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INDO NATIONAL LIMITED

46th ANNUAL REPORT

2018 -19



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INDO NATIONAL LIMITED

(CIN L31909TN1972PLC006196)

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

Corporate / Head Office: 'Surya Varsh', 1st & 2nd Floor, Door No.17/9, Wallace Garden 2nd Street,
Nungambakkam, Chennai - 600 006.

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INDO NATIONAL LIMITED

BOARD OF DIRECTORS

N. Ramesh Rajan
Chairman

P. Dwaraknath Reddy
Managing Director

R.P. Khaitan
Joint Managing Director

P. Aditya Reddy
Joint Managing Director

S. Obul Reddy

Mrs. Lakshmmi Subramanian

CHIEF FINANCIAL OFFICER

M. Subramanyam
(Upto 31st March, 2019)

C.R. Sivaramakrishnan
(From 01st April, 2019)

SECRETARY

J. Srinivasan

AUDITORS

G Balu Associates LLP
'Jammi Building',
No.123, Royapettah High Road,
Mylapore,
Chennai - 600 004.

BANKERS

Canara Bank
RBL Bank Ltd.
DBS Bank Ltd.
HDFC Bank Ltd.

REGISTERED OFFICE

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

CORPORATE / HEAD OFFICE

'Surya Varsh', 1st & 2nd Floor,
Door No.17/9, Wallace Garden 2nd Street
Nungambakkam,
Chennai - 600 006.

FACTORY

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

NOTICE

NOTICE is hereby given that the FORTY SIXTH 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 Monday the 23rd day of September, 2019 at 3.00 P.M. to transact the following business:

ORDINARY BUSINESS:

1. (a) To receive, consider and adopt the Directors Report, Audited Standalone Balance Sheet of the Company as at March 31, 2019 and the statement of Profit and Loss for the year ended that date together with the reports of the Auditors thereon.
- (b) To receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the Financial Year ended 31st March 2019 together with the report of the Auditors thereon.
2. To declare a Dividend on equity shares of Rs.20/- per share (200%) for the year 2018-19.
3. To appoint a Director in the place of Mr.P. Dwaraknath Reddy (DIN:00277929), 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 Mr.R.P. Khaitan (DIN:00015801), 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 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.
6. To appoint a Director in the place of Mr.S. Obul Reddy (DIN:00027829), who retires by

rotation under Article 147 of the Articles of Association of the Company and as per applicable provisions of the Companies Act 2013, and who, being eligible offers himself for re-appointment.

SPECIAL BUSINESS:

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

Resolved that in accordance with the provisions of Sections 196, 197 and 198 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), as per Regulation 17(6)(e) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015, being a member of the promoter group, on the basis of recommendation of Nomination and Remuneration Committee and approval of the board, the consent of the Company be and is hereby accorded to the re-appointment of Mr.P. Dwaraknath Reddy (DIN:00277929) as Managing Director of the Company, for a period of one year with effect from 1st October 2019, on the terms and conditions including remuneration as set out in the Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said appointment and/or remuneration as it may deem fit and as may be acceptable to Mr.P. Dwaraknath Reddy (DIN:00277929), subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof:

Resolved further that pursuant to provisions of section 197 (1) of the Companies Act, 2013

remuneration and other perquisites as stated in the Serial No.1 of the Explanatory Statement attached herewith, payable to Mr.P. Dwaraknath Reddy (DIN:00277929) Managing Director of the Company be and is hereby accorded for a period of one year with effect from 01st October 2019 to 30th September, 2020.

Resolved further that pursuant to sub-section (3) of Section 197 of the Companies Act, 2013, Mr.P. Dwaraknath Reddy (DIN:00277929) Managing Director of the Company be paid minimum remuneration and perquisites in case of absence or inadequacy of profits in any financial year of the Company during his term of office but does not exceeding the limit specified under Schedule V to the Companies Act,2013 or such other limits as may be prescribed by the Central Government from time to time as minimum remuneration.

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

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

Resolved that in accordance with the provisions of Sections 196, 197 and 198 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Regulation 17(6)(e) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015, being a member of the promoter group, on the basis of recommendation of Nomination and Remuneration Committee and approval of the board the consent of the Company be and is hereby accorded to the appointment of Mr. R.P. Khaitan (DIN:00015801) as Joint Managing Director of the Company, for a period of one year with effect from 1st October

2019, on the terms and conditions including remuneration as set out in the Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said appointment and/or remuneration as it may deem fit and as may be acceptable to Mr. R.P. Khaitan, (DIN:00015801) subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof:

Resolved further that pursuant to the provisions of Section 197(1) of the Companies Act, 2013 remuneration and other perquisites as stated in the Serial No.2 of the Explanatory statement attached herewith, payable to Mr. R.P. Khaitan, (DIN:00015801) Joint Managing Director of the Company be and is hereby accorded for a period of one year with effect from 01st October 2019 to 30th September, 2020.

Resolved further that pursuant to sub-section (3) of Section 197 of the Companies Act, 2013, Mr. R.P. Khaitan (DIN:00015801), Joint Managing Director of the Company be paid minimum remuneration and perquisites in case of absence or inadequacy of profits in any financial year of the Company during his term of office but does not exceeding the limit specified under Schedule V to the Companies Act,2013 or such other limits as may be prescribed by the Central Government from time to time as minimum remuneration.

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

9. Consent for the continuation of payment of remuneration to Mr. P. Aditya Reddy (DIN:00482051) Joint Managing Director of the company and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as **Special Resolution**.

Resolved that in addition to the earlier resolutions passed by the members at the Annual General Meeting dated 23.09.2016, pursuant to provisions of Sections 197 and 198 and other applicable provisions, if any of the Companies Act, 2013 and Rules made thereunder, read with schedule V of the said Act, and on the recommendation of the Nomination and Remuneration Committee and approval by the Board of Directors and in accordance with the amendment made in Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Consent of the Company be and is hereby accorded for the payment of remuneration, as stated in the Serial No.3 of the explanatory statement attached herewith, to Mr. P. Aditya Reddy, Joint Managing Director of the Company (DIN: 00482051), being a member of the Promoter Group, until the expiry of his tenure of services, subject to the maximum overall ceiling limit as prescribed under the Companies Act, 2013.

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

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

Resolved that pursuant to Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015 and FAQ on SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015 released by SEBI dated January 08,2016, 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 and on the basis of approval of the Audit Committee the consent of the company be and is hereby accorded for, related party transactions to be entered by the company as per chart appended below.

S.No.	Name of Related Party	Transactions	Value of transaction	Period
1.	M/s.Associated Electrical Agencies	Sale/ Supply of Nippo Brand Products and interest on over dues and other Services.	Rs.125 Crs per year (Rupees One hundred and Twenty five Crores only)	1 st October 2019 to 30 th September, 2022

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.

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

Resolved that pursuant to Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015 and FAQ on SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015 released by SEBI dated January 08,2016 , 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 and on the basis of approval of audit committee the consent of the company be and is hereby accorded for, related party transactions to be entered by the company as per chart appended below.

S.No.	Name of Related Party	Transactions	Value of transaction	Period
1.	M/s.Apex Agencies	Sale/ Supply of Nippo Brand Products and interest on over dues and other Services.	Rs.125 Crs per year (Rupees One hundred and Twenty five Crores only)	1 st October 2019 to 30 th September, 2022

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.

12. To approve the remuneration of the Cost Auditor for the financial year ending March 31, 2020 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, Cost accountant appointed by the Board of Directors of the Company on the recommendations of the audit committee be paid the remuneration of Rs.75,000/- plus out of pocket expense to conduct the audit of the cost records of the Company for the financial year ending March 31, 2020.

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 : 13th August, 2019

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. The requirement relating to ratification of appointment of Statutory Auditors by members

at every Annual General Meeting is done away with Notification issued by MCA, New Delhi. Accordingly no resolution is proposed for ratification of appointment of Auditors, who was appointed in the Annual General Meeting, held on 25th September 2017.

4. 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.
5. The Register of Members and the Share Transfer Books of the Company will remain closed from 17th September, 2019 to 23rd September, 2019 (Both days inclusive).
6. Pursuant to the provisions of Sections 107 and 108, read with the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer the option of E-Voting facility to all the members of the Company. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating e-voting. The Members who wish to attend Annual General Meeting can vote at the Meeting. The Company has appointed Mr. M. Damodaran of M.Damodaran & Associates, Practicing Company Secretaries, Chennai as Scrutinizer. The procedure and instructions for e-voting are as under:
 - i) Open your web browser during the voting period and log on to the e-voting website www.evotingindia.com.
 - ii) Now click on "Shareholders" to cast your votes.
 - iii) Now, select the "Company Name" from the drop down menu and click on "SUBMIT".
 - iv) Now, fill up the following details in the appropriate boxes:

User ID	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 alpha-numeric PAN issued by the Income Tax Department
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.

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

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

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

- v) After entering these details appropriately, click on "SUBMIT" tab.
- vi) Members holding shares in Physical form will then reach directly to the voting screen.
- vii) Members holding shares in Demat form will now reach Password Change menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of 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 and casted your vote earlier for EVSN of any company, then your existing login id and password are to be used.
- x) For Members holding shares in physical form, the password and default number can be used only for e-voting on the resolutions contained in this Notice.
- xi) On the voting page, you will see Resolution Description and against the same the option "YES/NO" for voting. Enter the number of shares (which represents number of votes) under YES/NO or alternatively you may partially enter any number in YES and partially in NO, but the total number in YES and NO taken together should not exceed your total shareholding.

- xii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xiv) Institutional members (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution / Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail at secretarial@mdassociates.co.in with a copy marked to helpdesk.evoting@cdslindia.com.
- xv) In case you have any queries or issues regarding e-voting, please contact helpdesk.evoting@cdslindia.com.
- xvi) The e-voting period commences on Friday the 20th September, 2019 at 9.00 am and ends on Sunday the 22nd September, 2019 at 5.00 p.m.
- xvii) During this period members holding shares in physical or dematerialized form as on 16th September, 2019 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, 2019.
- xix) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.
7. 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, 2019. The said dividend will be paid on 3rd October, 2019. 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.
8. 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.
9. In respect of shares held in physical form, members desirous of receiving dividends by way of direct credit to their bank accounts through ECS may authorize the Company with their ECS mandate. The Shareholders desirous of obtaining the ECS mandate may download the form from the website of the company at www.nippobatteries.com or may write to the company secretary at the Registered Office of the Company.
10. 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.

11. 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).
12. 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.
13. Pursuant to Section 124 of the Companies Act, 2013, an amount of of Rs.8,18,080/- remaining unclaimed out of the dividend for the year 2010-11 was transferred to the Investor Education and Protection Fund constituted by the Central Government on 27.08.2018.

Pursuant to MCA notification dated 10th 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 2011-12 onwards as on the date of Annual General Meeting held on 24th September 2018 on the website of the IEPF and on the website of the Company.

As per IEPF Authority (Accounting, Audit, Transfer and Refund) Rules 2016, as amended from time to time, the Company is required to transfer all shares in respect of which dividend has not been paid or claimed by the shareholder for 7 years, to the Demat Account of the IPEF Authority. The Company has transferred such shares in respect of which dividend for the Financial Year 2011, has not been claimed, to the Demat Account of the IEPF Authority. The members, whose shares and un claimed dividend etc., have been transferred to the fund may claim or apply for refund to the IEPF Authority in form IEPF-5. In terms of SEBI Listing Regulations, till such time claim is made, voting rights on such shares remain frozen. Since only one consolidated claim from IEPF authority is allowed in a year members are requested to file proper form with evidence to make a claim.
14. Members seeking any information or clarification with regard to the accounts are requested to write to the Company atleast ten days in advance of the meeting so as to enable the Company to keep the information ready.
15. 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.
16. The Ministry of Corporate Affairs vide its circular dated 21st April 2011 allowed the companies to send notices, annual reports and other documents by means of e-mail to the members of the Company. Hence members, who have not registered their e-mail addresses, are requested to register their e-mail addresses with the Company/ Registrar.
17. 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.
18. 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.
19. 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 SIXTH ANNUAL GENERAL MEETING OF THE COMPANY AS REQUIRED UNDER SECTION 102 OF THE COMPANIES ACT, 2013.

1. ITEM NO.7

As per the provisions of Sections 196,197 and 198 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as per Regulation 17(6)(e) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015, being a member of the promoter group, the Board of Directors of the Company (the 'Board'), at its meeting held on 13th August 2019 has, subject to the approval of members, re-appointed Mr. P. Dwaraknath Reddy as Managing Director, for a period of one year with effect from 01st October 2019 and approved the remuneration recommended by the Nomination and Remuneration Committee of the Board for a period of one year with effect from 01st October 2019.

Recently, SEBI has amended the Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which has become effective from April 01, 2019. As per that amendment, the fees or compensation payable to executive directors who are promoters or members of the promoter group shall be subject to the approval of the shareholders by special resolution in general meeting and the approval of the shareholders under this provision shall be valid only till the expiry of the term of such director. The amended provision as follows:

1. The annual remuneration payable to such executive director exceeds rupees 5 crore or 2.5 per cent of the net profits of the listed entity, whichever is higher; or
2. Where there is more than one such Director, the aggregate annual remuneration to such Directors exceeds 5 per cent of the net profits of the listed entity.

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

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

- (a) Salary, Perquisites and Allowances per annum:
- Salary : Rs.60 lacs (Rs.5 lacs per month)
- Commission : 1% of the net profits of the Company.

Perquisites:

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

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

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

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

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

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

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

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

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

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

(b) General:

- (i) The Managing Director will perform his respective duties as such with regard to all work of the Company and he will manage and attend to such business and

carry out the orders and directions given by the Board from time to time in all respects and confirm to and comply with all such directions and regulations as may from time to time be given and made by the Board.

- (ii) The Managing Director shall act in accordance with the Articles of Association of the Company and shall abide by the provisions contained in Section 166 of the Act with regard to duties of directors.
- (iii) The Managing Director shall adhere to the Company's Code of Business Conduct & Ethics for Directors and Management Personnel.
- (iv) The Managing Director of the company, in addition to oversee the day to day affairs of the Company, shall perform his respective duties with regard to the decisions concerning purchase, sales, pricing, marketing, publicity, selling and distribution of the Company's products all over India. He shall be the final deciding authority with respect to the aforesaid matters. He is entrusted with substantial powers of management of the affairs of the Company.

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

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

Mr. P. Dwaraknath Reddy is interested in the resolution set out respectively at Item No. 7 of the Notice, which pertain to his re-appointment and remuneration payable to him.

The relatives of Mr. P. Dwaraknath Reddy may be deemed to be interested in the resolution set out respectively at Item No. 7 of the Notice, to the extent of their shareholding interest, if any, in the Company.

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

The Board recommends the **Special Resolution** for appointment/payment of remuneration to Mr. P. Dwaraknath Reddy, Managing Director of the Company for the approval of members.

2. ITEM NO.8

Mr. R. P. Khaitan, Joint Managing Director of the company, having experience of more than 56 years in battery industry, the board recommends for appointment as Joint managing director of the company for a period of one year.

As per the provisions of Sections 196,197 and 198 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as per Regulation 17(6)(e) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015, being a member of the promoter group, the Board of Directors of the Company (the 'Board'), at its meeting held on 13th August 2019 has, subject to the approval of members, re-appointed Mr. R.P.Khaitan, as Joint Managing Director, for a period of 1 year with effect from 01st October 2019 and approved the remuneration recommended by the Nomination and Remuneration Committee of the Board for a period of one year with effect from 01st October 2019 from the expiry of his present term, which will expire on 30th September. 2019.

Recently, SEBI has amended the Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which has become effective from April 01, 2019. As per that amendment, the fees or compensation payable to

executive directors who are promoters or members of the promoter group shall be subject to the approval of the shareholders by special resolution in general meeting and the approval of the shareholders under this provision shall be valid only till the expiry of the term of such director. The amended provision as follows:

1. The annual remuneration payable to such executive director exceeds rupees 5 crore or 2.5 per cent of the net profits of the listed entity, whichever is higher; or
2. Where there is more than one such Director, the aggregate annual remuneration to such Directors exceeds 5 per cent of the net profits of the listed entity.

It is proposed to seek the members' approval for the re-appointment of and remuneration payable to Mr. R.P. Khaitan as Joint Managing Director in terms of the applicable provisions of the Companies Act, 2013.

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

- (a) Salary, Perquisites and Allowances per annum:
- Salary : Rs.60 lacs (Rs.5 lacs per month)
- Commission : 1% of the net profits of the Company.

Perquisites:

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

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

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

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

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

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

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

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

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

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

(b) General:

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

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

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

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

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

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

The Board recommends the **Special Resolution** for appointment/payment of remuneration to Mr. R.P. Khaithan, Joint Managing Director of the Company for the approval of members.

3. ITEM NO.9

As per the provisions of Sections 196,197 and 198 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as per Regulation 17(6)(e) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015, Mr. P. Aditya Reddy, (DIN: 00482051), Joint Managing Director of the Company, being a member of the promoter group ,the Board of Directors of the Company (the 'Board'), at its meeting held on 22nd May 2019 has, subject to the approval of members, approved the remuneration recommended by the Nomination and Remuneration Committee of the Board for a period of two years effective from 01st July 2019.

Recently, SEBI has amended the Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which has become effective from April 01, 2019. As per that amendment, the fees or compensation payable to executive directors who are promoters or members of the promoter group shall be subject to the approval of the shareholders by special resolution in general meeting and the approval of the shareholders under this provision shall be valid only till the expiry of the term of such director. The amended provision as follows:

1. The annual remuneration payable to such executive director exceeds rupees 5 crore or 2.5 per cent of the net profits of the listed entity, whichever is higher; or
2. Where there is more than one such Director, the aggregate annual remuneration to such Directors exceeds 5 per cent of the net profits of the listed entity.

It is proposed to seek the members' approval for the remuneration payable to Mr. P. Aditya Reddy Joint Managing Director in terms of the applicable provisions of the Act.

Broad particulars of the terms of remuneration payable to Mr. P. Aditya Reddy are as under:

- (a) Salary, Perquisites and Allowances per annum:
- | | |
|------------|---|
| Salary | : Rs.60 Lacs (Rs.5 lacs per month) |
| Commission | : 1% of the net profits of the Company. |

Perquisites:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The Board recommends the **Special Resolution**, for payment of remuneration to Mr. P. Aditya Reddy, Joint Managing Director of the Company, for the approval of members.

4. ITEM NO.10

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 Regulation 23 of the SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015 and FAQ on SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015 released by SEBI

dated January 08,2016 all material related party transactions shall require approval of members by way of ordinary 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.

Accordingly in order to comply with above said SEBI (LODR) Regulations 2015 and section 188 of the Companies Act 2013, approval of shareholders by way of ordinary resolution is being sought.

The Board at its meeting held on 13th August 2019, in order to comply with SEBI (LODR) Regulations 2015 and also section 188 of the Companies Act 2013, has approved the sale of company products, through M/s Associated Electrical Agencies, each year exceeding 10% of the annual turnover of the company as per the respective financial year for a period from 01st October 2019 to 30th September 2022 for Rs. 125 Crores per year including interest on over dues and other services respectively subject to approval of the Members of the Company and subject to the conditions as prescribed by the Board.

Accordingly SEBI (LODR) Regulations 2015, and section 188 of the Companies Act, 2013 requires Ordinary Resolution and therefore your board recommends the resolution for your approval.

All the prescribed disclosures as required under the Company's Act, 2013 and (Company's meeting of board and its power) Rules, 2014 are given below:

- | | |
|---|--|
| 1. Name of the Related party | : Associated Electrical Agencies (firm) |
| 2. Name of the Director or Key Managerial Personnel who is related if any | : Mr. P. Aditya Reddy |
| 3. Nature, Material Terms Monetary value and Particulars | : for sale of company products and interest on over dues and other services from 1 st October |

2019 to 30th September 2022 for Rs.125 crs. per year.

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

Except Mr. P.Aditya Reddy Joint Managing 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.

5. ITEM NO.11

As per section 188 of the Companies Act, 2013 read with Rule 15 of the Companies (meeting of Board and its power) rules 2014, any amendment thereof, except with prior approval of the Company by 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 Regulation 23 of the (Listing Obligation and Disclosure Requirements) Regulation 2015 and FAQ on SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015 released by SEBI dated January 08,2016 all material related party transactions shall require approval of members by way of ordinary 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.

Accordingly SEBI (LODR) Regulations 2015, and section 188 of the Companies Act, 2013 requires ordinary resolution and therefore your board recommends the resolution for your approval.

The Board at its meeting held on 13th August 2019, in order to comply with SEBI (LODR) Regulations 2015 and Section 188 of the Companies Act 2013, has approved the sale of company products, through M/s Apex Agencies, each year exceeding 10% of the annual turnover of the company as per the respective financial year for a period from 01st October 2019 to 30th September 2022 for Rs.125 Crores per year including interest on over dues and other services respectively subject to approval of the Members of the Company and subject to the conditions as prescribed by the Board.

Accordingly SEBI (LODR) Regulations 2015 and section 188 of the Companies Act, 2013 and amendment rules made there under requires ordinary resolution and therefore your board recommends the resolution for your approval.

All the prescribed disclosures as required under the Company’s Act, 2013 and (Company’s meeting of board and its power) Rules, 2014 are given below:

1. Name of the Related party : Apex Agencies (firm)
2. Name of the Director or Key Managerial Personnel who is related if any : Mr.P. Aditya Reddy
3. Nature, Material Terms Monetary value and Particulars : for sale of company products and interest on over dues and other services from 1st October 2019 to 30th September 2022 for Rs.125 crs per year.
4. Nature of Relationship : Mr. P. Aditya Reddy, Joint Managing 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 Joint Managing 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.

6. ITEM NO:12

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 (Registration No.102146), for the conduct of the Cost Audit of the Company at a remuneration of Rs.75,000/-

and reimbursement of actual travel and out-of-pocket expenses for the Financial Year ending on March 31, 2020.

The resolution of Item No.12 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.12.

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

Place: Chennai
Date: 13th August 2019

Chairman
(DIN: 01628318)

ADDITIONAL INFORMATION ABOUT THE DIRECTORS PROPOSED TO BE APPOINTED/RE-APPOINTED FOR THE ITEM NOS.3 to 8 AS PER REGULATION 36(3) OF SEBI LODR 2015 AND AS PER CLAUSES OF SS 2

S.No. 1.	Name of the Appointee	Mr. P. Dwaraknath Reddy	Mr. R.P. Khaitan	Mr. P. Aditya Reddy	Mr. S. Obul Reddy	Mrs. Lakshmmi Subramanian	Mr. N. Ramesh Rajan
2.	Age	66 Yrs	71 Yrs	35 Yrs	57 Yrs	60 Yrs	62 Yrs
3.	Qualification	B.Com	B.Com. (Hons)	B.S (Bachelor of Science) in International Relations from Lewis Clark College, Portland, USA	B.Com., B.L	B.Com., F.C.S.	B.Com., FCA
4.	Experience	47 Yrs	49 Yrs	11 Yrs	27 Yrs	31 Yrs	38 Yrs
5.	Expertise in specific functional area	Pl. refer explanatory statement - Item No.7	Pl. refer explanatory statement Item No.8	Aerospace and Defence	Corporate finance, legal and general management	Expertise in mergers, de-mergers, acquisitions and takeovers, extensive knowledge in all Company Law matters, Stock Exchange Regulations, FEMA, SEBI Act and Regulations. Experienced in handling litigations and legal cases, appearances before SEBI, RBI, NCLT and other statutory authorities. Acting as arbitrator in litigation matters; and Expertise in handling IPO, due diligences and providing complete corporate solutions.	Served as Audit Engagement partner/ Country Relationship partner for several Multinational & Domestic clients. Led several large due diligence Engagements & Risk Advisory engagements.
6.	Shareholding in the company	1653695	69049	6	Nil	Nil	Nil
7.	Relationship with other Directors and KMP	Father of Mr. P. Aditya Reddy, Joint Managing Director of the Company	NA	Son of Mr. P. Dwaraknath Reddy Managing Director of the Company	NA	NA	NA
8.	Other directorship	1) PDR Investments Private Ltd 2) Sindya Securities and Investments Private Ltd. 3) Iris KPO Resourcing (India) Pvt Ltd. 4) Obul Reddy Investments P Ltd. 5) Helios Holdings Pvt. Ltd.	1) Radlohms Properties Private Ltd. 2) RAL Consumer Products Ltd. 3) Glide International Private Limited 4) Video Electronics Private Limited 5) Manya Education Private Limited	1) Helios Strategic Systems Ltd. 2) Kineco Limited 3) P.D.R. Investments Pvt. Ltd. 4) Sindya Securities and Investment Private Ltd 5) Helios Holdings Pvt. Ltd.	1) Apollo Nellore Hospitals Ltd. 2) Emedlife Insurance Broking Services Ltd. 3) PCR Investments Ltd. 4) Apollo Rajshree Hospitals P Ltd. 5) Apollo Mumbai Hospital Ltd.	1) Dynavision Limited 2) PCR Investments Limited 3) Kineco Limited	1) TTK Healthcare Limited 2) Cholamandalam Investment and Finance Company Ltd. 3) Kineco Limited

	Mr. P. Dwaraknath Reddy	Mr. R.P. Khaitan	Mr. P. Aditya Reddy	Mr. S. Obul Reddy	Mrs. Lakshmi Subramanian	Mr. N. Ramesh Rajan
	6) Helios Strategic Systems Ltd. 7) Garuda Energy Pvt. Ltd.	6) Jhaveri Properties Private Ltd.	6) Kalpatharu Enterprises Pvt Ltd. 7) Kineco Kaman Composites India PLtd. 8) Apollo Telemedicine Networking Foundation 9) Obul Reddy Investments (P) Ltd. 10) Hrisheeka Solar Power Pvt. Ltd. 11) Viswambhara Nutriville Pvt. Ltd.	6) Yasumati Spinning Mills Pvt Ltd. 7) Sindya Infrastructure Devt. Co. Pvt. Ltd. 8) Indian Hospitals Corporation Ltd. 9) Apollo Pharmacies Ltd. 10) Apollo Health Resources Ltd. 11) KEI-RSOS Petroleum and Energy Pvt. Ltd. 12) Spectra Hospitals Services Ltd. 13) Kalpatharu Infrastructure Dev. Company Pvt. Ltd.		
9.	Membership / Chairman of Committees of other Board			Indian Hospitals Corporation Ltd. 1. Audit Committee - Member 2. Nomination and Remuneration Committee - Member 3. Risk Management Committee - Member	Dynavision Limited 1. Audit Committee - Member 2. Nomination and Remuneration Committee - Member 3. Risk Management Committee	Cholamandalam Investment Finance Company Ltd. 1. Audit Committee 2. Nomination and Remuneration Committee 3. Risk Management Committee
				PCR Investments Limited: 1. Audit Committee - Member 2. Nomination and Remuneration Committee - Member 3. Corporate Social Responsibility (CSR) Committee - Member 4. Risk Management Committee - Member	PCR Investments Limited: 1. Audit Committee - Chairman 2. Nomination and Remuneration Committee - Chairman 3. Corporate Social Responsibility (CSR) Committee - Chairman	

DIRECTORS' REPORT

for the year ended March 31, 2019

Your Directors have pleasure in presenting the Forty Sixth Annual Report of your Company together with the Audited Balance Sheet as at March 31, 2019, the Statement of Profit & Loss for the year ended that date and the Auditors' Report thereon.

