905.57</u>	<u>4,364.54</u>

	As at Mar. 31, 2015	Rs. in Lakhs As at Mar.31, 2014
<b>27. EXCEPTIONAL ITEMS</b>		
Employees early separation scheme	-	15.97
<b>28. DEFINED BENEFIT PLAN</b>		
Defined benefit plan as per actuarial valuation as on 31 <sup>st</sup> March, 2015 and recognised in the financial statements in respect of Employee Benefit Scheme: (AS - 15) :		
		Gratuity (funded)
		Rs. in Lakhs
	<b>2014 - 2015</b>	2013 - 2014
<b>(i) Component of Employee Cost</b>		
a) Current Service Cost	<b>21.73</b>	32.83
b) Interest Cost	<b>57.57</b>	48.10
c) Expected return on Plan Assets	<b>55.17</b>	110.26
d) Actuarial gain /(loss)	<b>162.18</b>	(143.40)
e) Net Liability recognised in the Profit and Loss A/c.	<b>141.04</b>	114.08
<b>(ii) Net Asset/(Liability) recognised in Balance Sheet</b>		
a) Present value of obligation	<b>(876.97)</b>	(719.62)
b) Fair value of Plan Assets	<b>770.72</b>	689.68
c) Asset / (Liability) to be recognised in the Balance Sheet	<b>(106.25)</b>	(29.93)
<b>(iii) Changes in defined benefit obligation</b>		
a) Present value at the beginning	<b>719.62</b>	601.29
b) Current Service Cost	<b>21.73</b>	32.83
c) Interest Cost	<b>57.57</b>	48.10
d) Benefits paid	<b>(39.71)</b>	106.01
e) Actuarial gain / (loss)	<b>162.18</b>	(143.40)
f) Present value at the end	<b>876.97</b>	719.62
<b>(iv) Changes in fair value of Plan assets</b>		
a) Present value at the beginning	<b>689.69</b>	615.94
b) Expected actual return on Plan Assets	<b>55.17</b>	110.26
c) Contributions	<b>110.00</b>	69.50
d) Benefit paid	<b>(39.71)</b>	106.01
e) Actuarial gain / (loss)	<b>44.44</b>	-
f) Fair value at the end	<b>770.72</b>	689.68
g) Funded Status Asset / (Liability)	<b>(106.25)</b>	(29.93)
<b>(v) Actuarial Assumptions</b>	%	%
a) Discount rate (per annum)	<b>7.91</b>	8.00
b) Expected rate of return on assets	<b>7.91</b>	8.00
c) Salary escalation rate	<b>10.00</b>	8.00
d) Attrition rate	<b>5</b>	1-3

**29. No Provision has been made for**

- a) Differential Sales Tax of Rs.111.09 Lakhs (111.09 Lakhs) levied by APGST authorities for the period from April 2001 to March 2005, based on sales turnover of Company's Authorised whoelsale Dealer, treating them as related persons under the amended provisions of the Sales Tax Act. The company has so far paid Rs.110.42 lakhs (Rs.110.42Lakhs) towards the said disputed sales tax "under protest" is included in Loans & Advances.

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

Associates :

- |                                       |                                  |
|---------------------------------------|----------------------------------|
| a) Apollo Hospitals & Enterprises Ltd | e) Radiohms Properties Pvt. Ltd  |
| b) Apex Agencies                      | f) Radiohms Agencies             |
| c) Associated Electrical Agencies     | g) RAL Consumer Products Limited |
| d) 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	26,373.69	-	-	26,373.69
	(26,636.66)			(26,636.66)
Purchase of Goods	-	-	-	-
	-			-
Receiving of Services	647.00	-	-	647.00
	(348.02)			(348.02)
Rendering of Services	951.01	-	-	951.01
	(993.80)			(993.80)
Remuneration	-	245.68	-	245.68
		(196.71)		(196.71)
Due from as on 31st March, 2015	5,408.72	-	-	5,408.72
	(4942.60)			(4942.60)
Due to as on 31st March, 2015	79.83	97.52	-	177.35
	(73.55)	(59.00)	-	(132.55)