FINANCIAL RESULTS

The profit after tax for the year under review is at Rs.19.08 Crores as against Rs.21.03 Crores in the previous year. The financial results for the year 2018-19 as compared with the previous year are summarized as under :

	2018-19 (Rs. in crores)	2017-18 (Rs. in crores)
Profit Before Tax and Depreciation	33.82	36.93
Less : Depreciation for the year	5.86	5.77
Profit Before Tax	<u>27.96</u>	31.16
Provision for tax including Deferred tax	8.88	10.13
Profit after Tax	<u>19.08</u>	21.03
Other Comprehensive Income (OCI)	(0.07)	-
Add : Surplus in P&L Account brought forward	13.69	18.94
Sub - Total	<u>32.70</u>	<u>39.97</u>

Your Directors recommend the following appropriations :

	2018-19	2017-18
Less : APPROPRIATION		
General Reserve	12.00	15.00
Proposed Dividend	7.50	9.38
Tax on proposed dividend	1.54	1.90
Other Comprehensive Income (OCI)	(0.07)	-
Surplus in P&L A/c carried forward	11.73	13.69
Total	<u>32.70</u>	<u>39.97</u>

REVIEW OF PERFORMANCE

DRY CELL BATTERIES

The Dry Cell Battery Industry as a whole was affected due to import of poor quality batteries from China, digitalization of gadgets, etc. In terms of battery category wise, sale of "D" size continues to drop year on year over 19%, "AA" by 2% and "AAA" varieties continues to be fastest growing category of batteries in India. Your Company's

production quantity had increased from 521 million pieces to 525 million pieces. The sales quantity decreased from 542 million pieces to 538 million pieces. In terms of value, your Company had registered a turnover of Rs.316.94 crores as against Rs.275.80 crores in the previous year.

LIGHTING PRODUCTS

The sales volume of flashlight and other lighting products had increased from 26.07 lakhs pieces to 78.04 lakhs pieces as compared to the previous year. In LED product category (bulbs, fixtures, tube lights and other electrical products etc.,) your company expects to grab sizable market share in coming years which will improve both top and bottom line of the financials of the company.

DIVIDEND

Your Directors recommends a dividend of Rs.20/- per share (200%) for the year 2018-19. This Dividend, if approved, will be paid to the Shareholders whose names appear on the Register of Members as on 23rd September, 2019. The company intends to pay the dividend on 3rd October, 2019.

FIXED DEPOSITS

The Company has not accepted any deposits from the public.

CREDIT RATING OF SECURITIES

S.No	Name of the Agency	Type of Instrument	Amount	Rating
1.	CRISIL Limited	Long term Rating	Rs.70.00 Crs (enhanced from Rs.36.68	A/Stable (Reaffirmed)
		Short term Rating		A1 (Reaffirmed)

During the Financial Year 2018-19, there are no changes in the rating.

SUBSIDIARIES, CONSOLIDATED FINANCIAL STATEMENTS

Your Directors have pleasure in attaching the consolidated financial statements pursuant to section 129(3) of the Companies Act 2013 and SEBI (LODR) Regulations 2015. The consolidated

financial statement have been prepared by the company in accordance with the Accounting Standards prescribed by the ICAI in this regard. The Audited Consolidated Financial Statements together with Auditor's Report form part of the Annual Report. The Auditor's Report does not contain any qualification, reservation or adverse remarks.

Your Company's subsidiary, M/s. Kineco Ltd., registered a consolidated turnover for the year 2018-19 amounts to Rs.126.28 crores as against Rs.118.48 crores in the previous year 2017-18. Total comprehensive income for the year amounts to Rs.10.16 crores as against Rs.13.00 crores in the previous year. The total comprehensive income attributable to owners of the company for the year amounts to Rs.4.42 crores as against Rs.8.32 crores in the previous year.

Pursuant to the provisions of Section 129(3) of the Act read with Rule 5 of the Companies (Accounts) Rules, 2014, a statement containing salient features of the financial statements of the Company's subsidiaries, Associates and Joint Ventures in Form AOC-1 is attached to the financial statements of the Company. Pursuant to the provisions of Section 136 of the Act, the financial statements of the Company, consolidated financial statements along with relevant documents and separate audited financial statements in respect of the subsidiaries are available on the website of the Company.

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

Management's Discussion and Analysis Report for the year under review, as stipulated under SEBI (LODR) Regulations 2015 is presented in a separate section forming part of the Annual Report.

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors state that:

a) in the preparation of the annual accounts for the year ended March 31, 2019, 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;

- b) they 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, 2019 and of the profit of the Company for the year ended on that date;
- c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) they have prepared the annual accounts on a 'going concern' basis;
- e) they 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) they 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 SEBI (LODR) Regulation 2015, your Company has formulated a Policy on Related Party Transactions which is also available on Company's website at 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, 2019 which were not at arm's length basis.

All the material related party transitions exceeding ten percent of the Annual Standalone / Consolidated turnover as per the last audited financial statement / other related party transactions 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. P.Aditya Reddy 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 2018-2019 is presented in the prescribed format in Annexure-"D" to the Board Report.

The CSR Policy is available on our website 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. Dwaraknath Reddy will retire by rotation at this ensuing Annual General Meeting. He being eligible, offer himself for re-appointment.

In accordance with the Articles of Association of the Company Mr. R.P. Khaitan will retire by rotation at this ensuing Annual General Meeting. He being eligible, offer himself for re-appointment.

In accordance with the Articles of Association of the Company Mr. P. Aditya Reddy will retire by rotation at this ensuing Annual General Meeting. He being eligible, offer himself for re-appointment.

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

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 SEBI (LODR) Regulations 2015.

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.

Mr. M. Subramaniam, Chief Financial Officer of the Company, resigned from the post of CFO, continues to act as president of the company, effective from closing business hours of 31st March

2019. The Board of Directors wishes to place on record their appreciation of service rendered by Mr. M. Subramaniam.

Pursuant to approval by the Audit Committee and recommendation by the Nomination and Remuneration Committee, Mr. C.R. Sivaramakrishnan has been appointed as the Chief Financial Officer and KMP of the Company, with effect from 01st April 2019, a qualified Chartered Accountant, having more than 28 years of experience in the areas of corporate finance, strategy – conceptualizing, implementing and project implementation etc., The term of appointment is as per the service conditions applicable to the employees of the Company.

PERFORMANCE EVALUATION OF THE BOARD, ITS COMMITTEES AND DIRECTORS

As per Companies Act, 2013 and SEBI (LODR) Regulations 2015 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 Board subsequently evaluated its own performance, the working of its Committees and Independent Directors without participation of the relevant Director(s).

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.

MEETING OF INDEPENDENT DIRECTORS

The Independent Directors of the Company had met during the year on 12th February, 2019 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.

COMMITTEES OF THE BOARD

The Board of Directors have the following Committees:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholders’ Relationship Committee
4. Corporate Social Responsibility Committee.
5. Risk Management committee

The details of the Committees along with their composition, number of meetings and attendance at the meetings are provided in the Corporate Governance Report.

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 / Depots 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.

REMUNERATION POLICY OF THE COMPANY

The Company’s policy on directors’ appointment and remuneration and other matters provided in Section 178(3) of the Act has been disclosed in the Corporate Governance report, which forms part of the Board’s Report. The objective of the Remuneration Policy is to attract, motivate and retain qualified and expert individuals that the Company needs in order to achieve its strategic and operational objectives.

PARTICULARS OF LOAN, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT 2013

The particulars of loans, guarantees and investments under section 186 of the Act read with the Companies (Meetings of Board and its powers) Rules, 2014 for the financial year 2018-19 are given in the notes to the financial statements.

STATUTORY AUDITORS

M/s G. Balu Associates (Firm Registration No. 000376S) have been appointed as the Statutory Auditors of the Company for a period of 5 years, to hold office from the conclusion of Forty Fourth Annual General Meeting till the conclusion of the Forty Ninth Annual General Meeting of the Company. Further, the Auditors has confirmed their eligibility under Section 144 of the Companies Act, 2013 and the rules made there under. The Auditor’s Report alongwith Notes to Accounts is self-

explanatory and therefore does not call for any further explanations / comments. The Auditor’s Report does not contain any qualifications, reservation and or adverse remarks.

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 ending 31st March 2020 subject to ratification of remuneration payable to him by the members of the Company at the ensuing Annual General Meeting of the Company. The Company hereby confirms that maintenance of Cost Accounts and Records as specified by the Central Government under Section 148 (1) of the Companies Act, 2013.

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 2018-19. The Secretarial Audit Report for the financial year ended March 31, 2019 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 MECHANISIM

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.

INTERNAL CONTROL SYSTEM AND INTERNAL FINANCIAL CONTROL AND THEIR ADEQUACY

The Company has a proper and adequate internal control system to ensure that all the assets of the Company are safeguarded and protected against any loss and that all the transactions are properly authorised and recorded.

The Company has an established Internal Financial Control to cover internal controls over financial reporting and operating controls etc., The framework is reviewed regularly by the management and tested by internal audit team and presented to the Audit Committee. Based on the periodical testing, the framework is strengthened, from time to time, to ensure adequacy and effectiveness of Internal Financial Controls of the Company.

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 (3) (m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014 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.

EXTRACT OF ANNUAL RETURN

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

STATEMENT PURSUANT TO SEBI (LODR) REGULATIONS 2015

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.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS

There are no other significant and material orders passed by the regulators or courts or tribunals impacting the going concern status of the Company during the year except cartelisation of Zinc carbon dry cell battery case pending before Hon. National Company Law Appellate Tribunal, New Delhi. (NCLAT)

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMAN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The company has in place an anti-sexual Harassment Policy as required under prevention of Sexual Harassment of Woman at workplace (Prohibition, Prevention and Redressal) Act 2013 and constituted an Internal Complaints Committee (ICC).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.

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

As per Section 124(6) of the Act read with the IEPF Rules as amended, all the shares in respect of which dividend has remained unpaid / unclaimed for seven consecutive years or more have been transferred to IEPF Account.

GENERAL

During the year under review

1. The Company had not issued equity shares with differential voting rights as to dividend, voting right or otherwise.
2. No fraud has been reported to the Audit committee or to Board by the Auditors of the Company.
3. There was no change in the share capital and there was a change in the key managerial personnel of the Company.
4. The Company is in compliance with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.
5. Neither the Managing Director nor the Whole time Directors of the company receive any remuneration or commission from any of its subsidiaries.

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

N. Ramesh Rajan
Chairman
(DIN:01628318)

Place: Chennai
Date: 13th August, 2019

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, 2019.

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 2018 - 2019.

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	65.61
b) Total R & D expenditure as a percentage of total turnover	0.21%

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; we have taken initiatives to increase exports and developing of new export markets for products and services. 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 used on imports of raw materials, components, capital goods, spare parts, travel and others amounts to Rs.2,472.63 Lakhs as against Rs.2,353.32 Lakhs for the previous year.

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

Place: Chennai
 Date: 13th August, 2019

N. Ramesh Rajan
 Chairman
 (DIN:01628318)

ANNEXURE 'B' TO DIRECTORS' REPORT - CORPORATE GOVERNANCE

As per SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the company provides its corporate governance system and its process:

Your company is in full compliance of the Corporate Governance principles enunciated under SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, 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 is in conformity with Regulation 17 of the SEBI Listing Regulations and section 149 of the Companies Act 2013. The Board of Directors comprises of Three Executive Directors, one Non-Executive Director and Two 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 other companies		Directorship in other listed entitles	No. of Shares held in the company
		Public	Private	Member	Chairman		
Mr. P. Dwaraknath Reddy	Executive Director	1	6	-	-	-	1653695
Mr. R.P. Khaitan	Executive Director	1	5	-	-	-	69049
Mr. P. Aditya Reddy	Executive Director	2	9	-	-	-	6
Mr. S.Obul Reddy	Non-Executive Director	8	5	7	-	-	-
N. Ramesh Rajan	Independent Director	3	-	1	2	2	-
Mrs. Lakshmmi Subramanian	Independent Director	2	-	2	3	1	-

None of the Directors on the Board is a member of more than ten committees or chairman of more than five committees across all the Companies in which he/she is a director.

None of the Independent Directors on the Board are serving as Independent Director in more than seven listed entities.

None of the independent directors are promoters or related to promoters.

They do not have pecuniary relationship with the company and further do not hold two percent or more of the total voting power of the company.

The Board identified following expertise/ skills/ competencies fundamental for the effective function of the company. Expertise in FMCG sector/ Governance/Managerial skill/ strategy/ diversification etc.,

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 Standalone / Consolidate Financial Results / Financial Statements, Auditor’s report and Board’s Report, diversification of the business of the company, providing corporate guarantee / approval of investments in whollyowned subsidiary 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:

25th April, 2018, 23rd May 2018, 6th July, 2018, 10th August 2018, 13th November 2018 and 13th February 2019.

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	4	Yes
Mr. R.P. Khaitan	6	4	Yes
Mr. P. Aditya Reddy	6	6	Yes
Mr. S. Obul Reddy	6	6	Yes
Mr. N. Ramesh Rajan	6	6	Yes
Mrs. Lakshmmi Subramanian	6	6	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 majority being 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, Internal Financial Control 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 standalone / consolidated financial statements before submission to the Board.
- Review and Approval of related party transactions, scrutiny of inter corporate loans and investments, to review the functioning of the whistle blower mechanism, statutory compliance etc.,

- Review of investment made by the unlisted subsidiary, scrutiny of intercorporate loan and investments and review the functioning of whistle blower mechanism etc.,
- Looks in to matters specifically referred by the Board of Directors.

During the year, five meetings were held one of which was for finalisation of accounts. The said meetings were held on 25th April, 2018, 22nd May 2018, 9th August, 2018, 12th November, 2018, and 12th February 2019. The constitution of the Committee and the attendance of each member of the Committee as on March 31, 2019 are given below:

Name	Status	Category	No. of meetings held	No. of meetings attended
Mr. N. Ramesh Rajan	Chairman	Independent Director	5	5
Mrs. Lakshmmi Subramanian	Member	Independent Director	5	5
Mr. S. Obul Reddy	Member	Non-Executive Director	5	5

The Company Secretary acts as the secretary of the Audit Committee. Mr. N. Ramesh Rajan, Chairman of the Audit Committee was present at the 45th Annual General Meeting of the Company held on September 24, 2018.

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 31st March 2019 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@nippobatteries.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. Lakshmmi Subramanian, Chairman
2. Mr. N. Ramesh Rajan, Member and
3. Mr. S. Obul Reddy, Member

The Company Secretary is the Compliance Officer of the Committee.

The meeting and attendance during the year :-

Name	Category	No of meetings held	No of meetings attended
Mr. S. Obul Reddy	Non-Executive Director	3	3
Mr. N. Ramesh Rajan	Independent Director	3	3
Mrs. Lakshmmi Subramanian	Independent Director	3	3

The details of remuneration paid to the Executive Directors for the financial year 2018-19 are given below:

(Rs. in lakhs)

Name & Designation	Salary	Perquisites	Total
Mr. P. Dwaraknath Reddy Managing Director	60.00	43.58	103.58
Mr. R.P. Khaitan Joint Managing Director	60.00	45.47	105.47
Mr. P. Aditya Reddy Joint Managing Director	60.00	42.56	102.56

The Board of Directors shall decide the remuneration of Non-Executive/Independent Directors. The Non-Executive/Independent Directors are paid sitting fees of Rs.40,000/- each per meeting of the Board / Committee attended by them. Further commission upto one percent of the net profits of the Company in each Financial year for a period of three financial years commencing from the financial year ending March 31, 2017 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, 2019 amounting to Rs.5,00,000/-. The sitting fees of Rs.10.00 lakhs for attending Board Meetings and Audit committee meetings were paid to Non-Executive/Independent Directors during the financial year 2018-2019. 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 2018-2019. 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.

Nomination and Remuneration Policy:

The company has sound and transparent policy in determining and accounting for the remuneration of Executive/ Non-Executive/ Independent Directors. The payment of Remuneration to Executive directors is subject to the recommendation of the Nomination and Remuneration Committee and approval of the Board.

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, Listing Agreement and SEBI (LODR) Regulations 2015 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.

6) CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:

The Board of Directors at its Meeting held on 7th 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.

The present Composition of the Committee is as under :

Name of Director	Designation in the Company	Status in the Committee
Mr. N. Ramesh Rajan	Independent Director	Chairman
Mr. P. Aditya Reddy	Joint Managing Director	Member
Mr. S. Obul Reddy	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.

Three meetings of the committee were held during the year.

7) RISK MANAGEMENT COMMITTEE:

The Company has constituted the Risk Management Committee comprising of Mr. N.Ramesh Rajan as the Chairman and Mr.S.Obul Reddy Director and Mr.C.R. Sivaramakrishnan, 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 will apprise to the Board the most significant risk and action taken by the respective heads to mitigate such risks.

One committee meeting was held during the Financial Year ended 31st March, 2019.

8) WHOLLY OWNED SUBSIDARY / SUBSIDIARY COMPANY:

Your Company monitors the performance of Wholly owned Subsidiary / subsidiary companies (list of subsidiary companies has been provided in the financial statements), *inter-alia*, by the following means:

- a) During the year your company had nominated Mr. N. Ramesh Rajan, Independent cum Non-Executive Chairman of your company, to act as a Director in M/s. Kinenco Ltd.
- b) The Audit Committee reviews the financial statements, in particular, the investments made by the unlisted Wholly owned subsidiary / subsidiary companies.
- c) The minutes of the meetings of the board of directors of the unlisted Wholly owned subsidiary / subsidiary companies were placed at the meetings of the Board of Directors of the Company.
- d) The board also reviewed the statement of all significant transaction/arrangement entered by the subsidiary company.
- e) Your Company formulated a Policy on Material Subsidiary as required under the SEBI Listing Regulations 2015 and the policy is hosted on the website of the Company : <http://www.nippobatteries.com/html/pdf/Mat.subsidiaries.pdf>, your company has not sold/ disposed off /leased out any of its assets amounting to more than twenty percent of the assets of the material subsidiary on aggregate basis during the year under review.
- f) Your company has not disposed off any shares in its material subsidiary resulting in reduction of its share holding to less than fifty percent or ceases its control over the subsidiary.

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

AGM	YEAR	VENUE	DATE	TIME
43 rd	2015-2016	Sri. P. Obul Reddy Hall Vani Mahal, No.103, G.N. Chetty Road, Chennai – 600 017	23-09-2016	12.15 p.m.
44 th	2016-2017	Sri. P. Obul Reddy Hall Vani Mahal, No.103, G.N. Chetty Road, Chennai – 600 017	25-09-2017	03.00 p.m.
45 th	2017-2018	Sri. P. Obul Reddy Hall Vani Mahal, No.103, G.N. Chetty Road, Chennai – 600 017	24-09-2018	03.00 p.m.

Six 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.	Alteration of Articles of Association of the company	23 rd Sept. 2016	31 st March, 2016
2.	Re-appointment of Mr R.P.Khaitan (DIN: 00015801), as Joint Managing Director of the Company	25 th Sept. 2017	31 st March, 2017
3.	Approve 1% of the Net Profits of the Company be paid and distributed amongst the Non-Executive Independent Directors of the Company.	25 th Sept. 2017	31 st March, 2017
4.	Re-appointment of Mr R.P.Khaitan (DIN: 00015801), as Joint Managing Director of the Company	24 th Sept. 2018	31 st March, 2018
5.	Re-appointment of Mr N.Ramesh Rajan (DIN:01628318), as an Independent Director	24 th Sept. 2018	31 st March, 2018
6.	Re-appointment of Mrs. Lakshmmi Subramanian (DIN:00001439), as an Independent Director	24 th Sept. 2018	31 st March, 2018

There was no postal ballot conducted during the period 2018-19.

10) 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.

The Audit Committee grants omnibus approval for the proposed related party transactions which will be valid for a year. The Audit Committee also lays down the criteria for granting omnibus approvals as per SEBI (LODR) Regulations 2015 in line with the policy for transactions which are repetitive in nature. In case Related Party Transactions cannot be foreseen, the Audit Committee grants omnibus approval for such transactions subject to their value not exceeding Rupees One Crore per transaction.

The Audit Committee reviews, every quarter, the details of related party transactions entered into by the Company pursuant to each of the omnibus approval given. Where it requires, the Audit Committee will report the related party transaction for the approval of the Board. If the Board feels that shareholders' approval is required, then the same shall be put up for approval by the shareholders of the Company. The policy is hosted on the website of the Company <http://www.nippobatteries.com/html/policies.html>

- 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 under SEBI (LODR) Regulations 2015 and a report on compliance on the applicable laws of the company, every quarter, is palced before the Board.
- vi) **Adoption of Non-Mandatory requirements:** The Company is in the process of adopting other non – mandatory requirements as mentioned under SEBI (LODR) Regulations 2015. The company has appointed separate persons to the post of Chairman and CEO&MD.
- (vii) There were no compliants received pursuant to the provisions of the Sexual Harrassment of Woman at work place (Prevention, prohibition and Redressal) Act, 2013.
- (viii) The auditors report on statutory financial statements of the Company are unqualified. The internal auditors of the Company make presentation to the Audit committee on their reports.
- (ix) The company has obtained a certificate from the practising company secretary that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange board of india / Ministry of corpoate affairs or any other statutory authority.

11) WHISTLE BLOWER POLICY/VIGIL MECHANISM:

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.

12) MEETING OF INDEPENDENT DIRECTORS / FAMILIARISATION PROGRAMME:

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 12th February 2019 and inter – alia discussed:

- a. the performance of non-Independent Directors and the Board as a whole;
- b. the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non- Executive Directors; and
- c. 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.

Your Company follows a structured orientation and familiarisation programme through various reports/codes/ internal policies for all the Directors with a view to update them on the Company's policies and procedures on a regular basis. The details of familiarisation programme for the financial year 2018-19 have been updated in the website

13) 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.

The company's website contains a section "Investors" which displays details / information to various stakeholders. Official new release are sent to stock exchanges and hosted on the website of the company.

14) MANAGEMENT DISCUSSION AND ANALYSIS:

Appended to this Report.

15) GENERAL SHAREHOLDERS' INFORMATION:

- 1. AGM date, time and venue** : 23rd September, 2019; Monday at 3.00 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 the 17th September, 2019 to Monday the 23rd September, 2019 (both days inclusive)
- 3. Financial Year** : 01-04-2018 to 31-03-2019
- 4. Annual Results** : 22nd May, 2019
- 5. Posting of Annual Reports** : 30th August, 2019
- 6. Last date of receipt of proxy Forms** : 48 hrs before AGM
- 7. Dividend payment date** : 3rd October, 2019
- 8. Listing Fees** : Paid to all the above stock exchanges for the year 2018-19
- 9. Address** : **Registered Office** **Corporate / Head Office**
 No.609, Mount Road, 'Surya Varsh', I & IInd Floor,
 Lakshmi Bhavan, Door No.17/9,
 IVth Floor, Wallace Garden 2nd Street,
 Nungambakkam, Nungambakkam
 Chennai – 600 006. Chennai - 600 034.
- 10. Plant location** : (i) Tada Kandriga Village, Nellore. (A.P.)
- 11. Postal ballot resolutions** : Nil
- 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) 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

16) STOCK CODE :

BSE Ltd.	504058
National Stock Exchange of India Ltd	NIPPOBATRY

17) MONTHLY SHARE PRICE DETAILS AT BSE & NSE DURING 2018-19 ARE :

MONTH	BSE			NSE		
	HIGH (Rs.)	LOW (Rs.)	NO. OF SHARES TRADED	HIGH (Rs.)	LOW (Rs.)	NO. OF SHARES TRADED
APRIL – 18	866.00	800.00	3660	862.00	808.00	14699
MAY – 18	858.00	765.00	28660	843.80	760.30	32293
JUNE – 18	853.00	752.20	5452	830.00	755.50	13678
JULY -18	872.20	719.00	5194	877.30	713.95	25728
AUGUST -18	855.00	782.00	3946	863.95	775.05	253220
SEPTEMBER – 18	876.60	681.10	8035	855.00	695.00	31466
OCTOBER -18	722.95	623.25	6740	717.25	616.00	21812
NOVEMBER -18	797.80	641.00	13557	795.55	640.00	46371
DECEMBER -18	745.45	652.00	6494	739.95	662.30	12696
JANUARY – 19	737.80	664.00	4539	736.00	651.00	11707
FEBRUARY -19	733.10	604.10	4184	724.00	611.20	15335
MARCH – 19	742.00	680.00	7661	738.40	690.05	21158

18) 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

19) 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 31st March 2019.

20) 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.

21) 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.

22) DEMATERIALISATION OF SHARES:

The Company's shares are available for trading in the depository systems of both the National Securities Depository Limited and the Central Depository Services (India) Limited. The International Securities Identification Number (ISIN) allotted to the Company is INE567A01010. As on 31st March, 2019, 98.20% of the Company's total shares representing 3682514 shares are in dematerialized form.

Type	Number of shares	% to paidup capital	No of Share Holders
(i) Physical	67486	1.80	407
(ii) Electronic :-			
NSDL	2682494	71.53	4463
CDSL	1000020	26.67	2682
TOTAL	3750000	100.00	7552

23) OUTSTANDING GDR/ADR/WARRANTS OR ANY CONVERTIBLE INSTRUMENTS:

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

24) DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2019:

Number of shares	Number of shareholders	Percentage of shareholders	Number of shares held	Percentage of shareholding
1 - 500	7239	95.85	454561	12.12
501 - 1000	182	2.41	131055	3.50
1001 - 2000	69	0.91	99229	2.65
2001 - 3000	20	0.27	50010	1.33
3001 - 4000	8	0.11	29406	0.79
4001 - 5000	8	0.11	36078	0.96
5001 - 10000	7	0.09	42007	1.12
10001 & above	19	0.25	2907654	77.53
TOTAL	7552	100.00	3750000	100.00

25) CATEGORIES OF SHAREHOLDERS AS ON 31ST MARCH, 2019:

Category	No. of shares held	% of shareholding
Indian Promoters	2806895	74.85
Resident Indians	828410	22.09
Non-Resident Indians	12186	0.32
Foreign Institutional Investors	50	0.00
Domestic Companies	91450	2.44
Banks / FI	190	0.01
Clearing Members	816	0.02
IEPF	10003	0.27
TOTAL	3750000	100.00

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

During the year under review, the Company has credited Rs.8,18,080/- 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 24th September, 2018 (date of last Annual General Meeting) on the Company’s website www.nippobatteries.com and on the website of the Ministry of Corporate Affairs.

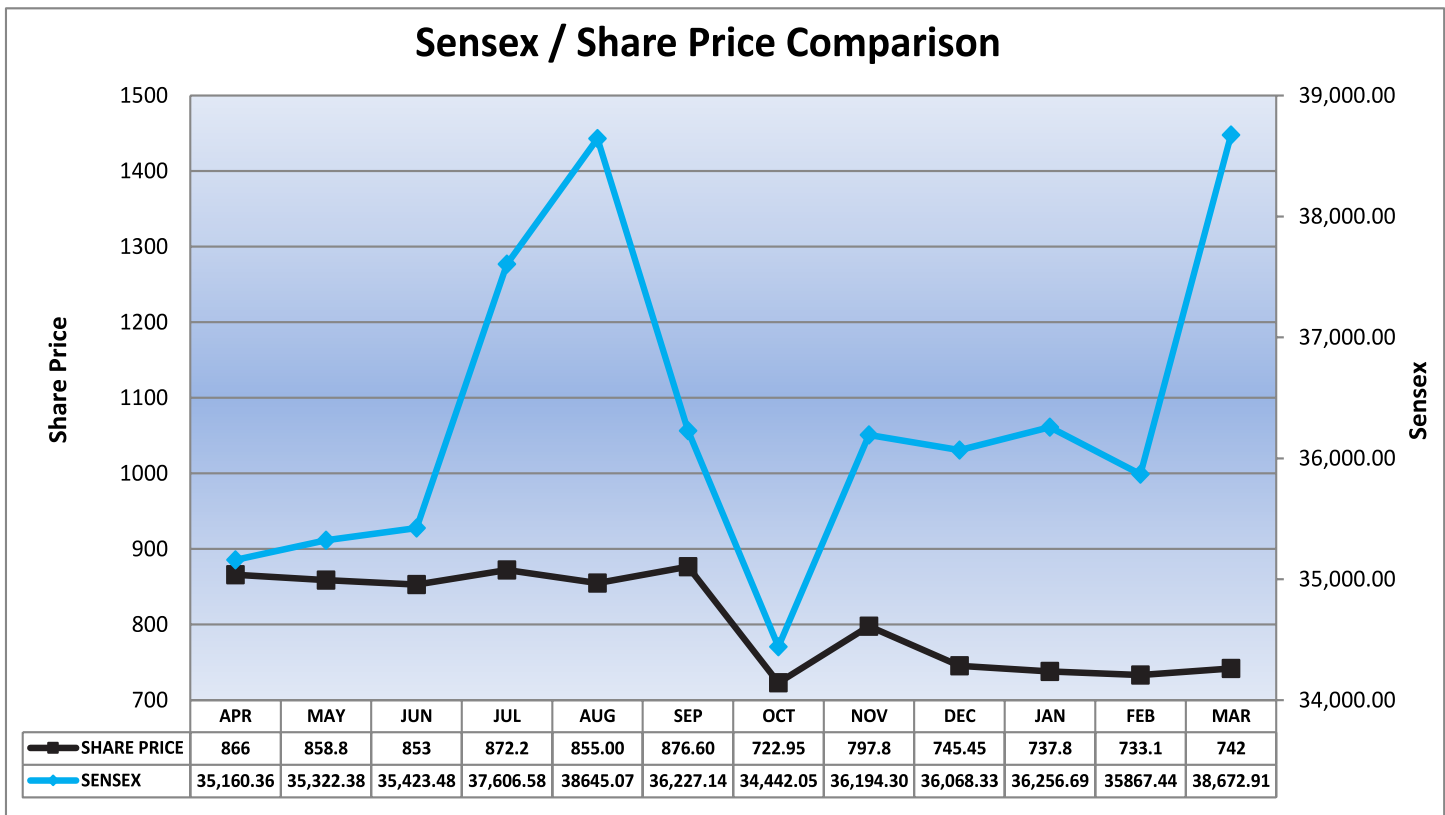
Information in respect of such unclaimed dividends due for transfer to the Investor Education and Protection Fund (IEPF) is as follows:

Financial Year	Amount outstanding as on 31.03.2019 (Rs.)	Date of Declaration of Dividend	Proposed date of transfer to IEPF
2011-12	2,73,680.00	31-07-2012	05-09-2019
2012-13	2,99,720.00	27-09-2013	02-11-2020
2013-14	5,06,820.00	26-09-2014	01-11-2021
2014-15	6,08,675.00	23-09-2015	29-10-2022
2015-16	6,04,200.00	23-09-2016	29-10-2023
2016-17	5,80,050.00	25-09-2017	31-10-2024
2017-18	6,01,300.00	24-09-2018	29-10-2025

In terms of the SEBI Listing Regulations, the details of the equity shares in unclaimed suspense account are as follows:

Particulars	No. of Shareholders	No. of Equity Shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying as at the beginning of the year	97	7,961
Shareholders who approached the Company for transfer of shares and whose shares were transferred from the suspense account during the year	Nil	Nil
Shareholders whose shares are transferred to the demat account of the IEPF Authority as per section 124 of the Companies Act, 2013	23	2,042
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	120	10,003

27) PERFORMANCE IN COMPARISON TO BSE INDEX:



28) 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 2019 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.

29) 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. During the year under review, there has been due compliance with SEBI (Prohibition of Insider Trading) Regulations 2015.

30) COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES:

Though the company not being a user of sizable commodities, its expose to the price risk on account of procurement of commodities may not arise. Exposure of our entity to commodity and commodity risk faced by the entity throughout the year:

Total exposure of the commodity to the entity is Rs.40.53Crs.

Exposure of the entity to various commodities:

Commodity Name	Exposure in Rs. Towards the particular commodity in FY 2019	Exposure in quantity terms towards the particulars commodity in FY 2019	% of such exposure hedged through commodity derivatives				
			Domestic Market		International Market		Total
			OTC	Exchange	OTC	Exchange	
ZINC	Rs.40.53 Crs	1,811 Tonnes	NIL	NIL	NIL	NIL	NIL

Commodity risk faced by the listed entity during the year and how they have been managed:-

Prices for the commodities are managed through contract’s with supplier based on commodity trends. The Company doesn’t have exposure on commodity hedging mechanism during the year under review.

31) CREDIT RATING:

S.No.	Name of the Agency	Type of Instrument	Amount	Rating
1	CRISIL Limited	Long term Rating	Rs.70.00 Crs (enhanced from Rs.36.68 Crores)	A/Stable (Reaffirmed)
		Short term Rating		A1 (Reaffirmed)

During the Financial Year 2018-19, there are no changes in the rating.

32) ADDRESS FOR CORRESPONDENCE:

The Secretary
 Indo National Ltd
 No.609, Mount Road,
 Lakshmmi Bhavan, IVth Floor
 Chennai -600 006.
 Ph.: 044-28272711
 www.nippobatteries.com

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 : As mentioned below :

S.No	Name of the Related Party	Nature of Relationship	Contracts / Arrangements / Transactions				Date of Approval by Board / Members and Period of Approval	Sales value during the year (Rs.in Cr.)	Amount paid as advances, if any
			Nature	Duration	Salient terms	Justification for entering into			
1	Associated Electrical Agencies	Director and relatives of Director is a Partner	Sale of Nippo brand products and interest on over dues and other Services	Five Years/ Three Years	Prevailing Market Rates	Ordinary course of business being carried on for many years	50.51	Nil	
2	Apex Agencies	Director and relatives of Director is a Partner	Sale of Nippo brand products and interest on over dues and other Services	Five Years/ Three Years	Prevailing Market Rates	Ordinary course of business being carried on for many years	65.51	Nil	
3	RAL Consumer Products Ltd	One common Director	Sale of Nippo brand products and interest on over dues and other Services	Yearly	Prevailing Market Rates	Ordinary course of business being carried on for many years	21.16	Nil	
4	Radiohms Agencies	Director is a Partner	Sale of Nippo brand products and interest on over dues and other Services	Yearly	Prevailing Market Rates	Ordinary course of business being carried on for many years	23.45	Nil	

ANNEXURE - 'C' TO THE BOARD REPORT (CONTD.)

S.No	Name of the Related Party	Nature of Relationship	Contracts / Arrangements / Transactions			Date of Approval by Board / Members and Period of Approval	Sales value during the year (Rs.in Cr.)	Amount paid as advances, if any	
			Nature	Duration	Salient terms				Justification for entering into
5	Deccan Hospitals (A Unit of Appollo Hospitals Enterprises Ltd)	Relative of Director is a Director	Sale of Solar power units and other Services	Yearly	Prevailing Market	At Arms length basis	23rd May 2018 Period of Approval 01st June 2018 to 31st May 2019	4.46	Nil
6	Radiohms Properties Pvt.Ltd	One common Director	Rent	One year	Prevailing Market Rates	At Arms length basis	23rd May 2018 Period of Approval 01st June 2018 to 31st May 2019	0.14	0.08

For and on behalf of the Board

Place : Chennai
Date : August 13, 2019

N. Ramesh Rajan
Chairman

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 and a reference to the web-link to the CSR policy and projects or programs is stated herein below:

Website Link : <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. P. Aditya Reddy, Member (Director)

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

S.No.	FINANCIAL YEAR	Rs. in Crores
1	2015 - 16	34.10
3	2016 - 17	32.43
3	2017 - 18	34.71
	TOTAL PROFIT	101.24
	AVERAGE FOR 3 YEARS	33.74

4. The total CSR Budget on the basis of @ 2% of average net profits of the Company for the financial year 2018-2019 is Rs.0.67 Crs.

5. Details of CSR spent during the financial year.

Total amount spent for the financial year : Rs.0.67 crores

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	Hospital equipment for the rural and under privileged	Health Care	Chennai Tamil Nadu	1500000	1500000	1500000	Trust : The Shakti Foundation, No.9, Manikeswari Road, Kilpauk, Chennai-600010
2	Bring special children across Chennai on one platform and to provide food, Breakfast & Lunch for them	Social	Chennai Tamil Nadu	1200000	1200000	2700000	Trust : The Shakti Foundation, No.9, Manikeswari Road, Kilpauk, Chennai-600010
3	Water supply to Tada Village	Drinking Water	Tada, Andhra Pradesh, Nellore District	459846	459846	3159846	Direct
4	Expenses related to RO Plant	Drinking Water	Tada, Andhra Pradesh, Nellore District	115500	115500	3275346	Direct
5	Provided LED 80W Street Light	Social Welfare	IRA Suits	591175	591175	3866521	-
6	Support to Child Education, Protection & Survival etc.	Education	Save India	360000	360000	4226521	Direct
7	Sponsorship amount	Education and Health Care	Covelong Point Surfing School	200000	200000	4226521	Direct
8	Sponsorship amount	Health Care	TANKER Chennai	500000	500000	4926521	Taminadu Kidney Research Foundation

(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*
9	School Fees for the children of St. Joseph's, Kovalam	Education	R.A Puram Chennai-28	377600	377600	5304121	Through NUR
10	Sponsorship amount	Sports	Concern India Foundation	30000	30000	5334121	Direct
11	School Fees for the children of M.C.C Hr. Sec. School	Education	M.C.C Hr. Sec. School	900000	900000	6234121	Direct
12	Medical Treatment for Children	Health Care	THC Enterprises	59000	59000	6293121	Direct
13	Excel Water System (Jet Pump & Spares)	Social Welfare	Tada, AP Nellore Dist.	5000	5000	6298121	Direct - Excel Water System
14	Fixing Cameras at Tada Village	Social Welfare	Tada, AP Nellore Dist.	31200	31200	6329321	Direct Orange Systems
15	Water supply to Tada Village - Monoblock Pump	Drinking Water	Aero Equip.	8465	8465	6337786	Direct
16	Provided Torchlights and Batteries	Social Welfare	Gaja Cyclone	152393	152393	6490179	Oli Organisation Chennai - 403
17	Free Torchlights given	Social Welfare	Kerala Flood Relief	268488	268488	6758667	Seva Bharathi Ernakulam,Kerala

We hereby declare that the implementation and monitoring of CSR policy is in compliance with CSR objectives and policy of the Company.

For and on behalf of the Board

For and on behalf of the Board

P. Dwaraknath Reddy
Managing Director

N. Ramesh Rajan
Chairman of CSR Committee

Place : Chennai
Date : August 13, 2019

EXTRACT OF ANNUAL RETURN
Financial year ended on 31.03.2019
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	80.18
Flashlights and others	27400	19.82

III. Particulars of Holding, Subsidiary and Associate Companies :

Name and address of the Company	CIN / GLN	Holding / subsidiary / associate	% of shares held	Applicable Section
Helios Strategic Systems Limited	U74999TN2015PLC101208	Wholly owned subsidiary company	100	2 (87)

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	
A. Promoters									
1. Indian									
a) Individual / HUF	2557528	0	2557528	68.2007	2557528	0	2557528	68.2007	0.0000
b) Central Govt./State Govt.(s)	0	0	0	0.0000	0	0	0	0.0000	0.0000
c) Bodies Corporate	249367	0	249367	6.6498	249367	0	249367	6.6498	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
Sub-Total (A)(1)	2806895	0	2806895	74.8505	2806895	0	2806895	74.8505	0.0000
2. Foreign									
a) Individuals (Non-Residents) Individuals / Foreign Individuals	0	0	0	0.0000	0	0	0	0.0000	0.0000
b) Bodies Corporate	0	0	0	0.0000	0	0	0	0.0000	0.0000
c) Institutions	0	0	0	0.0000	0	0	0	0.0000	0.0000
d) Qualified Foreign Investor	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
Sub-Total (A)(2)	0	0	0	0	0	0	0	0.0000	0.0000
Total Shareholding of Promoters (A)=(A)(1)+(A)(2)	2806895	0	2806895	74.8505	2806895	0	2806895	74.8505	0.0000
B. Public Shareholding									
1. Institutions									
a) Mutual Funds / UTI	0	0	0	0.0000	0	0	0	0.0000	0.0000
b) Financial Institutions / Banks	1901	0	1901	0.0507	190	0	190	0.0051	-0.0456
c) Central Govt. / State Govt.(s)	0	0	0	0.0000	0	0	0	0.0000	0.0000
d) Venture Capital Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000
e) Insurance Companies	0	0	0	0.0000	0	0	0	0.0000	0.0000
f) Foreign Institutional Investor	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) Qualified Foreign Investor	0	0	0	0.0000	0	0	0	0.0000	0.0000
j) Others (specify) - -	0	0	0	0.0000	0	0	0	0.0000	0.0000
Sub-Total (B)(1)	1951	0	1951	0.0520	240	0	240	0.0064	-0.0456

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	
2. Non-Institutions									
a. Bodies Corporate	110320	401	110721	2.9525	91299	151	91450	2.4387	-0.5139
b. Individuals									
i) Individual Shareholders holding nominal share capital up to 1 lakh	623641	74545	698186	18.6182	646328	67335	713663	19.0310	0.4127
ii) Individual Shareholders holding nominal share capital in excess of 1 lakh	74214	0	74214	1.9790	75494	0	75494	2.0132	0.0341
c. Qualified Foreign Investor	0	0	0	0.0000	0	0	0	0	0.0000
d. Any Other									
i) Clearing Members	729	0	729	0.0194	816	0	816	0.0218	0.0023
ii) Hindu Undivided Families	36303	0	36303	0.9681	0	0	0	0.0000	-0.9681
iii) IEPF	7961	0	7961	0.2123	10003	0	10003	0.2667	0.0545
iv) Non-Resident Indians	13040	0	13040	0.3477	12186	0	12186	0.3250	-0.0228
v) Resident HUF	0	0	0	0.0000	39253	0	39253	1.0467	1.0467
Sub-Total (B)(2):	866208	74946	941154	25.0972	875379	67486	942865	25.1431	0.0456
Total Public Shareholding (B)=(B)(1)+(B)(2)	868159	74946	943105	25.1495	875619	67486	943105	25.1495	0.0001
Total (A) + (b)	3675054	74946	3750000	100.00	3682514	67486	3750000	100	0.0000
C. Shares held by Custodian and against which Depository									
Promoter and Promoter Group	0	0	0	0	0	0	0	0	0.0000
Public	0	0	0	0	0	0	0	0	0.0000
Total Custodian (c)	0	0	0	0	0	0	0	0	0.0000
Grand Total (A+B+C)	3675054	74946	3750000	100.00	3682514	67486	3750000	100	0.0000

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 Investments Pvt.Ltd	163907	4.3708	4.25	163907	4.3708	1.60	-
2.	M/s. Obul Reddy Investments Pvt.Ltd	68560	1.8283	0.55	68560	1.8283	0.00	-
3.	Mrs.P. Sindoori Reddy	11000	0.2933	-	11000	0.2933	-	-
4.	Mrs. Suneeta Reddy	59580	1.5888	0.38	59580	1.5888	0.00	-
5.	Mr. P. Dwaraknath Reddy	1653695	44.0985	39.82	1653695	44.0985	27.70	-
6.	Mrs. Sindoori Reddy	135016	3.6004	3.60	135016	3.6004	0.00	-
7.	Mr. Aditya dev Reddy	6	0.0002	-	6	0.0002	-	-
8.	M/s. H.N. Khaitan (HUF)	21540	0.5744	-	21540	0.5744	-	-
9.	M/s. JSK Marketing Pvt.Ltd	6400	0.1707	-	6400	0.1707	-	-
10.	M/s. Radiohms Investment and Trading Pvt.Ltd	5300	0.1413	-	5300	0.1413	-	-
11.	M/s. Radiohms Properties Pvt. Ltd	5200	0.1387	-	5200	0.1387	-	-
12.	Mrs. Lakshmi devi Jiwarajka	313000	8.3467	8.34	276750	7.3870	6.42	(0.9667)
13.	Mrs. Lakshmi devi Jiwarajka	31512	0.8403	-	31512	0.8403	-	-
14.	Mrs. Lakshmi devi Jiwarajka	0.0000	0.0000	-	36250	0.9667	-	0.9667
15.	Mrs. Saraladevi Khaitan	83036	2.2143	-	83036	2.2143	-	-
16.	Mrs. Saraladevi Khaitan	11114	0.2964	-	11114	0.2964	-	-
17.	Mr. R.P. Khaitan	69049	1.8413	-	69049	1.8413	-	-
18.	Mrs. Saraladevi Khaitan	166248	4.4333	-	166248	4.4333	-	-
19.	Ms. Anju Ganeriwal	2732	0.0729	-	2732	0.0729	-	-
	Total	2806895	74.8505	-	2806895	74.8505	-	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	M/s. PDR INESTMENTS PVT.LTD At the beginning of the year 01-Apr-2018 At the end of the year 31-Mar-2019	163907 163907	4.3708 4.3708	163907 163907	4.3708 4.3708
2	M/s. OBUL REDDY INVESTMENTS PVT.LTD At the beginning of the year 01-Apr-2018 At the end of the Year 31-Mar-2019	68560 68560	1.8282 1.8282	68560 68560	1.8282 1.8282
3.	Mrs. SINDOORI REDDY At the beginning of the year 01-Apr-2018 At the end of the Year 31-Mar-2019	135016 135016	3.6004 3.6004	135016 135016	3.6004 3.6004
4	Mrs. P. SINDOORI REDDY At the beginning of the year 01-Apr-2018 At the end of the Year 31-Mar-2019	11000 11000	0.2933 0.2933	11000 11000	0.2933 0.2933
5.	Mrs. SUNEETA REDDY At the beginning of the year 01-Apr-2018 At the end of the Year 31-Mar-2019	59580 59580	1.5888 1.5888	59580 59580	1.5888 1.5888
6.	Mr. P. DWARAKNATH REDDY At the beginning of the year 01-Apr-2018 At the end of the Year 31-Mar-2019	1653695 1653695	44.0985 44.0985	1653695 1653695	44.0985 44.0985
7.	Mr. ADITYA DEV REDDY At the beginning of the year 01-Apr-2018 At the end of the Year 31-Mar-2019	6 6	0.0001 0.0001	6 6	0.0001 0.0001
8.	M/s. H N KHAITAN (HUF) At the beginning of the year 01-Apr-2018 At the end of the Year 31-Mar-2019	21540 21540	0.5744 0.5744	21540 21540	0.5744 0.5744
9.	M/s. JSK MARKETING PVT.LTD. At the beginning of the year 01-Apr-2018 At the end of the Year 31-Mar-2019	6400 6400	0.1706 0.1706	6400 6400	0.1706 0.1706
10.	M/s. RADIOHMS INVESTMENT AND TRADING PRIVATE LIMITED At the beginning of the year 01-Apr-2018 At the end of the Year 31-Mar-2019	5300 5300	0.1413 0.1413	5300 5300	0.1413 0.1413

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
11.	M/s. RADIOHMS PROPERTIES PRIVATE LIMITED				
	At the beginning of the year 01-Apr-2018	5200	0.1386	5200	0.1386
	At the end of the Year 31-Mar-2019	5200	0.1386	5200	0.1386
12.	Mrs. LAXMI DEVI JIWARAJKA				
	At the beginning of the year 01-Apr-2018	313000	8.3466	313000	8.3466
	Sale 29-Mar-2019	-36250	0.9666	276750	7.3800
	At the end of the Year 31-Mar-2019	276750	7.3800	276750	7.3800
	At the beginning of the year 01-Apr-2018	31512	0.8403	31512	0.8403
	At the end of the Year 31-Mar-2019	31512	0.8403	31512	0.8403
	At the beginning of the year 01-Apr-2018	0	0	0	0
	Purchase 29 March 2019	36250	0.9666	36250	0.9666
	At the end of the Year 31-Mar-2019	36250	0.9666	36250	0.9666
13.	Mrs. SARLADEVI KHAITAN				
	At the beginning of the year 01-Apr-2018	83036	2.2142	83036	2.2142
	At the end of the Year 31-Mar-2019	83036	2.2142	83036	2.2142
14.	Mrs. SARLADEVI KHAITAN				
	At the beginning of the year 01-Apr-2018	166248	4.4332	166248	4.4332
	At the end of the Year 31-Mar-2019	166248	4.4332	166248	4.4332
15.	Mrs. SARLADEVI KHAITAN				
	At the beginning of the year 01-Apr-2018	11114	0.2963	11114	0.2963
	At the end of the Year 31-Mar-2019	11114	0.2963	11114	0.2963
16.	Mr. R.P. KHAITAN				
	At the beginning of the year 01-Apr-2018	69049	1.8413	69049	1.8413
	At the end of the Year 31-Mar-2019	69049	1.8413	69049	1.8413
17.	Ms. ANJU GANERIWAL				
	At the beginning of the year 01-Apr-2018	2732	0.0728	2732	0.0728
	At the end of the Year 31-Mar-2019	2732	0.0728	2732	0.0728

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

Name of the Company : Indo National Limited

Sl. No.	Shareholders Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year		Folio/DP_CL_ID	PAN
		No. of Shares	% of Total shares of the Company	No. of Shares	% of Total shares of the Company		
1.	SHARAD KANAYALAL SHAH UT1 : VARSHA SHARAD SHAH UT12 : DIPAK KANAYALA SHASH At the beginning of the year 01-Apr-2018 Purchase 31-Aug-2018 Purchase 16-Nov-2018 At the end of the Year 31-Mar-2019 HAVING SAME PAN	40010 200 500 40710	1.0669 0.0053 0.0133 1.0856	40010 40210 40710 40710	1.0669 1.0722 1.0856 1.0856	'IN30082911655927	AAKPS6262N
1.	SHARAD KANAYALAL SHAH JT1 : VARSHA SHARAD SHAH JT2 : DIPAK KANAYALAL SHAH At the beginning of the year 01-Apr-2018 At the end of the Year 31-Mar-2019 HAVING SAME PAN	4800 4800	0.1280 0.1280	4800 4800	0.1280 0.1280	'IN30133021657213	AAKPS6262N
2.	SHARE BAZAR FINANCIAL SERVICES LTD. At the beginning of the year 01-Apr-2018 Sale 18-May-2018 Sale 29-Jun-2018 Purchase 13-Jul-2018 Sale 31-Aug-2018 Purchase 17-Sep-2018 Sale 28-Sep-2018 Sale 29-Sep-2018 Purchase 12-Oct-2018 At the end of the Year 31-Mar-2019	34900 -153 -7093 7246 -5404 5189 -19382 -3562 23159 34900	0.9306 0.0040 0.1891 0.1932 0.1441 0.1383 0.5168 0.0949 0.6175 0.9306	34900 34747 27654 34900 29496 34685 15303 11741 34900 34900	0.9306 0.9265 0.7374 0.9306 0.7865 0.9249 0.4080 0.3130 0.9306 0.9306	1201910100004869	AAFCS0923G
3	VIJAYAKUMAR R At the beginning of the year 01-Apr-2018 At the end of the Year 31-Mar-2019 HAVING SAME PAN	22184 22184	0.5915 0.5915	22184 22184	0.5915 0.5915	'IN30169611683964	ABWPV4806G
3	R VIJAYAKUMAR At the beginning of the year 01-Apr-2018 At the end of the Year 31-Mar-2019	600 600	0.0160 0.0160	600 600	0.0160 0.0160	'IN30018312351258	ABWPV4806G
4	SKS CAPITAL AND RESEARCH PRIVATE LIMITED At the beginning of the year 01-Apr-2018 Sale 11-May-2018 Sale 25-May-2018 Sale 01-Jun-2018 Sale 15-Jun-2018 Sale 29-Jun-2018 Sale 30-Jun-2018 Purchase 27-Jul-2018 Sale 03-Aug-2018	14450 -1400 -2885 -715 -2377 -366 -390 633 -500	0.3853 0.0373 0.0769 0.0190 0.0633 0.0097 0.0104 0.0168 0.0133	14450 13050 10165 9450 7073 6707 6317 6950 6450	0.3853 0.3480 0.2710 0.2520 0.1886 0.1788 0.1684 0.1853 0.1720	'IN30009510479162	AAECS4504Q