Rs. in Lakhs

**31. Value of Raw Materials, Spare parts and components consumed**

**i) Raw Materials**

	2014 - 2015		2013 - 2014	
	Value	% of Total Consumption	Value	% of Total Consumption
i) Imported	2,599.64	20.0	2,133.09	15.3
ii) Indigenous	10,419.55	80.0	11,787.53	84.7
Total	<u>13,019.19</u>	<u>100.0</u>	<u>13,920.62</u>	<u>100.0</u>

**ii) Stores and Spares**

i) Imported	16.70	4.00	18.25	3.6
ii) Indigenous	401.27	96.00	483.34	96.4
Total	<u>417.97</u>	<u>100.0</u>	<u>501.59</u>	<u>100.0</u>

	2014- 2015	Rs. Lakhs 2013 - 2014
<b>32. CIF Value of Imports</b>		
Raw Materials & Components	2,475.92	1869.69
Stores & Spares	28.28	26.95
Capital Goods	99.76	431.92
Traded Goods	349.07	641.71
<b>33. Expenditure in Foreign Currency on Account of</b>		
Foreign Travel	8.57	4.24
Other matters	0.60	3.37
<b>34. Other Contingent Liabilities</b>		
Letters of Credit	485.03	-
Bills Discounted with Bankers and others (since realised)	2,845.59	2,806.87
Sales Tax disputed in Appeals	2.15	2.15
Income Tax disputed in Appeals	23.11	23.11
<b>35. Computation of earnings per share</b>		
Net profit for the year	2,892.19	1,271.17
Total number of Equity Shares	3750000	3750000
Earnings per share	77.13	33.90
Nominal Value per share	10	10
<b>36.</b>	There being no indication of impairment of assets determined by the Company, no loss has been recognised on impairment of assets.	
<b>37.</b>	Effective from 01.04.2014 depreciation on tangible fixed assets has been provided as per the 'Useful life' specified in Part C of Schedule II of the Companies Act, 2013. The carrying amount as on 01.04.2014 is accordingly depreciated over the remaining useful life. Due to this change, the impact on depreciation for the Year ended 31st March, 2015 is higher by Rs.49.93 lakhs. The carrying value of Rs.180.58 Lakhs relating to assets whose useful life is nil as on 31st March 2014 has been adjusted against the opening of retained earnings in terms of Schedule - II of the Act.	
<b>38.</b>	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.	