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

Sl. No.	Shareholders Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year		Folio/DP_CL_ID	PAN
		No. of Shares	% of Total shares of the Company	No. of Shares	% of Total shares of the Company		
4	SKS CAPITAL AND RESEARCH PRIVATE LIMITED Sale 07-Sep-2018 Purchase 28-Sep-2018 Sale 26-Oct-2018 Sale 02-Nov-2018 Sale 09-Nov-2018 At the end of the Year 31-Mar-2019	-750 550 -757 -5450 -43 0	0.0200 0.0146 0.0201 0.1453 0.0011 0.0000	5700 6250 5493 43 0 0	0.1520 0.1666 0.1464 0.0011 0.0000 0.0000		
5	ASHOK SUGLA At the beginning of the year 01-Apr-2018 Purchase 13-Apr-2018 Purchase 20-Apr-2018 Purchase 27-Apr-2018 Purchase 04-May-2018 Purchase 10-Aug-2018 Purchase 05-Oct-2018 Purchase 12-Oct-2018 Purchase 19-Oct-2018 Purchase 02-Nov-2018 Sale 16-Nov-2018 Sale 23-Nov-2018 Purchase 07-Dec-2018 Purchase 14-Dec-2018 Purchase 21-Dec-2018 Sale 28-Dec-2018 Sale 04-Jan-2019 Sale 01-Feb-2019 Sale 08-Feb-2019 Sale 22-Mar-2019 At the end of the Year 31-Mar-2019	12020 55 270 112 118 25 300 100 115 620 -1066 -69 305 296 944 -350 -190 -556 -49 -400 12600	0.3205 0.0014 0.0072 0.0029 0.0031 0.0006 0.0080 0.0026 0.0030 0.0165 0.0284 0.0018 0.0081 0.0078 0.0251 0.0093 0.0050 0.0148 0.0013 0.0106 0.3360	12020 12075 12345 12457 12575 12600 12900 13000 13115 13735 12669 12600 12905 13201 14145 13795 13605 13049 13000 12600 12600	0.3205 0.3220 0.3292 0.3321 0.3353 0.3360 0.3440 0.3466 0.3497 0.3662 0.3378 0.3360 0.3441 0.3520 0.3772 0.3678 0.3628 0.3479 0.3466 0.3360 0.3360	'IN30290242813390	AKXPS6356A
6	INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY MINISTRY OF CORPORATE AFFAIRS At the beginning of the year 01-Apr-2018 Purchase 04-May-2018 Purchase 21-Sep-2018 At the end of the Year 31-Mar-2019	7961 510 1532 10003	0.2122 0.0136 0.0408 0.2667	7961 8471 10003 10003	0.2122 0.2258 0.2667 0.2667	'IN30070810656671	EXEMPTCATG
7	MEERA REDDY M K At the beginning of the year 01-Apr-2018 At the end of the Year 31-Mar-2019	7084 7084	0.1889 0.1889	7084 7084	0.1889 0.1889	'M0000406	AAFPM9359K
8	UTTAM KHOBRAGADE At the beginning of the year 01-Apr-2018 Sale 18-Jan-2019 Purchase 15-Feb-2019 At the end of the Year 31-Mar-2019	6636 -6636 6636 6636	0.1769 0.1769 0.1769 0.1769	6636 0 6636 6636	0.1769 0.0000 0.1769 0.1769	'IN30002010243687	AFCPK7196J

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

Sl. No.	Shareholders Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year		Folio/DP_CL_ID	PAN
		No. of Shares	% of Total shares of the Company	No. of Shares	% of Total shares of the Company		
9	KIFS INTERNATIONAL LLP At the beginning of the year 01-Apr-2018 Sale 13-Apr-2018 Purchase 11-May-2018 Sale 18-May-2018 Purchase 08-Jun-2018 Sale 20-Jul-2018 Purchase 10-Aug-2018 Sale 31-Aug-2018 Sale 07-Sep-2018 Sale 14-Sep-2018 Purchase 02-Nov-2018 Purchase 16-Nov-2018 Purchase 14-Dec-2018 Sale 08-Mar-2019 At the end of the Year 31-Mar-2019	6552 -6552 6552 -6552 6315 -6315 700 -594 -49 -23 400 235 4216 -4885 0	0.1747 0.1747 0.1747 0.1747 0.1684 0.1684 0.0186 0.0158 0.0013 0.0006 0.0106 0.0062 0.1124 0.1302 0.0000	6552 0 6552 0 6315 0 700 106 57 34 434 669 4885 0 0	0.1747 0.0000 0.1747 0.0000 0.1684 0.0000 0.0186 0.0028 0.0015 0.0009 0.0115 0.0178 0.1302 0.0000 0.0000	'IN30148510870926	AAIFK6285F
10	ANGEL FINCAP PRIVATE LIMITED At the beginning of the year 01-Apr-2018 Purchase 06-Apr-2018 Purchase 13-Apr-2018 Purchase 27-Apr-2018 Sale 22-Jun-2018 Purchase 03-Aug-2018 Purchase 30-Nov-2018 Sale 07-Dec-2018 Sale 14-Dec-2018 Purchase 15-Mar-2019 At the end of the Year 31-Mar-2.019 NEW TOP 10 AS ON (31-Mar-2019)	5369 46 139 20 -15 45 10 -12 -68 53 5587	0.1431 0.0012 0.0037 0.0005 0.0004 0.0012 0.0002 0.0003 0.0018 0.0014 0.1489	5369 5415 5554 5574 5559 5604 5614 5602 5534 5587 5587	0.1431 0.1444 0.1481 0.1486 0.1482 0.1494 0.1497 0.1493 0.1475 0.1489 0.1489	'1203320007719863	AAACA7011Q
11	HEMANGINI A DADKAR At the beginning of the year 01-Apr-2018 Purchase 19-Oct-2018 At the end of the Year 31-Mar-2019 HAVING SAME PAN	0 5800 5800	0.0000 0.1546 0.1546	0 5800 5800	0.0000 0.1546 0.1546	'H0000371	AHCPD0398K
11	HEMANGINI AKHIL DADKAR At the beginning of the year 01-Apr-2018 At the end of the Year 31-Mar-2019 HAVING SAME PAN	2032 2032	0.0541 0.0541	2032 2032	0.0541 0.0541	'H0000113	AHCPD0398K
11	HEMANGINI A DADKAR At the beginning of the year 01-Apr-2018 Purchase 09-Nov-2018 At the end of the Year 31-Mar-2019	0 1600 1600	0.0000 0.0426 0.0426	0 1600 1600	0.0000 0.0426 0.0426	'H0000372	AHCPD0398K
12	KHANDWALA ENTERPRISES PVT. LTD. At the beginning of the year 01-Apr-2018 Purchase 08-Mar-2019 At the end of the Year 31-Mar-2019	0 4885 4885	0.0000 0.1302 0.1302	0 4885 4885	0.0000 0.1302 0.1302	'IN30148510296685	AACCK4330L

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 01.04.2018 to 31.03.2019	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
1	Mr. P. Dwaraknath Reddy	1653695	44.0985	-	-	-	1653695	44.0985
2	Mr. Aditya Dev Reddy	6	0.00016	-	-	-	6	0.00016
3	Mr. R.P. Khaitan	69049	1.8413	-	-	-	69049	1.8413
4	Mr. N. Ramesh Rajan	Nil		-	-	-	Nil	-
5	Mr. S. Obul Reddy	Nil		-	-	-	Nil	-
6	Mr. M. Subramanyam	Nil		-	-	-	Nil	-
7	Mrs. Lakshmmi Subramanian	Nil		-	-	-	Nil	-
8	Mr. M. Sankara Reddy	1500	0.0400	-	-	-	1500	0.0400
9	Mr. J. Srinivasan	Nil		-	-	-	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	2,236.08	0	0	2,236.08
ii) Interest due but not paid	0.00	0	0	0.00
iii) Interest accrued but not due	2.14	0	0	2.14
Total (i+ii+iii)	2,238.22	0	0	2,238.22
Change in Indebtedness during the financial year				
Addition	6,219.50	0	0	6,219.50
Reduction	5,427.15	0	0	5,427.15
Net Change	792.35	0	0	792.35
Indebtedness at the end of the financial year				
i) Principal Amount -	3,024.00	0	0	3,024.00
ii) Interest due but not paid	0.00	0	0	0.00
iii) Interest accrued but not due	6.57	0	0	6.57
Total (i+ii+iii)	3,030.57	0	0	3,030.57

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	Mr. Aditya Reddy Joint Managing Director	Total Amount
	Gross Salary				
1	a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	6000000	6000000	6000000	18000000
	b) Value of perquisites under section 17(2) of Income Tax Act, 1961	2083399	2272049	1980866	6336314
	c) Profit in lieu of salary under section 17(3) of Income Tax Act, 1961	-	-	-	
2	Stock Options	-	-	-	
3	Sweat Equity	-	-	-	
4	Commission				
	- as a percentage of profit	1525000	1525000	1525000	4575000
5	- others specify (Superannuation)	750000	750000	750000	2250000
	Total (A)	10358399	10547049	10255866	31161314

B. Remuneration to other Directors:

1. Independent Directors

(Figures in Rupees)

Sr. No.	Particulars of Remuneration	Name of the Director		
		Mr.N.Ramesh Rajan	Mrs. Lakshmmi Subramanian	Total Amount
1	Fee for attending Board / Committee Meetings	340000	340000	680000
2	Commission	500000	500000	1000000
3	Others Please Specify	-	-	-
	Total (B) (1)	840000	840000	1680000

2. Other Non Executive Directors

Sr. No.	Particulars of Remuneration	Name of the Director	
		Mr.S.Obul Reddy	
1	Fee for attending Board / Committee Meetings	320000	
2	Commission	-	
3	Others Please Specify	-	
	Total (B) (2)	320000	
	Total (B)=(B)(1)+(B)(2)	2000000	

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

(Figures in Rupees)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			Total amount
		Mr. M.Sankara Reddy Chief Financial Officer	Mr. M. Subramanyam 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	12531387	9878252	2722547	25132186
2	Stock Options	-	-	-	
3	Sweat Equity	-	-	-	
4	Commission	-	-	-	
	- as % of profit	-	-	-	
	- others, specify	-	-	-	
	Total ©	12531387*	9878252**	2722547	25132186

* For the period upto 30th June, 2018 including retirement benefits.

** For the period from 1st July , 2018 to 31st March, 2019.

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

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)
A. COMPANY					
Penalty			NIL		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			NIL		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			NIL		
Punishment					
Compounding					

For and on behalf of the Board

Place : Chennai
Date : August 13, 2019

N. Ramesh Rajan
Chairman

Annexure - 'F'
Form No. MR-3

DRAFT SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31.03.2019

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

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 M/s. INDO- NATIONAL LIMITED (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the M/s. 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 31.03.2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s. INDO- NATIONAL LIMITED ("the Company") for the financial year ended on 31.03.2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) 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, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009/2018;

(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;

I have also examined compliance with the applicable Regulations/Clauses of the following:

- (i) The Listing Agreement entered into by the Company with the National Stock Exchange of India Limited and BSE Limited under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; and
- (ii) The Secretarial Standards (SS-1) for Board Meeting and Secretarial Standards (SS-2) – for General Meeting issued by The Institute of Company Secretaries of India.

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 constituted with Executive Directors, Non-Executive Director and Independent Directors. There were no changes in the composition of the Board of Directors that took place during the period under review.

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.

All decisions at the Board Meetings and Committee Meeting are carried and recorded in Minutes of the Meetings of the Board of Directors and Committees of the Board as the case may be.

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 has no specific events/actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

for DAMODARAN AND ASSOCIATES

M. DAMODARAN

FCS No.: 5837

C P No.: 5081

Place : Chennai

Date : 10.08.2019

(This report is to be read with our letter of even date which is annexed as Annexure 1 and forms an integral part of this report)

To

The Members

INDO- NATIONAL LIMITED

CIN: L31909TN1972PLC006196

NO. 609, MOUNT ROAD, LAKSHMI BHAWAN, IVTH FLOOR,

CHENNAI – 600006.

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

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, we followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

for DAMODARAN AND ASSOCIATES

Place : Chennai

Date : 10.08.2019

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	31.42 : 1
Mr. R.P. Khaitan	Joint Managing Director	32 : 1
Mr. P. Aditya Reddy	Joint Managing Director	31.11 : 1
Mr. N. Ramesh Rajan*	Independent Non-Executive Director	2.54 : 1
Mr. S. Obul Reddy*	Non-Executive Director	0.97 : 1
Mrs. Lakshmi Subramanian*	Independent Non-Executive Director	2.54 : 1

*sitting fees / commission paid to Independent / non-executive directors during the year for attending board/ committee meetings.

- 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/ decrease in remuneration
Mr. P. Dwaraknath Reddy	Managing Director & CEO	(6.84)
Mr. R.P. Khaitan	Joint Managing Director	(6.94)
Mr. P. Aditya Reddy	Joint Managing Director	(12.87)
Mr. M. Sankara Reddy	Chief Financial Officer	7.00
Mr. M. Subramanyam	Chief Financial Officer	7.00
Mr. J. Srinivasan	Company Secretary	13.51

- c) The average percentage increase in the median remuneration of employees in the financial year was 7.14%.
- d) The Company has 503 permanent employees on the rolls of company as on 31st March 2019.

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

Name	Designation	CTC Rs.in Lakhs	% Increase/ Decrease in CTC	PAT (Rs. in crore)	% Increase in PAT
Mr. P. Dwaraknath Reddy	Managing Director & CEO	103.58*	(6.84)	19.01	(9.60)
Mr. R.P. Khaitan	Joint Managing Director	105.47 [#]	(6.94)		
Mr. P. Aditya Reddy	Joint Managing Director	102.56 ^{**}	(12.87)		
Mr. M. Sankara Reddy	Chief Financial Officer	20.20 ^{\$}	7.00		
Mr. M. Subramanyam	Chief Financial Officer	103.48 ^{\$\$}	7.00		
Mr. J. Srinivasan	Company Secretary	31.95	13.51		

**** It consists of salary/allowance, value of perquisites, bonus and retirement benefits with in the limit approved by members at the AGM held on 23rd September 2016 / 24th September, 2018.

\$ for the period up to 30th June 2018.

\$\$ for the period from 01st July 2018 to 31st March 2019.

- f) Average percentile increase made in the salaries of employees other than the managerial personnel in the financial year was 9.82% whereas increase in the managerial remuneration was (8.95%).
- g) 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.

S.No	Particulars	Rs. in Lakhs
1	Remuneration of highest paid Director	105.47
2	Remuneration of Employee	137.97
	Ratio	1.30

- h) It is hereby affirmed that the remuneration paid during the year is as per the policy of the company.

For and on behalf of the Board

Place : Chennai
Date : August 13, 2019

N. Ramesh Rajan
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE:

The Indian Dry Battery Industry witnessing a sluggish growth and your Company's market share is estimated around 31% among organized players in Dry Battery Industry.

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 RGN Price & Co., had carried out Internal Audit extensively throughout the year. The prime objective of such Audit 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.316.94Cr as compared to Rs.275.80 Crs in the previous year (net of Excise Duty / GST). The profit before depreciation and tax for the year under review was Rs.33.81 Crs as against Rs.36.92 Crs in 2017-18 and depreciation for the year is Rs.5.85 Crs as against Rs.5.76 Crs in the previous year. The profit after tax for the year under review is Rs.19.01 Crs as against Rs.21.03 Crs 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, 2019, the number of employees stood at 503 covering all locations compared to 500 as of March 31, 2018.

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 in respect of the Financial year ended 31st March 2019.

For INDO NATIONAL LIMITED

Place : Chennai
Date : 13^h August, 2019

P. DWARAKNATH REDDY
MANAGING DIRECTOR & CEO

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

We have examined the compliance of conditions of corporate Governance by Indo National Limited for the year ended 31st March, 2019, as stipulated in the relevant provisions of Securities Exchange Board of India ("Listing Obligations and Disclosure requirements) Regulations, 2015.

The compliance of regulations of Corporate Governance is the responsibility of the management. Our examination was limited to the procedure and implementation thereof, adopted by the company for ensuring the compliance of the regulations 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 regulations of Corporate Governance as stipulated in the above mentioned Listing Regulations, as applicable.

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 G Balu Associates LLP
Chartered Accountants
Firm No. 000376S/S200073

Place : Chennai
Date : 13th August, 2019

Rajagopalan B
Partner
M.No. 217187

CEO & CFO CERTIFICATION

The Board of Directors
Indo National Ltd.
Chennai

Dear Members of the Board,

- A. We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (2) these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.
- C. We are responsible for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, changes if any, in the design or operation of such internal controls.
- D. We have indicated to the auditors and the Audit committee
- (1) any significant changes in internal control over financial reporting during the year;
 - (2) all significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (3) any instances of significant fraud of which we are aware that involve the management or an employee having a significant role in the company's internal control system over financial reporting.

P. Dwaraknath Reddy
Managing Director & CEO

C.R.Sivaramakrishnan
Chief Financial Officer

Place : Chennai
Date : 13th August, 2019

INDEPENDENT AUDITORS REPORT

To the Members of Indo National Limited

Report on the Audit of the Standalone Indian Accounting Standards (IndAS) Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of Indo National Limited (“the Company”), which comprise the balance sheet as at 31stMarch 2019, and the statement of Profit and Loss,(including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013(“the Act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the Standalone Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone Ind AS financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Contingent Liability - M/S Indo National Ltd.

Key audit matter	How the matter was addressed in our audit
<p>(Refer Note No.28.1 to the Financial Statements, Page No. 96)</p> <p>The company’s contingent liability disclosed in the notes to financial statements mainly comprises of the sum involved in the cartelization of zinc carbon batteries apart from the regular liabilities.</p> <p>Competition Commission of India had imposed a penalty of Rs 4,226 lakhs</p>	<p>In view of the significance of the matter, we applied the following audit procedures in this area, among others to obtain sufficient and appropriate audit evidence:</p> <ol style="list-style-type: none"> 1. We tested the effectiveness of key controls around the recording and assessment of the contingent liability.

Key audit matter	How the matter was addressed in our audit
<p>against the company for which the Company had gone on appeal and obtained a stay of the penalty by Hon. National Company Law Appellate Tribunal, New Delhi (NCLAT) 2018.</p> <p>This is a key audit matter as the outcome of this litigation is significant to the financial statements and management judgement (based on the legal advice and opinion) is required to support the treatment of this litigation as a contingent liability.</p>	<ol style="list-style-type: none"> 2. We studied the order passed by the Competition Commission of India in detail along with our own legal experts for interpretation of the order. 3. We assessed the relevant historical and recent judgements passed by the court authorities. 4. Obtained Management’s assessment of the case based on the legal advice/opinion to assess the reasonableness of the contingency. 5. We assessed the independence and competence of the legal advisors. 6. Considered the adequacy of the Company’s disclosure made in the financial statements.

Other Information

The Company’s Board of Directors is responsible for the other information. The other information comprises the information included in the Board’s Report together with the annexure thereto, Report on Corporate Governance, but does not include the standalone Ind AS financial statements and our auditor’s report thereon. Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management’s Responsibility for the Standalone Ind AS 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 of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian accounting Standards (Ind AS) specified under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Ind AS financial statements, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate

the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

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

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

- a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements of the current

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

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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, (including other comprehensive income), the statement of changes in Equity 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 Ind AS 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 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- g) 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 – Refer Note 28.9 to the financial statements;
 - II. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - III. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - IV. The reporting on disclosures relation to Specified Bank Notes is not applicable to the company incorporated in India for the year ended March 31, 2019.

For G Balu Associates LLP
Chartered Accountants
FRN : 000376S/S200073

Place: Chennai
Date : 22nd May, 2019

Raja Gopalan. B
Partner (M.No.217187)

Annexure - A to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Indo National Limited ("the Company") as of 31 March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting with reference to financial statements.

Meaning of Internal Financial Controls over Financial Reporting with reference to financial statements

A company's internal financial control over financial reporting with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts

and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting with reference to financial statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting with reference to financial statements and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For G Balu Associates LLP
Chartered Accountants
FRN : 000376S/S200073

Place: Chennai
Date : 22nd May, 2019

Raja Gopalan. B
Partner (M.No.217187)

ANNEXURE – B TO THE AUDITORS' REPORT

The Annexure referred to in our report to the members of Indo National Limited ('the Company') on the financial statements for the year ended 31st March, 2019. We report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of 3 years. In accordance with this programme, certain fixed assets have been verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable.
- (c) According to the information and explanations given to us, and on the basis of the examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) The inventory has been physically verified during the year by the management and no material discrepancies were noticed on such verification.
- (iii) The Company has not granted any loans, secured or unsecured to Companies, Firms, Limited Liability Partnership or other parties, covered in the register maintained under Section 189 of the Companies Act, 2013.

- (iv) According to the information and explanations given to us, the Company has complied with the provisions of Sec 185 and 186 of the Companies Act,2013 with respect to the Loans and Investments made, and guarantees and securities provided by it, as applicable.
- (v) The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed thereunder to the extent notified.
- (vi) Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its specified products.

We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

- (vii) (a) According to the information and explanation given to us and on the basis of our examination of the records of the Company, amount deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Income tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty and Excise Duty, Value added tax, Goods and Service tax,cess and any other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Income tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty and Excise Duty, Value added tax, Goods and Service tax, cess and other material statutory dues were in arrears as at 31st March 2019 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, the following statutory dues which have not been deposited on account of dispute.

Nature of the statute	Nature of dues	Amount(in Lakhs.)	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	11.51	The Second Appellate Authority
Income Tax Act, 1961	Income Tax	11.60	The First Appellate Authority
Sales Tax	Central Sales Tax	2.15	First Sales Tax Appellate Authority
Competition Commission of India	The Competition Act,2002	4426.00	National Company Law Appellate Tribunal

- (viii) According to the records of the Company examined by us and the information and explanation given to us, the company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government or dues to debenture holders as at the Balance Sheet date.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and any term loans from banks. Accordingly, paragraph 3(ix) of the order is not applicable.
- (x) According to the information and explanations given to us, no material fraud by the Company or on by its officers or employees has not been noticed or reported during the year.
- (xi) According to the information and explanations given to us the Company has paid or provided for the managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V of the Companies Act, 2013.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the order is not applicable.
- (xiii) The Company has entered into transactions with related parties in compliance with the provisions of Section 177 and 188 of the Act. The details of related party transactions have been disclosed in the standalone Ind AS

financial statements as required under Indian Accounting Standard (Ind AS)24, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies(Accounts) Rules, 2014.

- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the order not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For G Balu Associates LLP
Chartered Accountants
FRN : 000376S/S200073

Place: Chennai
Date : 22nd May, 2019

Raja Gopalan. B
Partner (M.No.217187)

STANDALONE BALANCE SHEET

for the year ended March 31, 2019

(Rs. in Lakhs)

Particulars	Note No.	Balance as at 31.03.2019	Balance as at 31.03.2018
I. ASSETS			
1 Non-current Assets			
(a) Property, plant and equipment	3A	7,636.45	8,035.45
(b) Capital work in progress	3B	3.50	27.42
(c) Other Intangible assets	4	31.62	37.90
(d) Financial Assets			
(i) Investments	5A	4,651.52	4,651.52
(e) Other non-current assets	6	1,132.14	809.69
Non-current Assets		13,455.23	13,561.98
2 Current Assets			
(a) Inventories	7	4,250.57	3,557.80
(b) Financial Assets			
(i) Trade receivables	8A	8,325.55	7,601.22
(ii) Cash and cash equivalents	8B	1,765.16	1,522.45
(iii) Bank balances other than above	8C	167.37	283.19
(iv) Other Financial assets	8E	143.11	207.41
(c) Current Tax Assets (Net)	9	213.31	19.17
(d) Other current assets	10	1,334.34	529.86
Current Assets		16,199.41	13,721.10
TOTAL ASSETS		29,654.64	27,283.08
II. EQUITY AND LIABILITIES			
1 Equity			
(a) Equity share capital	11	375.00	375.00
(b) Other Equity	12	20,431.36	19,426.90
		20,806.36	19,801.90
2 Non-Current Liabilities			
(a) Financial Liabilities			
(i) Other financial liabilities	13	-	5.18
(b) Provisions	14	399.07	375.63
(c) Deferred tax liabilities (Net)	15	1,994.30	2,084.29
Non-Current Liabilities		2,393.37	2,465.10
3 Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	16A	3,024.00	2,236.08
(ii) Trade payables	16B		
a. Total outstanding dues of micro enterprises and small enterprises		42.66	-
b. Total outstanding dues of creditors other than micro enterprises and small enterprises		2,042.65	1,662.79
(iii) Other financial liabilities	16C	41.31	38.99
(b) Other current liabilities	17	798.48	793.99
(c) Provisions	14	505.81	284.23
Current Liabilities		6,454.91	5,016.08
TOTAL EQUITY AND LIABILITIES		29,654.64	27,283.08

See accompanying notes forming part of the financial statements

As per our Report attached

For **G BALU ASSOCIATES LLP**
Chartered Accountants
FRN : 000376S/S200073

N. RAMESH RAJAN
Chairman

P. DWARAKNATH REDDY
Managing Director

R.P. KHAITAN
Joint Managing Director

RAJA GOPALAN B
Partner (M No.217187)

C.R. SIVARAMAKRISHNAN
Chief Financial Officer

J. SRINIVASAN
Company Secretary

Place : Chennai

Date : 22nd May, 2019

For and on behalf of the Board of Directors

STATEMENT OF STANDALONE PROFIT AND LOSS

for the year ended March 31, 2019

(Rs. in Lakhs)

Particulars	Note No.	For the Year ended March 31, 2019	For the Year ended March 31, 2018
I. Revenue from operations (Gross)	18	31,694.87	28,498.44
II. Other operating Income	19	1,944.80	1,808.59
III. Total Income (I+II)		33,639.67	30,307.03
IV. Expenses			
(a) Cost of materials consumed	20	12,440.99	11,663.28
(b) Excise Duty Expenses		-	918.22
(c) Purchases of Stock-in-Trade - Traded goods	21	9,130.87	5,131.88
(d) Changes in inventories of finished goods Work-in-progress and stock-in-trade	22	(564.64)	254.63
(e) Employee benefits expenses	23	4,004.14	3,899.02
(f) Finance costs	24	437.14	234.63
(g) Depreciation and amortization expenses	25	585.52	576.54
(h) Other expenses	26	4,809.03	4,512.64
Total Expenses		30,843.05	27,190.84
V. Profit before tax (III-IV)		2,796.62	3,116.19
VI. Less : Tax expenses			
a. Current tax	27	978.00	1,077.00
b. Deferred tax		(87.36)	(64.00)
VII. Profit for the period (V-VI)		1,905.98	2,103.19
VIII. Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
- Remeasurements of post-employment benefit obligations		(7.54)	-
- Tax relating to the above		2.64	-
Other Comprehensive Income (Net of Taxes)		(4.90)	-
IX. Total Comprehensive Income for the period		1,901.08	2,103.19
(Comprising profit and other comprehensive income)			
X. Earning per share (of Rs.10/- each)			
a. Basic (in Rs.)		50.83	56.09
b. Diluted (in Rs.)		50.83	56.09

See accompanying notes forming part of the financial statements

As per our Report attached

For **G BALU ASSOCIATES LLP**
Chartered Accountants
FRN : 000376S/S200073

N. RAMESH RAJAN
Chairman

RAJA GOPALAN B
Partner (M No.217187)

C.R. SIVARAMAKRISHNAN
Chief Financial Officer

Place : Chennai
Date : 22nd May, 2019

For and on behalf of the Board of Directors

P. DWARAKNATH REDDY
Managing Director

R.P. KHAITAN
Joint Managing Director

J. SRINIVASAN
Company Secretary

STANDALONE STATEMENT OF CASH FLOWS

for the year ended March 31, 2019

(Rs. in Lakhs)

Particulars	For the Year ended March 31, 2019	For the Year ended March 31, 2018
A. Cash flow from operating activities		
Profit before income tax	2,796.62	3,116.19
Adjustments for:		
Depreciation and amortisation expenses	585.52	576.54
(Profit) / Loss on Sale of Fixed Assets	5.27	(1.81)
Interest income	(459.38)	(358.47)
Finance cost	401.59	233.18
Operating profit before working capital changes	3,329.62	3,565.63
Changes in operating assets and liabilities		
Financial assets and other current assets	(689.67)	(162.80)
Trade receivables	(724.33)	(323.17)
Inventories	(692.77)	471.05
Increase / (Decrease) in Trade payables	422.52	543.58
Increase / (Decrease) in Provisions & other liabilities	246.65	91.97
Changes in working capital	(1,437.60)	620.63
Cash generated from operations	1,892.02	4,186.26
Less : Income tax paid (Net of Refunds)	(1,106.85)	(924.27)
Net cash generated from operating activities	785.17	3,261.99
B. Cash flow from investing activities		
Purchase of PPE (including changes in CWIP)	(167.68)	(538.80)
Sale proceeds of PPE	6.14	25.37
(Purchase) / disposal proceeds of investments	-	(805.00)
Interest received	9.20	11.58
Interest / TDS received from Helios	127.71	-
Net cash flow (used in) investing activities	(24.63)	(1,306.85)
C. Cash flow from financing activities		
Proceeds from / (Repayment of) Long term borrowings	-	-
Dividends paid (including dividend distribution tax)	(904.16)	(1,128.35)
Finance cost paid	(401.59)	(233.18)
Net cash flow used in financing activities	(1,305.75)	(1,361.53)
(i) Net increase / (decrease) in Cash and cash equivalents (A+B+C)	(545.21)	593.61
(ii) Cash and cash equivalents at the beginning of the year	(713.63)	(1,307.24)
Cash and cash equivalents at the end of the year	(1,258.84)	(713.63)

The accompanying notes are an integral part of these financial statements

As per our Report attached

For **G BALU ASSOCIATES LLP**
Chartered Accountants
FRN : 000376S/S200073

RAJA GOPALAN B
Partner (M No.217187)

Place : Chennai
Date : 22nd May, 2019

N. RAMESH RAJAN
Chairman

C.R. SIVARAMAKRISHNAN
Chief Financial Officer

For and on behalf of the Board of Directors

P. DWARAKNATH REDDY
Managing Director

R.P. KHAITAN
Joint Managing Director

J. SRINIVASAN
Company Secretary

STANDALONE STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2019

(Rs. in Lakhs)

a) EQUITY SHARE CAPITAL	
Balance as at March 31, 2017	375.00
Changes in equity share capital during the year	0.00
Balance as at March 31, 2018	375.00
Changes in equity share capital during the year	0.00
Balance as at March 31, 2019	375.00

b) OTHER EQUITY

PARTICULARS	RESERVES & SURPLUS		Items of other comprehensive income	Total
	GENERAL RESERVE	RETAINED EARNINGS		
Balance as at March 31, 2017	16,557.82	1,894.24	-	18,452.06
Profit for the year	-	2,103.19	-	2,103.19
Transfer to General reserve	1,500.00	(1,500.00)	-	-
Payment of Dividend and dividend distribution tax FY 2016-17	-	(1,128.35)	-	(1,128.35)
Balance as at March 31, 2018	18,057.82	1,368.55	-	19,426.37
Profit for the year	-	1,901.08	-	1,901.08
Other Comprehensive Income (OCI)	-	-	7.54	7.54
Transfer to General reserve	1,200.00	(1,200.00)	-	-
Payment of Dividend and dividend distribution tax FY 2017-18	-	(904.16)	-	(904.16)
Balance as at March 31, 2019	19,257.82	1,166.00	7.54	20,431.36

See accompanying notes forming part of the financial statements.

As per our Report attached

For **G BALU ASSOCIATES LLP**
Chartered Accountants
FRN : 000376S/S200073

N. RAMESH RAJAN
Chairman

RAJA GOPALAN B
Partner (M No.217187)

C.R. SIVARAMAKRISHNAN
Chief Financial Officer

Place : Chennai
Date : 22nd May, 2019

For and on behalf of the Board of Directors

P. DWARAKNATH REDDY
Managing Director

J.P. KHAITAN
Joint Managing Director

J. SRINIVASAN
Company Secretary

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION:

Indo National Limited ("The Company") is a public limited Company domiciled in India and incorporated under the provisions of Companies Act, 1956 and has its registered office in Chennai. The Company is in the business of manufacture and marketing of batteries, torches, LED products, emergency power backup products & mosquito bats and other electrical goods. Nippo is the first Indian dry battery company to have been certified with ISO 9001 and ISO 14001 international standards and has the ISI mark of quality on all its batteries. Nippo has 35 depots across India and has distribution network with over 5600 stockiest PAN India.

2. SIGNIFICANT ACCOUNTING POLICIES:

2.1 Statement of compliance

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of Companies Act, 2013, (the 'Act'), the Companies (Indian Accounting Standards) Rules 2015, as amended and other relevant provisions of the Act.

2.2 Basis of accounting and preparation of financial statements

The standalone financial statements have been prepared on the historical cost basis except for :

Defined benefit plans - plan assets measured at fair value.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability, if market participants would take those characteristics into account, when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36. In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- (i) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date;
- (ii) Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly and
- (iii) Level 3 inputs are unobservable inputs for the asset or liability.

2.3 Use of estimates and judgement

The preparation of the financial statements in conformity with Ind AS requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known / materialise. Estimates have been used in provision for employee benefits and useful lives of property, plant and equipment.

2.4 Revenue recognition

Sale of goods

Revenue from the sale of goods is recognized, net of returns and trade discount, when all the following

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

conditions are satisfied:

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

Interest income

Interest income on financial asset is accrued on a time proportion basis by reference to the principal amount outstanding and the applicable effective interest rate.

2.5 Foreign currency transactions and translations

The functional currency of the Company is Indian rupee (INR).

Foreign currency transactions are initially recorded at the spot rates on the date of the transactions. Monetary assets and liabilities related to foreign currency transactions remaining unsettled at the end of the year are translated at year-end rates. Non-monetary items denominated in other currencies and that are measured in terms of historical cost are translated at the exchange rates prevailing on the dates on which such values are determined. The difference in translation of monetary assets and liabilities and realised gains and losses on foreign currency transactions are recognized in the Statement of Profit and Loss.

2.6 Borrowing costs

Borrowing costs include interest, amortization of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset form part of the cost of that asset. Other borrowing costs are recognized as an expense.

2.7 EMPLOYEE BENEFITS

2.7.1 Retirement benefit costs and termination benefits:

Defined contribution plan

The eligible employees of the Company are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary. The contributions as specified under the law are made to the Employee Provident Fund Organization (EPFO). The Company is liable only for its fixed contributions which is required to be made in accordance with the schemes in force as notified by EPFO. All contributions made by the company are recognized as expenses for the relevant period.

Defined benefit plan

For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the Balance Sheet with a charge or credit recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognized in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. The following are the defined benefit plans:

Gratuity - The Company has an obligation towards gratuity, a defined benefit plan covering eligible employees. The plan provides for lump sum payment to vested employees on retirement, death while in employment or on separation. Vesting occurs upon completion of five years of service. The liability, which is determined by

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

means of an independent actuarial valuation, is funded with LIC.

Defined benefit costs are categorized as follows:

- (i) Service cost (including current service cost, past service cost, gains and losses on curtailment and settlement);
- (ii) net interest income or expense and
- (iii) remeasurement.

2.7.2 Short term employee benefits and other long-term employee benefits

A liability is recognized for benefits accruing to employees in respect of wages and salaries, annual leave and other leaves in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service. Liabilities recognized in respect of short term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange of that related service. Other employee benefits include compensated absences and termination benefits. Both these benefits are settled as per the Company policy and charged to profit and loss account as and when the payment is made.

2.8 INCOME TAX

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

2.8.1 Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

2.8.2 Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for: - temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of transaction. Deferred tax assets recognised or unrecognised are reviewed at each reporting date and are recognised / reduced to the extent that it is probable / no longer probable respectively that the related tax benefit will be realised. Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. The Company offsets, the current tax assets and liabilities (on a year on year basis) and deferred tax assets and liabilities, where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis.

Minimum Alternate Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. Such asset is reviewed at each balance sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the company will pay normal income tax during the specified period.

2.8.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

recognised in other comprehensive income or directly in equity respectively.

2.9 Property, plant and equipment

Property, plant and equipment are carried at cost less accumulated depreciation and impairment losses, if any. The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying property, plant and equipment up to the date the asset is ready for its intended use. Subsequent expenditure on property, plant and equipment after its purchase / completion is capitalized only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance. Property, plant and equipment acquired and put to use for project purpose are capitalized and depreciation thereon is included in the project cost till the project is ready for its intended use.

2.9.1 Depreciation

Property, Plant and equipment has been provided on the straight-line method on imported body maker and bag makers, other projects under plant and equipments on assets relating to 3D Project (I line), 3U Unit (New line), 4U Units (New lines) and solar plant and written down value method on all other tangible assets as per the useful life prescribed in Schedule II to the Companies Act, 2013. Motor car purchased under new block is depreciated over 4 years. Depreciation methods, useful lives and residual values are reviewed periodically, including at each financial year end.

2.10 Intangible Assets

Intangible assets are carried at cost less accumulated amortization and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Subsequent expenditure on an intangible asset after its purchase / completion is recognized as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.

2.10.1 Intangible assets under development

Expenditure on research and development eligible for capitalization are carried as intangible assets under development where such assets are not yet ready for their intended use. An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in profit or loss when the asset is derecognized.

2.10.2 Useful lives of intangible assets

Intangible assets are amortized over their useful life.

2.11 Impairment of tangible and intangible assets

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists.

If the carrying amount of the assets exceed the estimated recoverable amount, impairment is recognized for such excess amount. The impairment loss is recognized as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the greater of the fair value less costs of disposal and their value in use. Value in

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor, that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. When there is indication that an impairment loss recognized for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognized in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets such reversal is not recognized.

2.12 Inventories

Inventories are valued at the lower of cost (on weighted average basis) and net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale including octroi and other levies, transit insurance and receiving charges. Finished goods and work in progress include apportionment of overheads. Net realisable value is the estimated selling price less estimated costs for completion and sale.

Raw materials including components, finished goods, work in process, stock in trade, material in transit, packing materials and stores & spares have been valued at lower of cost and estimated net realizable value. Cost is computed under FIFO method. Moulds, dies and tools, developed in house for specific customer application are classified as 'Composite tooling' based on technical consideration. These are shown in balance sheet based upon technical and economic evaluation carried out by independent valuers but not exceeding the cost thereof. In case the technical or economic factors underlying the valuation undergo material or adverse changes, appropriate write down is made in the year of such adverse change. Material in transit is valued at cost.

2.13 Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate of the consideration required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

2.13.1 Warranties

Provisions for service warranties and returns are recognised when the Company has a present or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably measured.

2.14 Cash and cash equivalents

Cash comprises of cash in hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

Bank overdraft and cash credit are also considered as part of cash and cash equivalents for the purpose of Statement of Cash Flows.

2.15 Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) for the year by the weighted average number of equity shares outstanding during the year. Diluted earnings per share (if any) is computed by dividing the profit / (loss) for the year as adjusted for dividend, interest and other charges to expense or

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

2.16 Operating Cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

2.17 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. The transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognised in the Statement of Profit and Loss.

2.17.1 Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

2.18.1 Financial assets

Classification

The Company classifies its financial assets in the following measurement categories:

- (i) those measured at amortised cost and
- (ii) those to be measured subsequently at fair value through profit and loss.

a. Financial assets at amortised cost:

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b. Financial assets at fair value through profit or loss:

Financial assets are measured at fair value through profit or loss where it is not measured at amortised cost.

c. Investment in subsidiaries:

Investment in subsidiaries are measured at cost as per Ind AS 27 - Separate Financial Statements.

d. Impairment of financial assets

The financial assets will be tested for impairment at each reporting date. Loss allowance for expected credit losses will be recognised for financial assets measured at amortised cost, if any.

e. Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

2.18.2 Financial liabilities and equity

Classification

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument:

a. Equity instruments

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

b. Financial Liabilities

Financial liabilities are measured at amortised cost using the effective interest rate method. Trade and other payables maturing within one year from the balance sheet date is measured at carrying amount since the carrying amount approximates the fair value to short term maturity of these instruments.

c. Derecognition of financial liabilities

The Company derecognizes financial liabilities only when the Company's obligations are discharged, cancelled or they expire.

3. PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS

(Rs.in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
3A. Carrying amounts of:		
Freehold land	363.35	363.35
Buildings	1,288.81	1,349.62
Plant and equipment	5,733.01	6,018.63
Furniture and Fixture	150.00	187.56
Vehicles	65.69	59.69
Office equipment	20.99	34.67
Electrical Equipment -		
Air Conditioners and Refrigerators	5.32	10.33
Computer Systems	9.28	11.60
Sub-Total	7,636.45	8,035.45
3B. Capital work-in -progress	3.50	27.42
Total	7,639.95	8,062.87

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

(Rs.in lakhs)

Particulars	Freehold Land	Building	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipments	Electrical Equipment - Air Conditioners and Refrigerators	Computer Systems	Total
Cost or deemed cost									
Balance as at March 31, 2016	282.41	1,226.46	5,607.32	82.06	45.09	19.20	20.13	18.28	7,300.95
Additions	80.94	212.51	931.21	22.64	63.74	7.54	-	10.31	1,328.89
Disposals	-	-	-	-	22.18	-	0.52	1.74	24.44
Balance as at March 31, 2017	363.35	1,438.97	6,538.53	104.70	86.65	26.74	19.61	26.85	8,605.40
Additions	-	108.35	221.19	140.55	-	31.32	-	9.47	510.88
Disposals	-	-	60.71	-	8.27	0.39	9.28	24.72	103.37
Balance as at March 31, 2018	363.35	1,547.32	6,699.01	245.25	78.38	57.67	10.33	11.60	9,012.91
Additions	-	44.60	94.75	15.70	28.05	3.01	-	5.54	191.65
Disposals	-	-	125.15	72.10	10.02	39.69	5.01	7.86	259.83
Balance as at March 31, 2019	363.35	1,591.92	6,668.61	188.85	96.41	20.99	5.32	9.28	8,944.73
Accumulated Depreciation									
Balance as at March 31, 2016	-	-	-	-	-	-	-	-	-
Depreciation expenses	-	91.39	342.34	25.91	21.04	10.14	6.25	13.80	510.87
Elimination on disposal	-	-	-	-	20.88	-	0.49	1.71	23.08
Balance as at March 31, 2017	-	91.39	342.34	25.91	0.16	10.14	5.76	12.09	487.79
Depreciation expenses	-	106.31	376.13	31.78	25.94	13.23	3.52	12.57	569.48
Elimination on disposal	-	-	38.09	-	7.41	0.37	9.28	24.66	79.81
Balance as at March 31, 2018	-	197.70	680.38	57.69	18.69	23.00	-	-	977.46
Depreciation expenses	-	105.41	377.23	50.66	20.15	16.08	2.21	7.51	579.25
Elimination on disposal	-	-	122.01	69.50	8.12	39.08	2.21	7.51	248.43
Balance as at March 31, 2019	-	303.11	935.60	38.85	30.72	-	-	-	1,308.28
Carrying amount									
Balance as at March 31, 2016	282.41	1,226.46	5,607.32	82.06	45.09	19.20	20.13	18.28	7,300.95
Balance as at March 31, 2017	363.35	1,347.58	6,196.19	78.79	86.49	16.60	13.85	14.76	8,117.61
Balance as at March 31, 2018	363.35	1,349.62	6,018.63	187.56	59.69	34.67	10.33	11.60	8,035.45
Balance as at March 31, 2019	363.35	1,288.81	5,733.01	150.00	65.69	20.99	5.32	9.28	7,636.45

Note:

The aggregate working capital limits of Rs.4900 lakhs (Rs.3000) 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.NIL (Rs.118) availed from banks is secured against fixed deposits.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

4. OTHER INTANGIBLE ASSETS AND INTANGIBLE ASSETS UNDER DEVELOPMENT

(Rs. in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Carrying amounts of:		
Computer Software	31.62	37.90
Total	31.62	37.90
		(Rs. in lakhs)
	Computer Software	Total
Cost or deemed cost		
Balance as at March 31, 2016	22.89	22.89
Additions	4.13	4.13
Disposals	-	-
Balance as at March 31, 2017	27.02	27.02
Additions	30.78	30.78
Disposals	-	-
Balance as at March 31, 2018	57.80	57.80
Additions	-	-
Disposals	-	-
Balance as at March 31, 2019	57.80	57.80
Accumulated depreciation and impairment		
Balance as at March 31, 2016	-	-
Disposals	-	-
Amortization expense	12.84	12.84
Balance as at March 31, 2017	12.84	12.84
Disposals	-	-
Amortization expense	7.06	7.06
Balance as at March 31, 2018	19.90	19.90
Disposals	-	-
Amortization expense	6.28	6.28
Balance as at March 31, 2019	26.18	26.18
Carrying amount		
Balance as at March 31, 2016	22.89	22.89
Balance as at March 31, 2017	14.18	14.18
Balance as at March 31, 2018	37.90	37.90
Balance as at March 31, 2019	31.62	31.62

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

(Rs. in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
5. FINANCIAL ASSETS		
5A NON CURRENT INVESTMENTS		
Investment in equity instruments		
(i) Investment in subsidiary (at deemed cost) Helios Strategic Investments Ltd - 50000 equity shares of Rs. 10/- each fully paid up	5.00	5.00
(ii) Investment in Debentures 8% Compulsorily Convertible debentures invested in Helios Strategic Investments Ltd	4,646.52	4,646.52
Less: impairment loss	-	-
Aggregate carrying amount of quoted investment	-	-
Aggregate carrying amount of unquoted investment	4,651.52	4,651.52
Aggregate amount of impairment in value of investment	-	-
6. OTHER NON-CURRENT ASSETS		
Interest accrued on debentures (Unsecured considered good)	1,084.21	761.76
Security Deposits	47.93	47.93
Total	1,132.14	809.69
7. INVENTORIES		
(at lower of Cost and Net Realizable Value) (as taken, valued & certified by the management)		
Raw materials	1,062.32	917.09
Goods-in-Transit	-	-
Work in process	283.68	343.61
Finished goods	1,224.16	1,371.75
Stock-in-trade	1,455.12	681.48
Stores and spares	225.29	243.87
Total	4,250.57	3,557.80
Note: Details of inventory of work-in-progress Manufacturing batteries	283.68	343.61
8. FINANCIAL ASSETS		
8A TRADE RECEIVABLE		
Unsecured and considered good	8,325.55	7,601.22
Doubtful	-	-
Less: Allowance for doubtful trade receivables (expected credit loss allowance)	-	-
Total	8,325.55	7,601.22

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

(Rs. in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
DEBTORS AGEING		
Within the credit period (0 - 15)	1,375.15	1,422.95
16 - 90 days past due	3,651.90	3,179.95
More than 90 past due	3,298.50	2,997.77
Total	8,325.55	7,600.67
The management has not provided for any expected credit loss allowance considering the past trends and customers credit worthiness.		
8B CASH AND CASH EQUIVALENTS		
I) Cash & cash equivalents :		
(a) Cash in hand	2.64	2.37
(b) Cheques and drafts on hand	1,694.19	1,500.87
(c) Balance with banks - In Current accounts	68.33	19.21
Total	1,765.16	1,522.45
8C OTHER BALANCE WITH BANKS		
Held as fixed deposits (Less than 12 months)	129.69	243.40
Held as margin money against borrowings and other Commitments	2.94	2.94
Unpaid dividend accounts	34.74	36.85
Total	167.37	283.19
II) Bank overdraft and cash credit		
	(3,024.00)	(2,236.08)
8D CASH & CASH EQUIVALENTS FOR THE PURPOSE OF CASH FLOW STATEMENTS		
	(1,258.84)	(713.63)
8E Other Financial Assets		
Security Deposits	143.11	207.41
9. CURRENT TAX ASSETS (NET)		
Receivables from Revenue Authorities	190.49	125.18
Advance Tax net of Provision	22.82	(106.01)
Total	213.31	19.17
10. OTHER CURRENT ASSETS		
Insurance claims receivables	10.21	18.19
Advance to Employee	18.86	22.33
Other advances	645.27	339.34
Other advances - Related parties	660.00	150.00
Total	1,334.34	529.86

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Particulars	As at		As at	
	March 31, 2019		March 31, 2018	

11. EQUITY SHARE CAPITAL

	No. of Shares	Lakhs	No. of Shares	Lakhs
(a) Authorised Equity shares of Rs.10 each with voting rights	50,00,000	500.00	50,00,000	500.00
(b) Issued Equity shares of Rs.10 each with voting rights	37,50,000	375.00	37,50,000	375.00
(c) Subscribed and fully paid up Equity shares of Rs.10 each with voting rights	37,50,000	375.00	37,50,000	375.00

Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period.

	Opening Balance	Additions during the year	Deletions during the year	Closing Balance
Equity shares with voting rights				
Year ended March 31, 2019				
- Number of shares	37,50,000	-	-	37,50,000
- Amount (Rs. in Lakhs)	375.00	-	-	375.00
Year ended March 31, 2018				
- Number of shares	37,50,000	-	-	37,50,000
- Amount (Rs. in Lakhs)	375.00	-	-	375.00
Year ended March 31, 2017				
- Number of shares	37,50,000	-	-	37,50,000
- Amount (Rs. in Lakhs)	375.00	-	-	375.00

(ii) Terms / rights attached to equity shares:-

The company has only one class of equity shares having @ par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution shall be according to the members right and interest in the Company.

(iii) Shareholding more than 5% - Number of shares and % of Holding:-

Shareholders	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	% of Holdings	No. of Shares	% of Holdings
P. Dwaraknath Reddy	16,53,695	44.10	16,53,695	44.10
Laxmi Devi Jiwarajka	3,44,512	9.19	3,44,512	9.19
Sarla Devi Khaitan	2,60,398	6.94	2,60,398	6.94

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

(Rs. in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
12. OTHER EQUITY		
(i) General Reserve	19,257.82	18,057.82
(ii) Retained Earnings	1,166.00	1,369.08
(iii) O C I	7.54	-
Total	20,431.36	19,426.90
(i) General Reserve		
Balance at beginning of year	18,057.82	16,557.82
Movement during the year	1,200.00	1,500.00
Balance at end of year	19,257.82	18,057.82
(ii) Retained Earnings		
Balance at beginning of year	1,369.08	1,894.24
Profit for the year	1,901.08	2,103.19
Payment of dividend	(904.16)	(1,128.35)
Transfer to General Reserve	(1,200.00)	(1,500.00)
Balance at end of year	1,166.00	1,369.08
13. FINANCIAL LIABILITIES		
Earnest Money Deposits	-	5.18
Total	-	5.18

14. PROVISIONS

Particulars	Non-Current	Current	Non-Current	Current
(a) Provision for employee benefits	399.07	52.93	375.63	-
(b) Others	-	452.88	-	284.23
Total	399.07	505.81	375.63	284.23

Details of provisions

(i) The Company has made provision for various contractual obligations and disputed liabilities based on its assessment of the amount it estimates to incur to meet such obligations, details of which are given below:

Particulars	As at April 2017	Additions	Utilisation	Reversal (withdrawn is no longer required)	As at March 2018
Others	229.25	183.05	128.07	-	284.23
Total	229.25	183.05	128.07	-	284.23
Particulars	As at April 2018	Additions	Utilisation	Reversal (withdrawn is no longer require)	As at March 2019
Provision - Others	284.23	229.29	60.64	-	452.88
Total	284.23	229.29	60.64	-	452.88

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

(Rs. in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
15. DEFERRED TAX LIABILITIES (NET)		
Deferred Tax Assets	247.73	157.74
Deferred Tax Liabilities	2,242.03	2,242.03
Total	1,994.30	2,084.29

Particulars	As at March 31, 2018	Recognised in Profit & Loss	Recognised in other compre- hensive income	As at March 31, 2019
A. DEFERRED TAX ASSETS				
Allowances for doubtful debts and advances	-	-	-	-
Provision for compensated absences	157.74	87.36	2.64	247.74
Mat credit entitlement	-	-	-	-
Others	-	-	-	-
Total	157.74	87.36	2.64	247.74
B. DEFERRED TAX LIABILITIES				
Difference between book balance and tax balance of property, plant and equipment	2,070.18	-	-	2,070.18
Others	171.85	-	-	171.85
Total	2,242.03	-	-	2,242.03

Particulars	As at March 31, 2017	Recognised in Profit & Loss	Recognised in other compre- hensive income	As at March 31, 2018
A. DEFERRED TAX ASSETS				
Allowances for doubtful debts and advances	-	-	-	-
Provision for compensated absences	158.73	(0.99)	-	157.74
Mat credit entitlement	-	-	-	-
Others	-	-	-	-
Total	158.73	(0.99)	-	157.74
B. DEFERRED TAX LIABILITIES				
Difference between book balance and tax balance of property, plant and equipment	2,096.83	(26.65)	-	2,070.18
Others	210.20	(38.35)	-	171.85
Total	2,307.03	(65.00)	-	2,242.03

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

(Rs. in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
16. FINANCIAL LIABILITIES		
16A CURRENT BORROWINGS		
Loans repayable on demand from banks Secured at amortised cost		
Bank overdraft and cash credit	3,024.00	2,236.08
Total	3,024.00	2,236.08

Loans repayable on demand from banks	Nature of Security	March 31, 2019	March 31, 2018
MUFG Bank Ltd.		-	728.36
Canara Bank	see note	657.44	782.21
DBS Bank		766.56	607.95
HDFC Bank		500.00	-
Kotak Mahindra Bank		-	117.56
RBL Bank		1,100.00	-
Total		3,024.00	2,236.08

Note: The aggregate working capital limits of Rs.4,900 lakhs (Rs.3,000) 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.NIL (Rs.118) availed from banks is secured against fixed deposits.