**N. RAMESH RAJAN**  
Chairman

**P. DWARAKNATH REDDY**  
Managing Director

**R.P. KHAITAN**  
Joint Managing Director

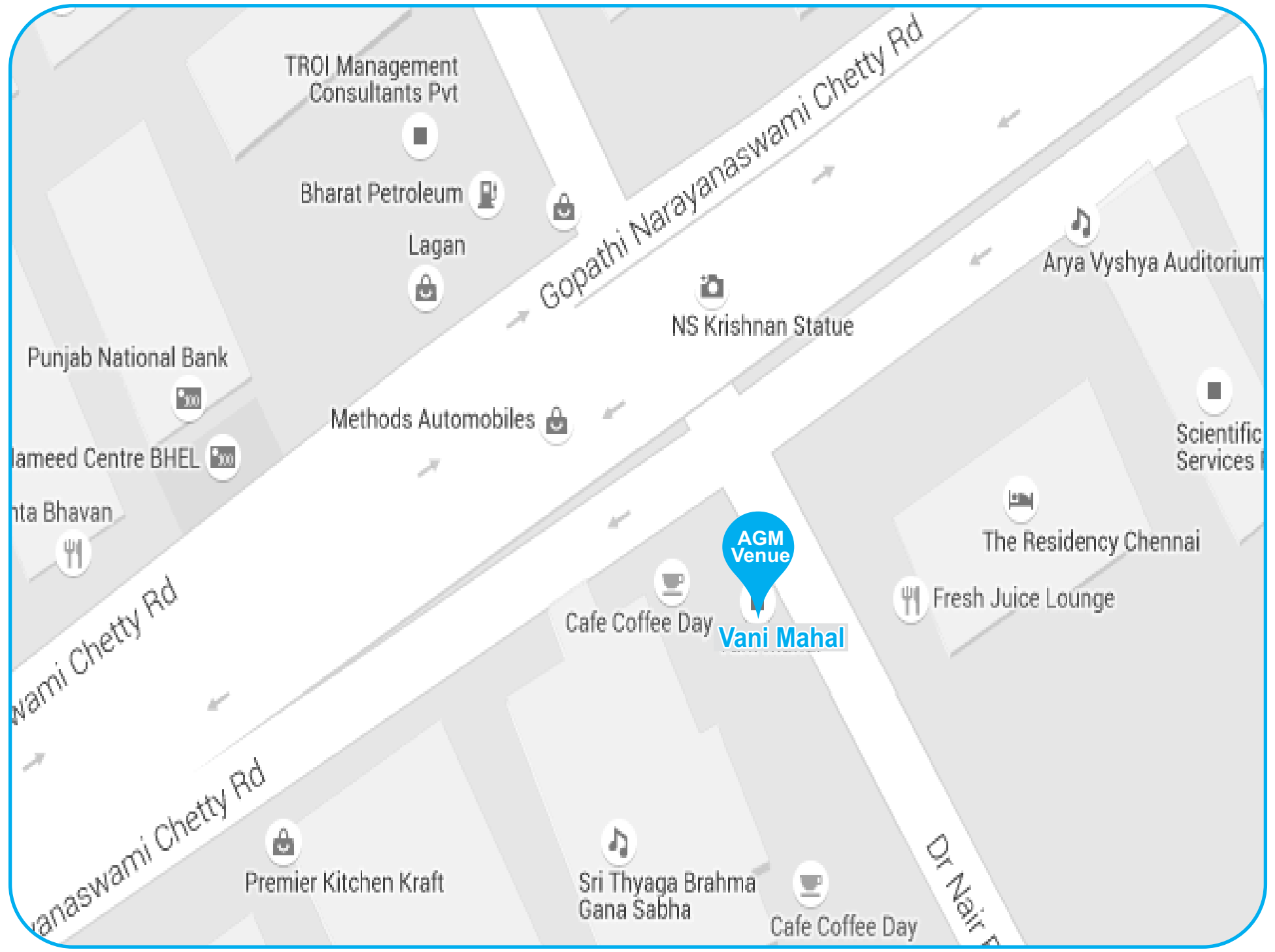
As per our Report attached for **P. SRINIVASAN & Co.**  
Chartered Accountants