16B TRADE PAYABLES

Total outstanding dues of creditors other than micro enterprises and small enterprises	2,042.65	1,662.79
Due to Micro Enterprises and Small Enterprises	42.66	-
Total	2,085.31	1,662.79

The dues to MSME have been determined to the extent such parties have been identified on the basis of information collected by management. There have been no payments beyond the appointed date during the year and hence no interest has been provided on the outstanding dues to MSME

16C OTHER FINANCIAL LIABILITIES

a) Liability towards Investor Education and Protection Fund under Section 125 of the Companies Act, 2013		
Unclaimed Dividends	34.74	36.85
b) Other Payables		
Interest accrued but not due on Borrowings	6.57	2.14
Total	41.31	38.99

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

(Rs. in lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
17. OTHER CURRENT LIABILITIES		
(i) Statutory Dues Payable to government authorities	207.39	233.69
(ii) Others	591.09	560.30
Total	798.48	793.99
18. REVENUE FROM OPERATIONS		
Sale of products-[including excise duty of (for the year ended March 31, 2018) refer note (i)]	31,694.87	28,498.44
Total	31,694.87	28,498.44
(i) Sale of product comprises:		
A. Manufactured Goods		
Dry Batteries	20,211.96	20,963.76
Total A - Sale of manufactured goods	20,211.96	20,963.76
B. Traded goods		
Batteries	5,201.55	5,180.89
Torches	2,060.64	1,786.12
Other consumer goods	4,220.72	567.67
Total B - Sale of Traded goods	11,482.91	7,534.68
Total - Sale of Products	31,694.87	28,498.44
19. OTHER OPERATING INCOME		
(a) Interest Income refer note (i) below	1,800.74	1,598.51
(b) Other operating income (Refer Note.(ii) below)	144.06	210.08
Total	1,944.80	1,808.59
(i) Interest income comprises:		
- Deposits	9.20	11.58
- Over due bills	1,341.36	1,240.04
- Debentures	450.18	346.89
Total - Interest Income	1,800.74	1,598.51
(ii) Other operating income comprises:		
Net gain on sale of fixed assets	2.83	1.81
Other operating income	141.23	208.27
Total - Other Operating Income	144.06	210.08
20. COST OF MATERIALS CONSUMED		
Opening Stock	917.09	1,146.67
Add: Purchases	12,586.22	11,433.70
Less: Closing Stock	1,062.32	917.09
Total Cost of Material Consumed	12,440.99	11,663.28

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

(Rs. in lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Material Consumed Comprises of:		
Zinc	4,053.27	4,245.21
Electrolytic Manganese Dioxide	1,988.02	1,727.00
Others	6,399.70	5,691.07
Total	12,440.99	11,663.28
21. PURCHASE OF STOCK IN TRADE (TRADED GOODS)		
Batteries	3,171.40	3,371.96
Flashlights	1,577.42	1,520.07
Other consumer goods	4,382.05	239.85
Total	9,130.87	5,131.88
22. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
A. At the beginning of the accounting year		
Finished goods	1,371.75	1,491.77
Goods-in-process	343.60	412.53
Stock-in-trade	673.75	739.43
	2,389.10	2,643.73
B. At the end of the accounting year		
Finished goods	1,224.16	1,371.75
Goods-in- process	283.68	343.60
Stock-in-trade	1,445.90	673.75
	2,953.74	2,389.10
C. Decrease/(Increase) in Inventories	(564.64)	254.63
23. EMPLOYEE BENEFIT EXPENSE		
Salary, Wages and Allowances	2,755.77	2,652.41
Directors' Remuneration	311.61	342.25
Contribution to Provident and other funds	238.55	230.66
Staff welfare expenses	698.21	673.70
Total	4,004.14	3,899.02
24. FINANCE COSTS		
Interest to bank	401.59	233.18
Applicable net loss/(gain) of foreign currency transaction / translation	35.55	1.45
Total	437.14	234.63

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

(Rs. in lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
25. DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation for the year on property, plant and equipment	576.86	569.48
Amortisation for the year on intangible assets as per note	8.66	7.06
Total	585.52	576.54
26. OTHER EXPENSES		
Consumption of stores and spare parts	276.83	317.74
Power, Gas and Water	327.06	328.56
Repairs to:		
Machinery	25.10	20.40
Buildings	74.13	63.06
General	235.22	224.37
Insurance	16.69	24.26
Research & Development Expenses	65.61	15.50
Rent	315.75	314.75
Travelling & Conveyance	564.70	538.75
Communication expenses	59.79	70.41
Printing and Stationery	17.19	15.09
Vehicle Maintenance	84.09	58.19
Auditors' Remuneration	10.25	10.25
Professional charges	492.91	368.21
Additional Sales Tax, etc	-	13.68
Rates and taxes	94.54	96.13
Advertisement expenses	156.40	330.79
Freight expense	981.21	744.35
Sales promotion, Selling and Distribution expenses	851.48	812.61
Loss on sale of fixed assets	8.10	-
Corporate Social Responsibility	67.58	73.24
Miscellaneous expenses	84.40	72.30
Total	4,809.03	4,512.64
Payments to the auditors comprises fees for		
For Statutory audit	4.00	4.00
For Taxation and Certification	3.50	3.50
For Tax Audit	2.00	2.00
Out of pocket expenses	0.75	0.75
Total	10.25	10.25

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

(Rs. in lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
27. INCOME TAX		
a. Income tax recognised in profit and loss		
Current tax	978.00	1,077.00
Deferred tax	(87.36)	(64.00)
Deferred tax - OCI	(2.64)	-
Total	888.00	1,013.00
b. Reconciliation of the accounting profit to the income tax expense for the year is summarised below :		
Profit before tax	2,796.62	3,116.19
Income tax expense calculated at 34.608%	967.85	1,078.45
Effect of expenses that are not deductible in determining taxable profit	10.15	(1.45)
Income-tax expense	978.00	1,077.00

28. ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS DISCLOSURES UNDER INDIAN ACCOUNTING STANDARDS

28.1 Contingent liabilities & commitments (to the extent not provided for)

(Rs. in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
(i) Contingent Liability		
a) Penalty imposed by Competition Commission of India ("CCI") on the company and on certain officers of the Company (Refer note below)	4,226.00	4,226.00
b) Claims against the Company not acknowledged as debts:		
Bills discounted with Bankers and others	3,564.87	3,818.22
Sales tax	2.15	2.15
Income Tax	29.48	29.48

Note: In terms of order dated 25th April 2018 received on 02nd May 2018, the Competition Commission of India (CCI) has imposed penalty of Rs. 4226.00 lakhs for alleged cartelisation in respect of Zinc carbon dry cell batteries market in india. The Company had filed an appeal against order of CCI before the National Company Law Appellate Tribunal (NCLAT) . NCLAT has granted stay on the CCI order on the condition that the Company should deposit 10% of the penalty amounting to Rs.422.00 Lakhs. The Company has deposited this amount with the registry (through FD) within the due date as stipulated by NCLAT. Based on the legal opinion and considering the uncertainty relating to the outcome of this matter, no provision has been considered in the books of accounts.

28.2 The details relating to Micro, Small and Medium Enterprises in terms of the Micro, Small and Medium Enterprises Development Act, 2006 are as follows: as provided by the management on the basis of confirmations received from suppliers regarding their status under the said act. Interest has not been provided ,as the amount due to these creditors is not overdue for a period of more than 45 days.

Outstanding principal Amount and Interest as on March 31, 2019

- Principal amount	42.66	-
- Interest due thereon	-	-
Total	42.66	-

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

28. ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS

DISCLOSURES UNDER INDIAN ACCOUNTING STANDARDS (CONTD.)

28.3 Disclosure as per Regulation 34 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015

Particulars of Loans, guarantees or investments covered under Section 186(4) of the Companies Act, 2013

Particulars	March 31, 2019	March 31, 2018	Purpose
i) Loans Outstanding	660.00	150.00	Working Capital requirement
ii) Investments	4,651.52	4,651.52	Refer Notes 5A to Financials
iii) Guarantees	3,690.00*	3,690.00	

* Since Indo National Ltd. has given the Corporate Guarantee to avail working capital limits by Kineco Ltd., from HDFC Bank Ltd., to have a proportionate back to back cover, we entered into a risk sharing agreement with another shareholder of Kineco Ltd to the extent of 49%.

28.4 Employee benefit plans

Defined contribution plans

In accordance with Indian law, eligible employees of the Company are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary. The contributions, as specified under the law, are made to the Provident Fund.

The total expense recognised in profit or loss of Rs. 238.55 Lakhs (for the year ended March 31, 2019: (Last year - Rs.230.66 Lakhs) represents contribution paid to these plans by the Company at rates specified in the rules of the plan.

Defined benefit plans

a) Gratuity

Gratuity is payable as per Payment of Gratuity Act, 1972. In terms of the same, gratuity is computed by multiplying last drawn salary (basic salary including dearness Allowance if any) by completed years of continuous service with part thereof in excess of six months and again by 15/26. The payment of Gratuity Act, 1972, provides for a vesting period of 5 years for withdrawal and retirement and a monetary ceiling on gratuity payable to an employee on separation, from time to time.

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

Investment risk The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to the market yields on government bonds denominated in Indian Rupees. If the actual return on plan asset is below this rate, it will create a plan deficit.

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

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

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

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

(Rs. in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
The principal assumptions used for the purposes of the actuarial valuations were as follows:		
Discount Rate	7.32% p.a.	7.40% p.a.
Salary escalation	10.00% p.a.	10.00% p.a.
Expected return on assets	7.32% p.a.	7.40% p.a.
Mortality	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2006-08)
Attrition rate	6.00% p.a.	6.00% p.a.
The estimates of future salary increases, considered in actuarial valuation, taken account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.		
Amounts recognised in total comprehensive income in respect of these defined benefit plans are as follows:		
Amount recognised under Employee Benefits Expense in the Statement of Profit and Loss:		
Current service cost	55.88	50.38
Interest expense	78.67	28.15
Interest income	(80.82)	(81.91)
Return on plan assets	-	-
Components of defined benefit costs recognised in profit or loss	53.74	(3.38)
Amount recognised in Other Comprehensive Income (OCI) for the Year:		
Remeasurement on the net defined benefit liability comprising:		
Actuarial (gains)/losses recognised during the period	(7.54)	(10.23)
Components of defined benefit costs recognised in other comprehensive income	(7.54)	(10.23)
Total	46.20	(13.61)
The amount included in the balance sheet arising from the Company's obligation in respect of its defined benefit plans is as follows:		
Present value of defined benefit obligation	912.92	1,170.38
Fair value of plan assets	(884.87)	(1,195.10)
Net liability/ (asset) arising from defined benefit obligation	28.05	(24.72)
Funded	28.05	(24.72)
Unfunded	-	-
Total	28.05	(24.72)

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

(Rs. in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Movements in the present value of the defined benefit obligation in the current year were as follows:		
Opening defined benefit obligation	1,170.38	1,106.59
Current service cost	55.88	50.38
Interest cost	78.67	28.15
Actuarial (gains)/losses	(177.58)	(10.23)
Benefits paid	(214.43)	(4.51)
Closing defined benefit obligation	912.93	1,170.38
Movements in the fair value of the plan assets in the current year were as follows:		
Opening fair value of plan assets	1,195.10	1,100.62
Interest Income	80.82	81.91
Contributions	8.50	17.08
Benefits paid	(214.43)	(4.51)
Actuarial gains/(loss)	(185.13)	-
Closing fair value of plan assets	884.86	1,195.10

Sensitivity Analysis

The increase/ (decrease) of the defined benefit obligation to changes in the weighted principal assumptions are:

Particulars	Funded	
	2018-19	2017-18
DISCOUNT RATE +1%	87.24	47.07
DISCOUNT RATE -1%	95.80	52.79
SALARY GROWTH +1%	95.64	50.78
SALARY GROWTH -1%	87.30	44.15
ATTRITION RATE -25% increase	9.04	9.80
ATTRITION RATE-25% decrease	9.23	10.79

In view of the fact that the Company for preparing the sensitivity analysis considers the present value of the defined benefit obligation which has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

28.5 Segment Information

The Company has only one reportable segment. The business of the company currently is into manufacture and sale of dry batteries, trading lighting products and other home appliances which comes under a single business segment known as consumer goods. This clarification based on the nature of the products, risks, returns and the internal business reporting system and accordingly there is no other reportable segment in terms of IndAS 108 operating segment.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

28.6 Related party transactions

28.6A Details of related parties:

Description of relationship	Names of related parties
SUBSIDIARIES	Helios Strategic Systems Ltd. Kineco Limited Kineco Alte Train Technologies Pvt. Ltd. Kineco Kaman Composites India Private Limited
ENTERPRISES WITH SIGNIFICANT INFLUENCE	Apex Agencies Associated Electrical Agencies Radiohms Properties Pvt. Ltd Radiohms Agencies RAL Consumer Products Limited Deccan Hospitals (A Unit of Apollo Hospitals Ent. Ltd)
KEY MANAGERIAL PERSON Executive Directors	P. Dwaraknath Reddy R.P. Khaitan P. Aditya Reddy

Note : Related party relationships are as identified by management and relied upon by auditors.

28.6B Details of related party transactions during the year ended March 31, 2018. and balances outstanding as at March 31, 2019:

(Rs. in lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
SUBSIDIARIES		
Helios Strategic Systems Limited		
Outstanding as at the year end		
8% compulsorily convertible debentures - Interest	-	805.00
Loan outstanding	660.00	150.00
Kineco Limited		
Outstanding as at the year end		
Trade receivables	1.40	0.75
Apex Agencies		
Sales	5,909.73	4,873.00
Services Received	128.40	74.36
Services Rendered	512.93	522.95
Outstanding as at the year end		
Trade receivables	2,919.26	2,577.86
Associated Electrical Agencies		
Sales	4,563.01	3,557.67
Services Received	57.37	27.29
Services Rendered	430.77	467.63
Outstanding as at the year end		
Trade receivables	2,375.25	2,386.29

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

(Rs. in lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Kalpatharu Enterprises Pvt Ltd		
Services Received	-	62.54
Outstanding as at the year end		
Trade payables	-	-
Deccan Hospitals		
Sales	431.91	270.37
Services Received	14.45	8.57
Outstanding as at the year end		
Trade Receivables	0.24	0.24
Radiohms Properties Pvt Ltd		
Services Received	14.93	15.42
Radiohms Agencies		
Sales	2,228.65	2,753.16
Services Received	41.35	45.76
Services Rendered	75.85	12.09
Outstanding as at the year end		
Trade receivables	156.03	575.92
RAL Consumer Products Limited		
Sales	1,993.88	2,396.20
Services Received	48.97	94.83
Services Rendered	73.75	25.06
Outstanding as at the year end		
Trade receivables	109.13	597.32
Key Managerial Person		
(i) P. Dwaraknath Reddy		
Remuneration & Perquisites	88.33	80.19
Commission	15.25	31.00
(ii) R.P. Khaitan		
Remuneration & Perquisites	90.22	82.34
Commission	15.25	31.00
(iii) P. Aditya Reddy		
Remuneration & Perquisites	87.31	86.72
Commission	15.25	31.00

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

(Rs. in lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
28.7 Earnings per share		
28.7A Basic		
Profit for the year	1,905.98	2,103.19
Weighted average number of equity shares	37.50	37.50
Par value per share	10.00	10.00
Earnings per share - Basic	50.83	56.09
28.7B Diluted		
The diluted earnings per share has been computed by dividing the profit for the year available for Equity Shareholders by the weighted average number of equity shares		
Profit for the year	1,905.98	2,103.19
Weighted average number of equity shares for basic EPS	37.50	37.50
Weighted average number of equity shares for diluted EPS	37.50	37.50
Par value per share	10.00	10.00
Earnings per share - Diluted	50.83	56.09
28.8 Corporate Social Responsibility (CSR)		
As per section 135 of the Companies Act, 2013, a CSR committee has been formed by the Company. The expenditure incurred during the year on the CSR activities are in accordance with Schedule VII on the Companies Act, 2013.		
(a) Gross amount required to be spent by the Company during the year INR 67.58 Lakhs		
(b) Amount spent during the year on:		
Education and Health care	38.97	21.54
Social Welfare	22.48	18.30
Drinking Water	5.83	10.10
Sports	0.30	0.30
Protection of Indian Culture and heritage	-	20.00
Promoting greenery	-	3.00
Total	67.58	73.24
28.9 Details of research and development expenditure recognised as an expense		
Buying of equipments, lab test and cylinder development charges	65.61	15.50

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

(Rs. in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
28.10 Financial Instruments		
28.10A Capital management		
The Company's capital management objective is to maintain an optimal debt-equity structure so as to reduce the cost of capital, thereby enhancing returns to shareholders. The Company also has a policy of making judicious use of various available debt instruments within its overall working capital drawing limit. This interest arbitrage helps the Company to contain / reduce the cost of capital.		
Gearing ratio		
Debt (A)	3,024.00	2,236.08
Cash and bank Balances (B)	1,932.53	1,805.64
Net Debt (A-B)	1,091.47	430.44
Total Equity	20,806.36	19,801.90
Net debt to Equity Ratio (%)	5.25	2.17
28.10B Categories of financial instruments		
Financial assets		
Measured at amortised cost		
Cash and bank Balances	1,932.53	1,805.64
Trade Receivables	8,325.55	7,601.22
Other Financial Assets	143.11	207.41
Measured at deemed cost		
Investments in subsidiaries		
Equity	5.00	5.00
Debentures	4,646.52	4,646.52
Financial liabilities		
Financial liabilities measured at amortised cost	5,150.62	3,943.04

28.11 Risk Management framework

The company's Board of Directors has overall responsibility for the establishment and oversight of the company's risk management framework. The board has constituted the risk management committee which carries on the following functions:

1. The implementation of Risk management systems and framework;
2. Reviewing the Company's financial and risk management policies;
3. Assessing risk and minimizing the procedures;
4. Framing, implementing and monitoring the risk management plan.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Risk management Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

28.11 Risk Management framework (Contd.)

relation to the risks faced by the Company. The Risk management Committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

The company has exposure to the following risks arising from its financial risk management:

Credit risk

Liquidity risk

Commodity price risk

Foreign currency risk

The Company manages its financial operations with its own accruals and hence is not subject to interest rate risk. The company manages its working capital with its own stock and debtors. However, the overdraft/ cash credit facility from our bankers are utilised to manage the working capital gap as and when required. The company does not foresee any requirement for long term funding in the near future.

Credit risk management

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's trade receivables, deposits and other financial assets.

Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The company has established a strong liquidity damage agreement with its customers. The normal credit period for trade receivable is 15 days and any settlement beyond 15 to 90 days and thereafter the same is compensated by and agreed interest on outstanding amounts.

The company based on internal assessment which is driven by the historical experience and current facts available in relation to default and delays in collection thereof has decided not to make any expected credit loss of trade receivables. The company does not foresee any requirement to create the allowance matrix considering the past trend, future operations and materiality of doubtful/bad debts incurred till now. Refer Note. 8A

Liquidity risk management

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation. The average credit period for purchase of materials and traded products ranges from 30 to 45 days and the company settles the significant portion of the obligation within the aforesaid credit period. The company's working capital is adequately supported by Stock, Book debts and Bank overdraft/ CC facilities.

Commodity price risk management

The Company is exposed to commodity price risk, mainly in respect of Zinc, which is a key raw material in the manufacture of batteries. The price risk is linked to fluctuations in London Metal Exchange (LME). The Company manages the price risk by entering into a average price agreement with the vendor.

Foreign currency risk management

The Company undertakes transactions denominated in foreign currencies; consequently, exposure to exchange rate fluctuations arise. The company has the policy of settling the foreign exchange exposure within 5 to 10 days to mitigate the foreign currency risk.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS**28.12 Financing facilities**

(Rs. in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Secured bank overdraft facilities		
- amount used	3,024.00	2,236.08
- amount unused	3,476.00	763.92
Secured letter of credit / bank guarantee	20.00	20.00

28.13 Fair value measurements

The company has not recognised any financial asset / liability at fair value. The directors consider that the carrying amounts of financial assets and financial liabilities that are recognised at fair value in the financial statements approximate their fair values.

28.14 Approval of Financial Statements

The financial statements were approved for issue by the Board of Directors on May 22, 2019.

As per our Report attached

For **G BALU ASSOCIATES LLP**
Chartered Accountants
FRN : 000376S/S200073

N. RAMESH RAJAN
Chairman

P. DWARAKNATH REDDY
Managing Director

R.P. KHAITAN
Joint Managing Director

RAJA GOPALAN B
Partner (M No.217187)

C.R. SIVARAMAKRISHNAN
Chief Financial Officer

J. SRINIVASAN
Company Secretary

Place : Chennai
Date : 22nd May, 2019

For and on behalf of the Board of Directors

INDEPENDENT AUDITOR’S REPORT

To the Members of Indo National Limited

Report on the Audit of the Consolidated Indian Accounting Standards (Ind AS) Financial Statements

Opinion

We have audited the accompanying consolidated Ind-As financial statements of Indo National Limited (“the Holding Company”) and its subsidiaries (Holding Company and its subsidiaries together referred to as “the Group”), which comprise the consolidated Balance Sheet as at March 31, 2019, and the consolidated statement of Profit and Loss(including other comprehensive income), the consolidated statement of changes in equity and the consolidated cash flows Statement for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as “the consolidated Ind AS financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS 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 their consolidated state of affairs of the Company as at March 31, 2019, of consolidated total comprehensive income(comprising of profit and other comprehensive income)consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies act, 2013. Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Ind AS Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by ICAI, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Companies Act, 2013. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph of the other matters paragraph below is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter	How the matter was addressed in our audit
<p>Refer Note No.31.1 of Additional information to the consolidated financial statements, Page No.144</p> <p>The company’s contingent liability disclosed in the notes to financial statements mainly comprises of the sum involved in the cartelization of zinc carbon batteries apart from the regular liabilities.</p>	<p>In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient and appropriate audit evidence:</p> <p>We tested the effectiveness of key controls around the recording and assessment of the contingent liability.</p>

Key audit matter	How the matter was addressed in our audit
<p>Competition Commission of India had imposed a penalty of Rs 4,226 lakhs against the company for which the Company had gone on appeal and obtained a stay of the penalty by Hon.National Company Law Appellate Tribunal, New Delhi (NCLAT) 2018.</p> <p>This is a key audit matter as the outcome of this litigation is significant to the financial statements and management judgement (based on the legal advice and opinion) is required to support the treatment of this litigation as a contingent liability.</p>	<ol style="list-style-type: none"> 1. We studied the order passed by the Competition Commission of India in detail alongwith our own legal experts for interpretation of the order. 2. We assessed the relevant historical and recent judgements passed by the court authorities. 3. Obtained Management’s assessment of the case based on the legal advice/opinion to assess the reasonableness of the contingency. 4. We assessed the independence and competence of the legal advisors. 5. Considered the adequacy of the Company’s disclosure made in the financial statements.

Other Information

The Holding Company’s Board of Directors is responsible for the other information. The other information comprises the information included in the Boards Report together with the annexure thereto, Report on the Corporate Governance but does not include the consolidated Ind AS financial statements and our auditor’s report thereon.

Our opinion on the consolidated Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so consider whether the other information is materially inconsistent with the consolidated Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and the reports of the other auditors as furnished to us we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company’s Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in term of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows and changes in equity of the Groupin accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the

consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Other Matters

- a) We did not audit the financial statements of subsidiaries, whose financial statements reflect total assets of Rs.10,541.58 Lakhs as at 31st March, 2019, total revenues of Rs. 12,376.29 Lakhs total comprehensive income Rs. (-)72.90 Lakhs (comprising of profit/loss and other comprehensive profit/loss) and net cash out flows amounting to Rs.187.60 Lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

Our opinion on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report, to the extent applicable, that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including other comprehensive income, consolidated statement of changes in equity, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account and the records maintained for the purpose of preparation of the consolidated Ind AS financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of internal financial controls over financial reporting of the Group with reference to financial statements and the operating effectiveness of such controls, refer to our separate report in Annexure A.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.
 - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies, incorporated in India
 - iii. The reporting on disclosures relation to Specified Bank Notes is not applicable to the Group companies incorporated in India for the year ended March 31, 2019.

For G Balu Associates LLP
Chartered Accountants
FRN : 000376S/S200073

Place: Chennai
Date : 22nd May, 2019

Raja Gopalan. B
Partner (M.No.217187)

Annexure - A to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2019, we have audited the Internal financial controls with reference to the financial statements of Indo National Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company, its subsidiary companies, to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is applicable, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to the financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to the financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to the financial statements and their operating effectiveness. Our audit of internal financial controls with reference to the financial statements included obtaining an understanding of internal financial controls with reference to the financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to the financial statements.

Meaning of Internal Financial Controls with reference to the Financial Statements

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

Inherent Limitations of Internal Financial Controls with reference to the financial statements

Because of the inherent limitations of internal financial controls with reference to the financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to the financial statements to future periods are subject to the risk that the internal financial control with reference to the financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company, its subsidiary companies which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to the financial statements and such internal financial controls with reference to the financial statements were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements in so far as it relates to the subsidiary companies, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India. Our opinion is not modified in respect of the above matters.

For G Balu Associates LLP
Chartered Accountants
FRN : 000376S/S200073

Place: Chennai
Date : 22nd May, 2019

Raja Gopalan. B
Partner (M.No.217187)

CONSOLIDATED BALANCE SHEET

for the year ended March 31, 2019

(Rs. in Lakhs)

Particulars	Note No.	Balance as at 31.03.2019	Balance as at 31.03.2018
I. ASSETS			
1 Non-Current Assets			
(a) Property plant and equipment	3A	12,684.68	10,858.13
(b) Capital work in progress	3B	477.14	1,424.70
(c) Other Intangible assets	4	532.72	462.07
(d) Goodwill on consolidation	5	4,940.90	4,940.90
(e) Financial assets			
(i) Investments	6A	0.64	0.71
(ii) Other financial assets	6B	13.30	43.50
(f) Other Non-current tax assets	6C	1,291.20	637.51
(g) Other Non-current assets	7	1,244.73	956.17
Total Non-current Assets		21,185.31	19,323.69
2 Current Assets			
(a) Inventories	8	6,207.65	4,926.87
(b) Financial assets			
(i) Trade receivables	9A	13,613.86	12,515.56
(ii) Cash and cash equivalents	9B	1,933.02	1,686.66
(iii) Bank balances other than above	9B	3,179.13	3,384.26
(iv) Other financial assets	9C	238.96	275.77
(c) Current Tax Assets	10	365.97	244.92
(d) Assets held for sale		7.00	7.00
(e) Other current assets	11	1,195.40	709.92
Current assets		26,740.99	23,750.96
TOTAL ASSETS		47,926.30	43,074.65
II. EQUITY & LIABILITIES			
1 Equity			
(a) Equity share capital	12	375.00	375.00
(b) Other equity	13	21,871.64	20,948.85
Equity attributable to owners of the Company		22,246.64	21,323.85
2 Non controlling interest	14	2,206.98	1,415.69
Total Equity		24,453.62	22,739.54
3 Non-Current Liabilities			
(a) Financial liabilities			
(i) Borrowings	15A	3,905.99	1,083.07
(ii) Other financial liabilities	15B	-	5.18
(b) Provisions	16	533.73	442.02
(c) Deferred tax liabilities (Net)	17	1,162.57	1,489.67
(d) Other Non-current liabilities	18	126.39	18.45
Non-Current Liabilities		5,728.68	3,038.39
4 Current Liabilities			
(a) Financial liabilities			
(i) Borrowings	19A	5,257.67	3,427.06
(ii) Trade payables	19B		
a. Total outstanding dues of micro enterprises and small enterprises		50.40	4.92
b. Total outstanding dues of creditors other than micro enterprises and small enterprises		5,467.98	5,719.19
(b) Other financial liabilities	19C	3,387.80	3,047.82
(c) Other current liabilities	20	2,975.82	4,730.59
(d) Provisions	16	604.33	367.14
Current liabilities		17,744.00	17,296.72
TOTAL EQUITY AND LIABILITIES		47,926.30	43,074.65

See accompanying notes forming part of the consolidated financial statements

As per our Report attached

For **G BALU ASSOCIATES LLP**
Chartered Accountants
FRN : 000376S/S200073

N. RAMESH RAJAN
Chairman

RAJA GOPALAN B
Partner (M No.217187)

C.R. SIVARAMAKRISHNAN
Chief Financial Officer

Place : Chennai
Date : 22nd May, 2019

For and on behalf of the Board of Directors

P. DWARAKNATH REDDY
Managing Director

R.P. KHAITAN
Joint Managing Director

J. SRINIVASAN
Company Secretary

STATEMENT OF CONSOLIDATED PROFIT AND LOSS

for the year ended March 31, 2019

(Rs. in Lakhs)

Particulars	Note No.	For the Year ended March 31, 2019	For the Year ended March 31, 2018
I. Revenue from Operations (Gross)	21	44,323.26	40,346.71
II. Other Income	22	1,692.70	1,529.43
III. Total Income (I+II)		46,015.96	41,876.14
IV. Expenses			
(a) Cost of materials consumed	23	18,206.97	17,304.29
(b) Excise Duty expenses		-	932.63
(c) Purchase of stock-in-trade - Traded goods	24	9,130.87	5,131.88
(d) Changes in inventories of raw material	25	(759.57)	299.24
(e) Employee benefit expenses	26	6,414.49	5,645.22
(f) Finance Costs	27	1,209.46	494.48
(g) Depreciation and amortization expense	28	1,065.46	935.80
(h) Other expenses	29	7,218.83	6,795.39
Total Expenses		42,486.51	37,538.93
V. Profit / Loss before tax (III-IV)		3,529.45	4,337.21
VI. Tax expense			
(a) Current Tax	30	1,196.93	1,297.17
(b) Deferred Tax	30	(324.46)	(59.33)
Total Tax (a+b)		872.47	1,237.84
VII. Profit for the year (V-VI)		2,656.98	3,099.37
VIII. Other Comprehensive Income			
I) Items that will not be reclassified to profit or loss			
(a) Remeasurements of defined benefit plans		(29.01)	10.49
(b) Equity instruments through other comprehensive income		(0.07)	(0.15)
Total Comprehensive Income		(29.08)	10.34
IX. Total Comprehensive Income for the year (VII+VIII)		2,627.90	3,109.71
Profit for the year attributable to			
- Owners of the company		1,842.33	2,234.10
- Non-controlling interest		814.65	865.27
Other Comprehensive Income for the year attributable to			
- Owners of the company		(14.15)	5.19
- Non-controlling interest		(14.93)	5.15
Total Comprehensive Income for the year attributable to			
- Owners of the company		1,828.18	2,239.29
- Non-controlling interest		799.72	870.42
		2,627.90	3,109.71
X. Earnings Per Share (EPS) of Rs.10/- each			
(1) Basic		49.13	59.58
(2) Diluted		49.13	59.58

See accompanying notes forming part of the consolidated financial statements

As per our Report attached

For **G BALU ASSOCIATES LLP**
Chartered Accountants
FRN : 000376S/S200073

N. RAMESH RAJAN
Chairman

RAJA GOPALAN B
Partner (M No.217187)

C.R. SIVARAMAKRISHNAN
Chief Financial Officer

Place : Chennai
Date : 22nd May, 2019

For and on behalf of the Board of Directors

P. DWARAKNATH REDDY
Managing Director

R.P. KHAITAN
Joint Managing Director

J. SRINIVASAN
Company Secretary

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended March 31, 2019

(Rs. in Lakhs)

Particulars	For the Year ended March 31, 2019	For the Year ended March 31, 2018
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	3,500.37	4,347.55
Adjustment for :		
(a) Depreciation	1,065.46	935.80
(b) Interest on Borrowings	1,013.24	601.37
(c) Assets Written Off	0.90	27.14
(d) Interest Income	(1,548.64)	(1,319.35)
(e) Profit / Loss on sale of Fixed Assets	5.27	(1.81)
(f) Net unrealised foreign exchange gain	196.22	(106.89)
Changes in operating assets and liabilities	4,232.82	4,483.81
Increase / (Decrease) in Current Liabilities		
(a) Trade payables	(205.73)	3,150.41
(b) Other financial Liabilities (Current and Non-Current)	334.80	2,088.57
(c) Other Liabilities (Current and Non-Current)	(1,646.83)	3,263.33
(d) Provisions (Current and Non-Current)	328.90	134.17
(Increase) / Decrease in Current Assets		
(a) Inventories	(1,280.78)	230.38
(b) Trade receivables	(1,098.30)	(4,010.39)
(c) Loans (Current and Non-Current)	-	(122.20)
(d) Other assests (Current and Non-Current)	(1,548.78)	(3,903.35)
(e) Other financial assets(Current and Non-current)	67.01	-
(f) Bank balances other than above	205.13	(301.44)
Changes in Working Capital	(4,844.58)	529.48
(i) Cash generated from Operations	(611.76)	5,013.29
<u>Less:</u> Income tax paid	(1,312.27)	(1,237.84)
Net Cash from operating activities (A)	(1,924.03)	3,775.45
B. CASH FLOWS FROM INVESTING ACTIVITIES		
(a) Purchase of Fixed Assets	(2,052.09)	(2,658.96)
(b) Purchase of Non-current investment	-	0.15
(c) Interest Income	1,548.64	1,319.35
(d) Proceeds from sale of Fixed assets	6.14	25.41
(e) Sale of non-current investment	0.07	-
Net Cash used in investing activities (B)	(497.24)	(1,314.05)

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended March 31, 2019 (Contd.)

(Rs. in Lakhs)

Particulars	For the Year ended March 31, 2019	For the Year ended March 31, 2018
C. CASH FLOWS FROM FINANCING ACTIVITIES		
(a) Long Term Borrowing	-	(10.21)
(b) Repayment of Short Term Borrowing	-	(10.94)
(c) Interest / TDS received from Helios	127.71	-
(d) Interest expenses	(1,013.24)	(601.37)
(e) Dividend and Tax thereon paid	(904.16)	(1,128.35)
(f) Long Term Borrowing availed during the year	2,822.92	-
(g) Short Term Borrowing availed during the year	1,830.61	-
Net Cash used in financing activities (C)	2,863.84	(1,750.87)
Net Increase / (Decrease) in cash and cash equivalents (A+B+C)	442.57	710.53
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents	(196.22)	106.89
Cash and Cash equivalents at the beginning of the year	1,686.66	869.24
Cash and Cash equivalents at the closing of the year	1,933.02	1,686.66

See accompanying notes forming part of the financial statements

As per our Report attached

For **G BALU ASSOCIATES LLP**
Chartered Accountants
FRN : 000376S/S200073

N. RAMESH RAJAN
Chairman

RAJA GOPALAN B
Partner (M No.217187)
Place : Chennai
Date : 22nd May, 2019

C.R. SIVARAMAKRISHNAN
Chief Financial Officer

For and on behalf of the Board of Directors

P. DWARAKNATH REDDY
Managing Director

R.P. KHAITAN
Joint Managing Director

J. SRINIVASAN
Company Secretary

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2019

(Rs. in lakhs)

a) EQUITY SHARE CAPITAL	
Balance as at April 1, 2017	375.00
Changes in equity share capital during the year	0.00
Balance as at March 31, 2018	375.00
Changes in equity share capital during the year	0.00
Balance as at March 31, 2019	375.00

b) OTHER EQUITY

PARTICULARS	RESERVES & SURPLUS			Items of other comprehensive income	Total
	GENERAL RESERVE	SECURITIES PREMIUM	RETAINED EARNINGS		
Balance as at April 1, 2017	16,557.82	981.21	2,303.27	-	19,842.30
Profit / Transfer for the year	1,500.00	-	734.10	-	2,234.10
Promotor's Contribution	-	-	(4.39)	-	(4.39)
Other comprehensive Income	-	-	-	5.19	5.19
Payment of Dividend and dividend distribution tax FY 2016-17	-	-	(1,128.35)	-	(1,128.35)
Balance as at March 31, 2018	18,057.82	981.21	1,904.63	-	20,948.85
Profit for the year	1,200.00	-	642.33	-	1,842.33
Promotor's Contribution	-	-	(1.23)	-	(1.23)
Other comprehensive Income	-	-	-	(14.15)	(14.15)
Payment of Dividend and dividend distribution tax FY 2017-18	-	-	(904.16)	-	(904.16)
Balance as at March 31, 2019	19,257.82	981.21	1,641.57	(8.96)	21,871.64

As per our Report attached

For **G BALU ASSOCIATES LLP**
Chartered Accountants
FRN : 000376S/S200073

N. RAMESH RAJAN
Chairman

RAJA GOPALAN B
Partner (M No.217187)

C.R. SIVARAMAKRISHNAN
Chief Financial Officer

Place : Chennai
Date : 22nd May, 2019

For and on behalf of the Board of Directors

P. DWARAKNATH REDDY
Managing Director

R.P. KHAITAN
Joint Managing Director

J. SRINIVASAN
Company Secretary

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Indo National Limited ("the parent company") is a public limited company domiciled in India and incorporated under the provisions of Companies Act, 1956 and has its registered office in Chennai. The parent group has 4 subsidiaries. The parent company is in the business of manufacture and marketing of batteries, torches, LED products, emergency power backup products, mosquito bats and other electrical goods. The Parent company together with its subsidiaries is hereinafter referred to as the "Group".

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance

The financial statements have been prepared in accordance with IndASs notified under Sec 133 of the Companies Act, 2013 [Companies(Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

2.2 Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for the following:

- (i) certain financial instruments that are measured at fair value and
- (ii) defined benefit plans- plan assets measured at fair value

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and / or disclosure purposes in these consolidated financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17 and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36. In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- (i) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date;
- (ii) Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly and
- (iii) Level 3 inputs are unobservable inputs for the asset or liability.

The consolidated financial statements were approved for issue by board of directors on 22 May, 2019.

2.3 Principles of consolidation

The consolidated financial statements incorporate the financial statements of the group and its subsidiaries drawn upto the same reporting date as that of the Group i.e. March 31, 2019. Control is achieved when the group has power over the investee, is exposed or has right to variable return from its investment with the investee and has the ability to use its power to affect its returns.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Consolidation of subsidiary begins when the group obtains control over the subsidiary and ceases when the group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated Statement of Profit and Loss from the date the group gains controls until the date when the group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Group and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Group and to the non controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intra-group assets and liabilities, equity, income, expense, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

2.4 Use of estimates and judgements

The preparation of the consolidated financial statements in conformity with Ind AS requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the consolidated financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise. Estimates have been used in provision for warranties, provision for employee benefits, allowance for expected credit loss on financial assets and useful lives of property, plant and equipment.

Key source of estimation of uncertainty at the date of financial statements, which may cause a material adjustment to the carrying amount of assets and liabilities within the next financial year are:

i) Useful lives of property, plant and equipment and intangible assets:

The group reviews the useful lives of property, plant and equipment and intangible assets at the end of each reporting period. This reassessment may result in change in depreciation or amortisation expense in future periods.

ii) Valuation of deferred tax assets:

The group reviews the carrying amount of deferred tax assets at the end of each reporting period. The policy for the same has been explained under Note 2 (o) below.

iii) Actuarial Valuation:

The determination of group's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognised in the Statement of Profit and Loss and in Other Comprehensive Income. Such valuation depends upon assumptions determined after taking into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. Information about such valuation is provided in the notes to the financial statements.

iv) Provisions and Contingent Liabilities:

The policy for the same has been explained under Note 2.15 below.

2.5 Revenue recognition

Revenue is recognised when the following four criteria for revenue recognition are met:

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

- a) persuasive evidence of an arrangement exists;
- b) shipment on delivery has occurred;
- c) the price is fixed or determinable; and
- d) collectability is reasonably assured.

During the year the Group earned revenue from the following sources which was recognised on the basis stated against each source:

Sale of goods

Revenue from the sale of goods is recognised, net of returns and trade discount, when all the following conditions are satisfied

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

Sale of services

Revenues from services are recognised when services are rendered and related costs are incurred.

Other income

Interest income is accounted for using the effective interest rate method. Interest income on financial asset is accrued on a time proportion basis by reference to the principal amount outstanding and the applicable effective interest rate.

2.6 Foreign currency transactions and translations

The functional currency of the Group is Indian rupee (Rs). Foreign currency transactions are initially recorded at the spot rates on the date of the transactions. Monetary assets and liabilities related to foreign currency transactions remaining unsettled at the end of the year are translated at year-end rates. Non-monetary items denominated in other currencies and that are measured in terms of historical cost are translated at the exchange rates prevailing on the dates on which such values are determined. The difference in translation of monetary assets and liabilities and realised gains and losses on foreign currency transactions are recognised in the consolidated Statement of Profit and Loss.

2.7 Borrowings and borrowing costs

The group borrows funds in Indian Rupees and in Foreign Currency. These borrowings carry a fixed rate or floating rate of interest. The liabilities are initially measured at the amount borrowed and subsequently stated at the outstanding amounts. Interest accrued but not due which is in the nature of current liability is classified as part of 'Other current financial liabilities'. Amount outstanding in respect of foreign currency borrowings are stated at the exchange rate at the Balance Sheet date.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Borrowing costs include interest expense as per Effective Interest Rate (EIR). The borrowing costs in respect of foreign currency borrowings are adjusted for exchange differences, to the extent they are regarded as an adjustment to the interest cost.

2.8 Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and the group will comply with the conditions attached to them.

2.9 Employee benefits

i) Short term

Short term employee benefits include salaries, allowances and performance incentives. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by the employees are recognised as an expense in the Statement of Profit and Loss during the year when the employees render the service to the group.

ii) Long term

The group has defined contribution and defined benefit plans. The plans are financed by the group and in the case of some defined contribution plans by the group along with its employees.

Defined contribution plans

The group's contribution to provident fund and family pension fund made to regulatory authorities and where the group has no further obligation are considered as defined contribution plans and are charged as an expense in the Statement of Profit and Loss as they fall due based on the amount of contribution required to be made.

Defined benefit plans

Expenses for defined-benefit gratuity plans are calculated as at the balance sheet date by independent actuaries (using the projected unit credit method) in a manner that distributes expenses over the employee's working life. These commitments are valued at the present value of the expected future payments, with consideration for calculated future salary increases, using a discount rate corresponding to the interest rate estimated by the actuary having regard to the interest rate on government bonds with a remaining term that is almost equivalent to the average balance working period of employees. Actuarial gains/losses are recognised, in full in the other comprehensive income in the year in which they arise..

Other employee benefits

Compensated absences which accrue to employees and which can be carried to future periods but are expected to be encashed or availed in twelve months immediately following the year end are reported as expenses during the year in which the employees perform the services that the benefit covers and the liabilities are reported at the undiscounted amount of the benefits after deducting amounts already paid. Where there are restrictions on availment of encashment of such accrued benefit or where the availment or encashment is otherwise not expected to wholly occur in the next twelve months, the liability on account of the benefit is actuarially determined using the projected unit credit method.

2.10 Taxes on income

Tax expenses for the year, comprising of current tax and deferred tax, are included in the determination of net profit or loss for the period.

Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the prevailing tax laws and includes any adjustment to tax payable in respect of previous years. Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Deferred tax is provided / recognised using the balance sheet method, on all deductible temporary differences at the reporting date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes, on carry forward of unused tax credit and unused tax losses. Deferred tax assets and liabilities are measured using tax rates that are substantively enacted at the balance sheet date. At each balance sheet date the group evaluates the carrying amount of deferred tax assets and reduces the value of such deferred tax assets to the extent it is no longer probable that sufficient taxable profit will be available to allow all or a part of deferred tax asset to be utilised/ recovered.

Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing tax laws and the group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised in the Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.10A Current Tax :

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date

2.10B Deferred tax :

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of transaction.
- temporary differences related to investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used.

Deferred tax assets recognised or unrecognised are reviewed at each reporting date and are recognised / reduced to the extent that it is probable / no longer probable respectively that the related tax benefit will be realised. Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. The group offsets, the current tax assets and liabilities (on a year on year basis) and deferred tax assets and liabilities, where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis.

Minimum Alternate Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the respective Group group will pay normal income tax during the specified period. Such asset is reviewed at each balance sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the group will pay normal income tax during the specified period.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

2.10C Current and deferred tax for the year :

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively

2.11 Property, plant and equipment

Property, plant and equipment are carried at acquisition cost (net of refundable taxes - primarily input credit relating to Central Excise, State VAT and Goods and Service Tax) less accumulated depreciation and impairment losses, if any. Cost of property, plant and equipment include purchase price, expenses incidental to making the assets ready for its intended use, attributable borrowing costs and net of any trade discounts and rebates. Subsequent expenditure on property, plant and equipment, after its purchase / completion, is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance. Property, plant and equipment retired from active use and held for sale are stated at the lower of their net book value and net realisable value and are disclosed separately.

Depreciation on property, plant and equipment is provided on a pro-rata basis using the straight line method as per the useful lives prescribed in Schedule II to the Companies Act, 2013.

All items of property, plant and equipment costing less than Rs. 5,000 each are fully depreciated in the year of acquisition.

Property, Plant and equipment has been provided on the straight-line method on imported body maker and bag makers, other projects under plant and equipments on assets relating to 3D Project (I line), 3U Unit (New line), 4U Units (New lines) and solar plant and written down value method on all other tangible assets as per the useful life prescribed in Schedule II to the Companies Act, 2013. Motor car purchased under new block is depreciated over 4 years. Depreciation methods, useful lives and residual values are reviewed periodically, including at each financial year end.

Capital work in progress

Projects under which assets are not ready for their intended use and other capital work in progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest, if any.

2.12 Intangible assets

2.12A Intangible assets are stated at cost less accumulated amortisation and impairment losses, if any. Group amortised computer software licenses over their estimated useful life. Patent and trademark are amortised over their legal term or working life, whichever is shorter.

2.12B Intangible assets under development :

Expenditure on research and development eligible for capitalization are carried as intangible assets under development where such assets are not yet ready for their intended use. An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in profit or loss when the asset is derecognized.

2.13 Impairment of property, plant and equipment and intangible assets

The carrying value of property, plant and equipment and intangible assets is reviewed at each Balance Sheet date for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset or cash generating unit and from its disposal at the end of its useful life. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased such reversal of impairment loss is recognised in the Statement of Profit and Loss.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. However, the following intangible assets are tested for impairment in each financial year even if there is no indication that the asset is impaired:

- (a) an intangible asset that is not yet available for use and
- (b) an intangible asset that is amortised over a period exceeding ten years from the date when the asset is available for use.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the consolidated Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset. The recoverable amount is the greater of the fair value less costs of disposal and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor, that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the consolidated Statement of Profit and Loss, to the extent the amount was previously charged to the consolidated Statement of Profit and Loss. In case of revalued assets such reversal is not recognised.

2.14 Inventories

Inventories are valued at the lower of cost (on weighted average basis) and net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale including octroi and other levies, transit insurance and receiving charges. Finished goods and work in progress include apportionment of overheads. Net realisable value is the estimated selling price less estimated costs for completion and sale

Raw materials including components, finished goods, work in process, stock in trade, material in transit, packing materials and stores & spares have been valued at lower of cost and estimated net realizable value. Cost is computed under FIFO method. Excise duty payable on manufactured finished goods held in the factory is included in the value of closing stock wherever applicable. Moulds, dies and tools, developed in house for specific customer application are classified as 'Composite tooling' based on technical consideration. These are shown in balance sheet based upon technical and economic evaluation carried out by independent valuers but not exceeding the cost thereof. In case the technical or economic factors underlying the valuation undergo material or adverse changes, appropriate write down is made in the year of such adverse change. Material in transit is valued at cost.

2.15 Provisions, contingent liabilities and contingent assets

'A provision is recognised when the group has a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. If the effect of the time value of money is material, provisions are discounted using a current pretax rate that reflects, when appropriate, the risks specific to the liability. The increase in the provision due to the passage of time is recognised as a finance cost. Provisions are reviewed at each Balance Sheet date and adjusted to reflect the current best estimate.

A contingent liability is disclosed in case of present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation and a present obligation arising from past events, when no reliable estimate is possible.

Contingent assets are disclosed when an inflow of economic benefits is probable.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Provisions for the expected cost of warranty obligations under the terms of contract with the customers are recognised at the managements best estimate of the expenditure required to settle the warranty obligation.

Provisions for service warranties and returns are recognised when the group has a present or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably measured.

2.16 Leases

Rentals payable towards leases of land and premises under an operating lease arrangement, where risk and rewards incidental to ownership of an asset substantially vest with the lessor are charged to the Statement of Profit and Loss on a straight-line basis over the period of the relevant lease.

2.17 Statement of cash flows

Statement of cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the group are segregated based on the available information.

Cash comprises of cash in hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value

Bank overdraft and cash credit are also considered as part of cash and cash equivalents for the purpose of Statement of Cash Flows.

2.18 Earning per share

Basic earnings per share is computed by dividing the profit / (loss) for the year by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) for the year as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

2.19 Operating Cycle

Based on the nature of products / activities of the Group and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Group has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

2.20 Financial Instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. The transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognised in the consolidated Statement of Profit and Loss.

Effective Interest Rate method:

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

i) Financial assets

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amounts outstanding.

Financial assets as fair value through other comprehensive income (FVTOCI)

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The group has elected to present subsequent changes in fair value in other comprehensive income in case of investments based on its business model.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. Gains or losses arising on remeasurement are recognised in the Statement of Profit or Loss.

Investment in subsidiaries

Investment in subsidiaries is carried at cost in the separate financial statements.

Impairment of financial assets

The Group recognises loss allowance using the Expected Credit Loss (ECL) model for the financial assets which are not valued through profit or loss. Loss allowance for all financial assets is measured at an amount equal to 12 months expected credit losses or lifetime Expected Credit Loss. The Group had used practical expedient by computing expected credit loss allowance for trade receivable by taking into consideration historical credit loss experience and adjusted for forward looking information. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised as an impairment gain or loss in the Statement of Profit and Loss.

Loss allowance for expected credit losses is recognised for financial assets measured at amortised cost.

For financial assets whose credit risk has not significantly increased since initial recognition, loss allowance equal to twelve months expected credit losses is recognised. Loss allowance equal to the lifetime expected credit losses is recognised if the credit risk on the financial instruments has significantly increased since initial recognition.

Derecognition of financial assets

The group derecognises an financial asset when (i) the contractual rights to receive cash flows from the asset expire, or (ii) the group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement; and (a) the group has transferred substantially all the risks and rewards of ownership of the

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

asset, or (b) the group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset. On derecognition of the financial asset in its entirety, the difference between the assets carrying amount measured at the date of derecognition and the consideration received is recognised in the Statement of Profit and Loss.

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire.

ii) Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

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

Financial Liabilities

All financial liabilities that are not held-for-trading and are not designated as at FVTPL are subsequently measured at amortised cost using the effective interest method. The interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

- (i) Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method.
- (ii) Interest-bearing bank loans and overdrafts are initially measured at fair value and subsequently measured at amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Group's accounting policy for borrowing costs.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the group's obligations are discharged, cancelled or have expired. An exchange between with a lender or debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Statement of Profit and Loss.

The Group derecognises financial liabilities only when the Group's obligations are discharged, cancelled or they expire

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is current enforceable legal right to offset the recognised amounts and it is intended to either settle on a net basis or to realise the assets and settle the liabilities simultaneously.

iii) Derivative financial instruments

The Group enters into derivative financial instruments in the nature of forward exchange contracts to manage its exposure to foreign exchange rate risks on unexecuted firm commitments and highly probable forecast transactions. Such derivative financial instruments are marked to market and gain/ loss on such contracts is

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

recognised in the Statement of Profit and Loss at the end of each reporting period. The derivatives are carried as financial assets when the fair value is positive and financial liabilities when the fair value is negative.

The hedges are accounted for and measured at fair value from the date the hedge contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The fair values for forward currency contracts are marked to market at the end of each reporting period.

The hedge instruments are designated and documented as hedges at the inception of the contract. The effectiveness of hedge instruments to reduce the risk associated with the exposure being hedged is assessed and measured at inception and on an ongoing basis. The ineffective portion of designated hedges are recognised immediately in the Statement of Profit and Loss.