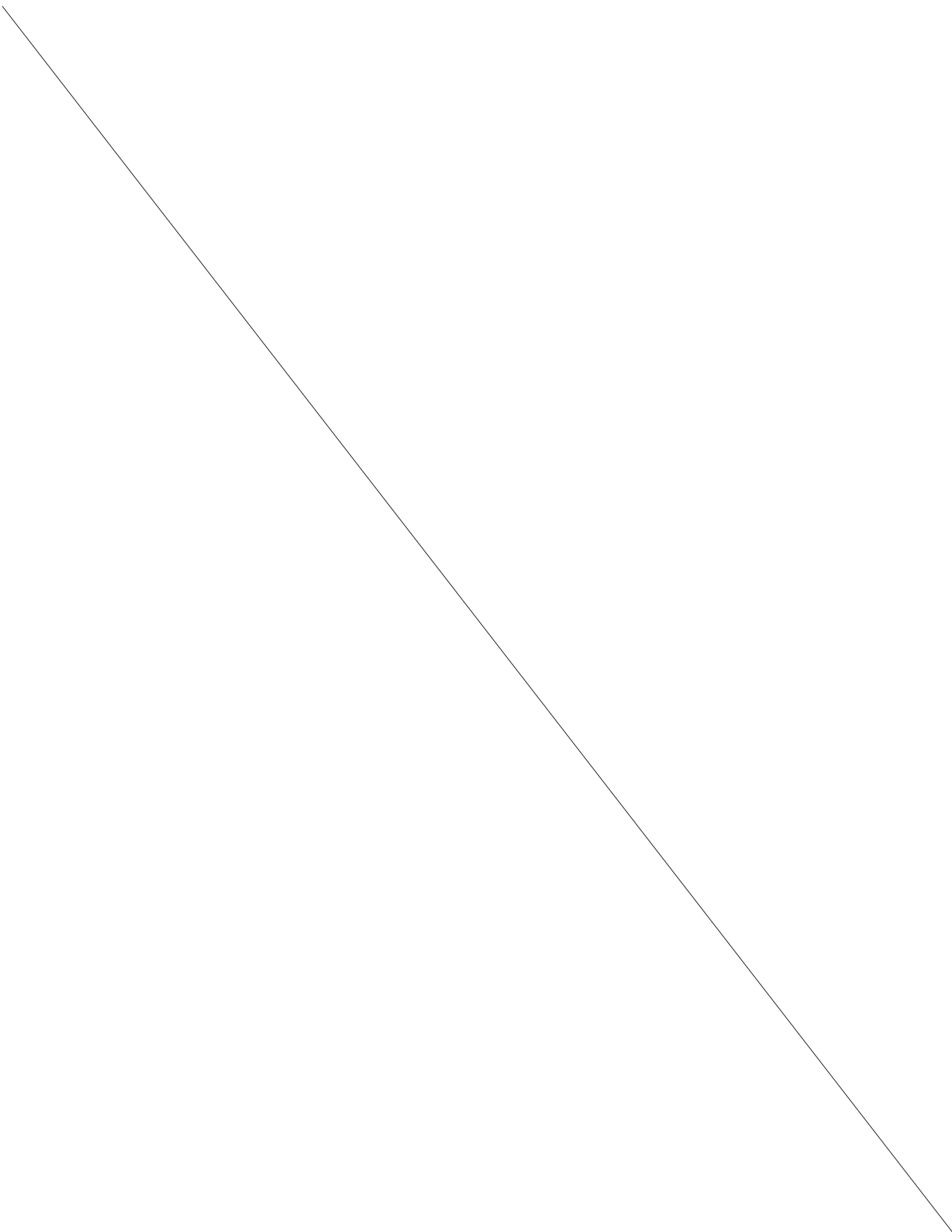
**M. SANKARA REDDY**  
Chief Financial Officer

**J. SRINIVASAN**  
Secretary

**P. SRINIVASAN**  
Partner

Place : Chennai  
Date : 22<sup>nd</sup> May, 2015







**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 42nd 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 Wednesday, the 23<sup>rd</sup> September 2015 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 42<sup>nd</sup> Annual General Meeting of the Company, to be held on Wednesday the 23<sup>rd</sup> day of September 2015 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
<b>Ordinary Business</b>	
1.	Adoption of Financial Statements for the year ended 31 <sup>st</sup> March, 2015
2.	Declaration of Dividend for the year 2014-15
3.	Appointment of Director in the place of Mr. P. Aditya Reddy (DIN: 00482051), who retires by rotation and being eligible, offers himself for re-appointment.
4.	Appointment of Director in the place of Mr. M. Subramanyam (DIN: 01934138), who retires by rotation and being eligible, offers himself for re-appointment.
5.	Ratify the Appointment of M/s. P. Srinivasan & CO., Chartered Accountants, as Auditors of the Company.
<b>Special Business</b>	
6.	Approval of related party transactions under Section 188 of the Companies Act, 2013 - M/s. Associated Eletrical Agencies.
7.	Approval of related party transactions under Section 188 of the Companies Act, 2013 - M/s. Apex Agencies.
8.	Approval of related party transactions under Section 188 of the Companies Act, 2013 - M/s. Radiohms Agencies.
9.	Approval of related party transactions under Section 188 of the Companies Act, 2013 - M/s. RAL Consumer Products Limited.
10.	Approve the remuneration of the Cost Auditor for the Financial Year March 31, 2016.

Signed this ..... day of..... 2015

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 commencement of the meeting.



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