The effective portion of change in the fair value of the designated hedge instrument is recognised in the other comprehensive income and accumulated under the heading cash flow hedge reserve as a separate component of equity. Such amounts are reclassified into the Statement of Profit and Loss when the related hedged items affect profit or loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity till that time remains and is recognised in profit or loss when the forecasted transaction ultimately affects the profit or loss. When a forecasted transaction is no longer expected to occur, the cumulative gain or loss accumulated in equity is transferred to the Statement of Profit and Loss.

3. PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS

(Rs. in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
A. Carrying amounts of:		
Freehold land	363.35	363.35
Buildings	3,302.99	1,978.16
Plant and equipment	8,460.63	7,995.56
Furniture and Fixture	246.41	259.48
Vehicles	107.63	114.64
Office equipment	88.24	89.42
Electrical Equipment - Airconditioners and refrigerators	58.17	10.33
Computer Systems	57.26	47.19
Sub-total	12,684.68	10,858.13
B. Capital work-in -progress	477.14	1,424.70
Total	13,161.82	12,282.83

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

3. PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS (CONTD.)

(Rs.in lakhs)

Particulars	Freehold Land	Building	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipments	Computer Systems	Electrical Equipment Air Conditioners and Refrigerators	Total
Cost or deemed cost									
Balance as at March 31, 2016	282.41	1,726.71	6,863.45	111.80	54.29	40.43	41.98	20.13	9,141.20
Additions	80.94	329.59	1,351.09	65.39	129.80	41.96	22.52	-	2,021.53
Disposals	-	-	15.13	6.05	22.18	5.40	2.94	0.52	52.22
Balance as at March 31, 2017	363.35	2,056.30	8,199.41	171.14	161.91	76.99	61.56	19.61	11,110.51
Additions	-	163.54	956.52	156.65	-	54.72	37.50	-	1,368.93
Disposals	-	-	92.92	0.02	25.77	0.44	37.16	10.81	167.12
Balance as at March 31, 2018	363.35	2,219.84	9,063.01	327.77	136.14	131.27	61.90	10.33	12,312.08
Additions	-	1,489.52	1,126.59	51.90	28.05	34.56	37.16	57.53	2,825.07
Disposals	-	-	126.02	72.10	10.02	40.23	7.86	5.01	261.24
Balance as at March 31, 2019	363.35	3,709.36	10,063.58	307.57	154.17	125.60	91.20	62.85	14,877.68
Accumulated Depreciation									
Balance as at March 31, 2016	-	-	-	-	-	-	-	-	-
Elimination on disposal	-	-	4.36	2.32	20.88	4.23	2.70	0.49	34.98
Depreciation expenses	-	110.50	515.18	30.18	27.37	18.75	26.57	6.25	734.80
Balance as at March 31, 2017	-	110.50	510.82	27.86	6.49	14.52	23.87	5.76	699.82
Elimination on disposal	-	-	43.48	0.01	24.58	0.39	37.10	9.28	114.84
Depreciation expenses	-	131.18	600.11	40.44	39.59	27.72	27.94	3.52	870.50
Balance as at March 31, 2018	-	241.68	1,067.45	68.29	21.50	41.85	14.71	-	1,455.48
Elimination on disposal	-	-	122.03	69.50	8.12	39.56	7.51	2.21	248.93
Depreciation expenses	-	164.69	657.53	62.37	33.16	35.07	25.83	7.80	986.45
Balance as at March 31, 2019	-	406.37	1,602.95	61.16	46.54	37.36	33.03	5.59	2,193.00
Carrying amount									
Balance as at March 31, 2016	282.41	1,726.71	6,863.45	111.80	54.29	40.43	41.98	20.13	9,141.20
Balance as at March 31, 2017	363.35	1,945.80	7,688.59	143.28	155.42	62.47	37.69	13.85	10,410.45
Balance as at March 31, 2018	363.35	1,978.16	7,995.56	259.48	114.64	89.42	47.19	10.33	10,858.13
Balance as at March 31, 2019	363.35	3,302.99	8,460.63	246.41	107.63	88.24	58.17	57.26	12,684.68

The Company has made certain in house Moulds amounting to Rs 59.55 lakhs during the year by way of capitalising material of Rs 41.51 lakhs, labour of Rs 8.06 lakhs and design and engineering Rs 9.98 lakhs.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

4. INTANGIBLE ASSETS AND INTANGIBLE ASSETS UNDER DEVELOPMENT

(Rs. in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	
Carrying amounts of:			
Computer Software	115.25	118.38	
Sub-Total	115.25	118.38	
Intangible assets under development	417.47	343.69	
Total	417.47	343.69	
	Computer Software	Other	Total
Cost or deemed cost			
Balance as at March 31, 2016	48.30	394.83	443.13
Additions	71.42	-	71.42
Disposals	-	-	-
Balance as at March 31, 2017	119.72	394.83	514.55
Additions	55.09	22.18	77.27
Disposals	-	-	-
Balance as at March 31, 2018	174.81	417.01	591.82
Additions	39.22	135.00	174.22
Disposals	-	24.56	24.56
Balance as at March 31, 2019	214.03	527.45	741.48
Accumulated depreciation and impairment			
Balance as at March 31, 2016			
Disposals	-	-	-
Amortization expense	24.14	36.66	60.80
Balance as at March 31, 2017	24.14	36.66	60.80
Disposals	-	-	-
Amortization expense	32.29	36.66	68.95
Balance as at March 31, 2018	56.43	73.32	129.75
Disposals	-	-	-
Amortization expense	42.35	36.66	79.01
Balance as at March 31, 2019	98.78	109.98	208.76
Carrying amount			
Balance as at March 31, 2016	48.30	394.83	443.13
Balance as at March 31, 2017	95.58	358.17	453.75
Balance as at March 31, 2018	118.38	343.69	462.07
Balance as at March 31, 2019	115.25	417.47	532.72
5. GOODWILL			
Goodwill on consolidation	4,940.90		4,940.90
Total	4,940.90		4,940.90

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
6A FINANCIAL ASSETS		
NON CURRENT INVESTMENTS		
Investment in debt instruments	0.64	0.71
Less : impairment loss	-	-
Aggregate book value of quoted investment	-	-
Aggregate market value of listed and quoted investment	-	-
Total	0.64	0.71
6B OTHER FINANCIAL ASSETS		
Security Deposits (Unsecured, Considered good)	13.30	43.50
Total	13.30	43.50
6C OTHER NON-CURRENT TAX ASSETS		
Receivable from revenue authorities	1,204.71	597.48
Income tax payment less liabilities	86.49	40.03
Total	1,291.20	637.51
7. OTHER NON-CURRENT ASSETS		
Prepaid expenses	89.50	46.15
Capital advances	23.09	100.34
Interest Receivable	1,084.21	761.75
Security Deposit	47.93	47.93
Total	1,244.73	956.17
8. INVENTORIES (at lower of cost and NET realizable value) (as taken valued & certified by the management)		
Raw materials	2,218.54	1,680.33
Goods-in-transit	-	-
Work in process	898.17	763.18
Finished goods	1,224.16	1,371.75
Stock-in-trade	1,455.12	681.48
Stores and spares	411.66	430.13
Total	6,207.65	4,926.87
Note : Details of inventory of work-in-progress		
Batteries	283.68	343.61
Others	614.49	419.57

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
9. FINANCIAL ASSETS		
9A TRADE RECEIVABLE		
Unsecured and considered good	13,613.86	12,515.56
Doubtful	40.96	49.68
Less: Allowance for doubtful trade receivables (expected credit loss allowance)	40.96	49.68
Total	13,613.86	12,515.56
Ageing of Holding Company		
Within the credit period (0-15)	1,375.15	1,422.95
16-90 days past due	3,650.50	3,179.95
More than 90 past due	3,298.50	2,998.32
Total	8,324.15	7,601.22
The management has not provided for any expected credit loss allowance considering the past trend and customers credit worthiness		
Ageing of Group Company		
Within the credit period	3,856.80	3,554.48
0-90 days	856.34	835.68
91-180 days	311.44	331.61
More than 180 days	265.12	192.57
Total	5,289.71	4,914.34
Movement in the allowances for doubtful trade receivables (expected credit loss allowance):		
Balance at the beginning	49.68	0.68
Movement in expected credit loss allowance on trade receivables		
Created during the year	40.96	49.68
Released during the year	49.68	0.68
Balance at the end	40.96	49.68

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
9B CASH AND CASH EQUIVALENTS AND OTHER BALANCES WITH BANKS		
(i) Cash & cash equivalents :		
(a) Cash in hand	3.17	2.83
(b) Cheques and drafts on hand	1,694.19	1,500.87
(c) Balance with banks In Current accounts	235.66	182.96
Total - Cash and cash equivalents (as per Balance sheet) (i)	<u>1,933.02</u>	<u>1,686.66</u>
(ii) Other Balance with banks		
(a) In earmarked accounts		
Held as fixed deposits (Less than 12 months)	1,255.87	588.78
Unpaid dividend accounts	34.74	36.85
Held as margin money against borrowings And other commitments	1,888.52	2,758.63
Total - Other balances with bank (ii)	<u>3,179.13</u>	<u>3,384.26</u>
Total cash and bank balances (i+ii)	<u>5,112.15</u>	<u>5,070.92</u>
9C OTHER FINANCIAL ASSETS		
Security Deposits	238.96	274.57
Derivative assets on marked-to-market	-	1.20
Total	<u>238.96</u>	<u>275.77</u>
10. CURRENT TAX ASSETS (NET)		
Receivable from Net Revenue authorities	343.15	389.24
Income tax and TDS (Net of liability)	22.82	(144.32)
Total	<u>365.97</u>	<u>244.92</u>
11. OTHER CURRENT ASSETS		
Insurance claims	10.21	18.19
Advances recoverable in cash or kind	451.90	244.57
Loan to employee	36.68	29.84
Pre-paid expenses	51.34	77.98
Other advances	645.27	339.34
Total	<u>1,195.40</u>	<u>709.92</u>

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Particulars	As at March 31, 2019	As at March 31, 2018
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12. EQUITY SHARE CAPITAL

	No. of Shares	Lakhs	No. of Shares	Lakhs
(a) Authorised Equity shares of Rs.10 each with voting rights	50,00,000	500.00	50,00,000	500.00
(b) Issued Equity shares of Rs.10 each with voting rights	37,50,000	375.00	37,50,000	375.00
(c) Subscribed and fully paid up Equity shares of Rs.10 each with voting rights	37,50,000	375.00	37,50,000	375.00

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

	Opening Balance	Additions during the year	Delitions during the year	Closing Balance
Equity shares with voting rights Year ended March 31, 2019				
- Number of shares	37,50,000	-	-	37,50,000
- Amount (Lakhs)	375.00	-	-	375.00
Year ended March 31, 2018				
- Number of shares	37,50,000	-	-	37,50,000
- Amount (Lakhs)	375.00	-	-	375.00

(ii) Terms / rights attached to equity shares: -

The company has one class of equity shares having @ par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution shall be according to the members right and interest in the Company.

(iii) Shareholding more than 5% - Number of shares and % of Holding

(Rs. in lakhs)

Shareholders	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	% of Holdings	No. of Shares	% of Holdings
P. Dwaraknath Reddy	16,53,695	44.10	16,53,695	44.10
Laxmi Devi Jiwarajka	3,44,512	9.19	3,44,512	9.19
Sarla Devi Khaitan	2,60,398	6.94	2,60,398	6.94

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
13. OTHER EQUITY		
(i) Capital Reserve	-	-
(ii) Securities Premium Reserve	981.21	981.21
(iii) Capital Redemption Reserve	-	-
(iv) General Reserve	19,257.82	18,057.82
(v) Retained Earnings	1,632.61	1,909.82
Total	21,871.64	20,948.85
(i) General Reserve		
Balance at beginning of year	18,057.82	16,557.82
Movement during the year	1,200.00	1,500.00
Balance at end of year	19,257.82	18,057.82
(ii) Retained Earnings		
Balance at beginning of year	1,909.82	2,303.27
Profit for the year	1,842.33	2,234.10
Promoter's Contribution	(1.23)	(4.39)
Other comprehensive income	(14.15)	5.19
Payment of dividend	(904.16)	(1,128.35)
Transfer to General Reserve	(1,200.00)	(1,500.00)
Balance at end of year	1,632.61	1,909.82
(iii) Securities Premium		
Balance at beginning of year	981.21	981.21
Movement during the year	-	-
Balance at end of year	981.21	981.21
14. NON CONTROLLING INTEREST		
Balance at beginning of year	1,415.69	546.85
Share of profit / (loss) for the year	791.29	868.84
Balance at end of year	2,206.98	1,415.69
15. FINANCIAL LIABILITIES		
15A. BORROWINGS		
From Banks (Secured)		
Working Capital Term Loan	2,806.47	1,052.54
Term Loan - Vehicle Loan	710.43	30.53
From Banks (Unsecured)		
Bank of America - External Commercial Borrowings	389.09	-
Total	3,905.99	1,083.07

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

15A BORROWINGS (CONTD.)

Details of terms of repayment for the non-current borrowings and security provided in respect of the secured non-current borrowings:

Particulars	Terms of Repayment and Security	(Rs. in lakhs)			
		As at March 31, 2019		As at March 31, 2018	
		Secured	Unsecured	Secured	Unsecured
Term Loans From Banks:					
ICICI Bank Ltd.	See Note	2,806.47	-	1,052.54	-
State Bank of India		710.43	-	30.53	-
ECB - From Banks					
Bank of America		-	389.09	-	-
Total		3,516.90	389.09	1,083.07	-

Note:

Indo National Ltd.

The aggregate working capital limits of Rs.4,900 lakhs (Rs.3,000) 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.NIL (Rs.118) availed from banks is secured against fixed deposits.

Kineco Ltd. / Kineco Kaman Composites India Private Limited

- Working Capital Term Loans froms Banks are Secured by hypothecation of stocks of Raw Material, Stock in Process, Finished goods, Consumables and book-debts and all other current assets. Secured by mortgage of land and building and movable assets at plot no. 34, 35, 36, 41, 42, 43 and 61. Extension of charge over remaining fixed assets. Also secured by personal guarantee of Mr. Shekhar Sardessai and Ultimate Holding Company, Indo National Limited.
- The rupee term loan from State Bank of India is a secured facility and extended to finance the Company's expansion project which includes construction of factory building and purchase of machineries and equipments. This loan carries an interest rate of 2% above 1 year MCLR (ranging from 10.50% to 11.75% during the year. This facility is secured by equitable mortgage of factory land and building and hypothecation charge on the entire plant and machinery and other movable and immovable assets and on the inventories and receivables of the Company. The loan is repayable in 78 monthly instalments of Rs. 12.80 lakhs each and last instalment of Rs. 14.40 lakhs, the first instalment payable in September 2019 the last instalment payable in February 2026. This facility has swing option to convert the rupee loan to a Foreign Currency Non-Repatriable Term Loan (FCNR-TL). The Company has opted for this swing option and has converted a part of the rupee loan to FCNR TL.
- Vehicle loan from State Bank of India is a secured facility with exquisite first charge on the vehicle financed from this facility. The loan carries an interest rate of 9.65 % per annum and is repayable in 31 equated monthly instalments of Rs. 0.30 lakhs each, the last instalment payable in October 2019.
- External commercial borrowing from Bank of America is an unsecured facility and extended to finance the purchase of machineries and equipments. The loan carries an interest rate of 3 months LIBOR plus 175 basis points per annum (ranging from 3.71 % to 4.57 % during the year; during the year ended March 31, 2018 2.62 % to 3.10 %). The loan is repayable in quarterly instalments of USD 187,500 each, the last instalment payable in December 2020. The above loan is guaranteed by the Kaman Aerospace Group Inc ("Joint Venturer").

15B OTHER FINANCIAL LIABILITIES

(Rs. in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Security Deposits received	-	5.18
Total	-	5.18

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

16. PROVISIONS

(Rs. in lakhs)

Particulars	As at March 31, 2019		As at March 31, 2018	
	Non- Current	Current	Non- Current	Current
Provision for employee benefits:	533.73	-	442.02	-
Others	-	604.33	-	367.14
Total	533.73	604.33	442.02	367.14

17. DEFERRED TAX (LIABILITIES)/ASSETS

March 31, 2019

March 31, 2018

Deferred Tax Assets	1,335.83	752.36
Deferred Tax Liabilities	2,498.40	2,242.03
Total	1,162.57	1,489.67

(Rs. in lakhs)

Particulars	As at March 31, 2018	Recognised in Profit & Loss	Recognised in other compre- hensive income	As at March 31, 2019
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A. DEFERRED TAX ASSETS

Provision for employee benefit	157.74	90.00	-	247.74
Mat credit entitlement	-	-	-	-
Others	594.62	493.47	-	1,088.09
Total (A)	752.36	583.47	-	1,335.83

B. DEFERRED TAX LIABILITIES

Difference between book balance and tax balance of property, plant and equipment	2,070.18	256.37	-	2,326.55
Others	171.85	-	-	171.85
Total (B)	2,242.03	256.37	-	2,498.40

Particulars	As at March 31, 2017	Recognised in Profit & Loss	Recognised in other compre- hensive income	As at March 31, 2018
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A. DEFERRED TAX ASSETS

Provision for employee benefit	158.73	(0.99)	-	157.74
Mat credit entitlement	-	-	-	-
Others	599.29	(4.67)	-	594.62
Total (A)	758.02	(5.66)	-	752.36

B. DEFERRED TAX LIABILITIES

Difference between book balance and tax balance of property, plant and equipment	2,096.83	(26.65)	-	2,070.18
Others	210.20	(38.35)	-	171.85
Total (B)	2,307.03	(65.00)	-	2,242.03

Note: The recognition of deferred tax asset on unabsorbed depreciation has been restricted to the extent of deferred tax liability on account of timing difference in respect of depreciation, the reversal of which is virtually certain. As at the year end, the Co., also had other deferred tax assets, on other timing differences, unabsorbed depreciation and business losses which have not been recognised.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
18. OTHER NON-CURRENT LIABILITIES		
Deferred Government Grant	126.39	18.45
Total	126.39	18.45
19. FINANCIAL LIABILITIES		
19A BORROWINGS		
Secured at amortised cost from Bank	-	-
Unsecured at amortised cost- Loan from Bank	5,257.67	3,427.06
Total	5,257.67	3,427.06
Loans repayable on demand		
MUFG Bank Ltd.	-	728.36
Canara Bank	657.44	782.21
DBS Bank	766.56	607.95
Kotak Mahindara Bank	-	117.56
HDFC Bank	500.00	-
RBL Bank	1,100.00	-
Cash Credit	1,935.52	1,190.98
Export packing credit	298.15	-
Total	5,257.67	3,427.06
19B TRADE PAYABLES		
Total outstanding dues of micro enterprises and small enterprises	50.40	4.92
Total outstanding dues of creditors other than micro enterprises and small enterprises	5,467.98	5,719.19
Total	5,518.38	5,724.11

The dues to MSME have been determined to the extent such parties have been identified on the basis of information collected by management. There have been no payments beyond the appointed date during the year and hence no interest has been provided on the outstanding dues to MSME.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
19C OTHER FINANCIAL LIABILITIES:		
Current maturities of long-term debt	1,444.22	975.66
Term loans from bank and others (secured)	-	386.25
Secured Loans	300.00	300.00
Loans and advances from Shareholders & Directors	365.00	190.00
Loans from Helios	-	150.00
Interest accrued and due on borrowings	1,073.74	704.69
Statutory liabilities payable (Net)	69.78	66.48
Inter corporate Deposit	-	150.00
Unpaid/Unclaimed Dividends	34.74	36.85
Interest accrued but not due on borrowings	7.23	6.34
Payables on purchase of fixed assets	93.09	81.55
Total	3,387.80	3,047.82
20. OTHER CURRENT LIABILITIES		
(i) Statutory remittances	850.84	829.04
(ii) Advances from customer	2,124.51	3,901.08
(iii) Inter corporate deposits	0.47	0.47
Total	2,975.82	4,730.59
21. REVENUE FROM OPERATIONS		
Sale of products- [including excise duty] for the year ended March 31, 2018, Refer Note (i) below:	44,323.26	40,346.71
Total	44,323.26	40,346.71

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Sale of product comprises:		
A. Manufactured Goods		
Dry Batteries	20,211.96	20,963.76
Aerospace	12,628.39	11,848.27
Total - Sale of Manufactured goods (A)	32,840.35	32,812.03
B. Traded goods		
Batteries	5,201.55	5,180.89
Torches	2,060.64	1,786.12
Others	4,220.72	567.67
Total - Sale of Traded goods (B)	11,482.91	7,534.68
Total - Sale of Products (A+B)	44,323.26	40,346.71
22. OTHER INCOME		
(a) Interest Income Refer Note (i) below	1,548.64	1,319.35
(b) Net gain on foreign currency transactions and translation (other than considered as finance cost)		
(c) Other non-operating income, Refer Note (ii) below	144.06	210.08
Total	1,692.70	1,529.43
(i) Interest income comprises:		
- Deposits	203.30	69.06
- Over due bills	1,341.36	1,240.04
- Debentures	-	-
- Others	3.98	10.25
Total - Interest Income	1,548.64	1,319.35
(ii) Other non-operating income comprises:		
Net gain on sale of fixed assets	2.83	1.81
Provisions no longer required written back	-	-
Others	141.23	208.27
Total - Other Non-Operating Income	144.06	210.08
23. COST OF MATERIALS CONSUMED		
Opening Stock	1,680.33	1,666.05
Add: Purchases	18,745.18	17,318.57
Less: Closing Stock	2,218.54	1,680.33
Total Cost of Material Consumed	18,206.97	17,304.29

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Material Consumed Comprises of:		
Zinc	4,053.27	4,245.21
Electrolytic Manganese Dioxide	1,988.02	1,727.01
Others	12,165.68	11,332.07
Total	18,206.97	17,304.29
24. PURCHASE OF STOCK IN TRADE (TRADED GOODS)		
Batteries	3,171.40	3,371.96
Flashlights	1,577.42	1,520.07
Other consumer products	4,382.05	239.85
Total	9,130.87	5,131.88
25. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
A. At the beginning of the year		
Finished goods	1,371.75	1,491.77
Goods-in-process	763.17	876.71
Stock-in-trade	673.75	739.43
	2,808.67	3,107.91
B. At the end of the year		
Finished goods	1,224.16	1,371.75
Goods-in- process	898.18	763.17
Stock-in-trade	1,445.90	673.75
	3,568.24	2,808.67
C. Decrease/(Increase) in Inventories	(759.57)	299.24
26. EMPLOYEE BENEFIT EXPENSE		
Salary, Wages and Allowances	4,846.13	4,144.44
Directors' Remuneration	414.49	415.75
Contribution to Provident and other funds	348.21	330.94
Staff welfare expenses (Including Compensated Absences)	805.66	754.08
Total	6,414.49	5,645.22
27. FINANCE COSTS		
Interest expense on borrowings	847.71	447.10
Other borrowing costs	165.53	154.27
Bank charges	-	-
Net loss on foreign currency transactions and translation (considered as finance cost)	196.22	(106.89)
Total	1,209.46	494.48

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
28. DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation for the year on property, plant and equipment	1,056.80	928.74
Amortisation for the year on intangible assets	8.66	7.06
Total	1,065.46	935.80
29. OTHER EXPENSES		
Consumption of stores and spare parts	494.23	556.33
Power, Gas and Water	516.68	464.66
Repairs to:		
Machinery	67.07	46.05
Buildings	85.81	75.90
General	318.72	293.16
Insurance	58.86	72.04
Research & Development Expenses	65.61	15.97
Rent	315.75	314.75
Travelling & Conveyance	686.11	667.98
Communication Expenses	80.39	86.35
Printing and Stationery	32.05	28.24
Vehicle Maintenance	84.09	58.19
Auditors' Remuneration	30.33	33.40
Professional charges	972.89	857.77
Additional Sales Tax, etc	-	13.68
Rates and taxes	108.13	133.45
Advertisement expenses	275.76	388.67
Freight Expense	1,433.91	1,141.02
Sales promotion, Selling and Distribution expenses	888.60	1,146.96
Loss on sale of fixed assets	8.10	0.25
Corporate Social Responsibility	74.94	73.24
Miscellaneous expenses	620.80	327.33
Total	7,218.83	6,795.39

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Payments to the auditors comprises fees for		
For Statutory audit	16.62	24.72
For Taxation and Certification	5.10	5.10
For Tax Audit	2.00	2.00
For Out of pocket expenses	6.61	1.58
Total	30.33	33.40
30. INCOME TAX		
Income tax recognised in profit and loss		
Current tax		
In respect of current year	1,196.93	1,297.17
Deferred tax		
In respect of current year	(324.46)	(59.33)
Total	872.47	1,237.84
<i>Note: Reconciliation of the accounting profit to the income tax expense for the year is summarised below.</i>		
Reconciliation of the accounting profit to the		
Income-Tax expense for the year is summarised below :		
Profit before tax	3,529.45	4,337.21
Income-Tax expense calculated at 34.608%	1,221.47	1,501.02
Effect of expenses that are not deductible in determining taxable profit	(349.00)	(263.18)
Income-Tax expense	872.47	1,237.84

**31. ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS
DISCLOSURES UNDER INDIAN ACCOUNTING STANDARDS**

31.1 Contingent liabilities & commitments (to the extent not provided for)

(Rs. in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
(i) Contingent Liability		
a) Penalty imposed by Competition Commission of India ("CCI") on the Group and on certain officers of the Group (Refer note# below)	4,226.00	4,226.00
b) Claims against the Group not acknowledged as debts*	2,755.20	2,688.00
Bills discounted with Bankers and others	3,564.87	3,818.22
Income Tax disputed in Appeals	29.48	29.48
Sales Tax disputed in Appeals	2.15	2.15
Claims against the group for pending cases of the group	2.18	2.18
(ii) Guarantees		
Bank Guarantee	680.62	1,151.63
(iii) Letter of Credit	1,138.77	1,198.26
(iv) Commitments		
Estimated amount of contracts remaining to be executed on capital account	146.42	713.55

Note: In terms of order dated 25th April 2018 received on 02nd May 2018, the Competition Commission of India (CCI) has imposed penalty of Rs. 4226.00 lakhs for alleged cartelisation in respect of Zinc carbon dry cell batteries market in india. The parent Company had filed an appeal against order of CCI before the National Company Law Appellate Tribunal (NCLAT) . NCLAT has granted stay on the CCI order on the condition that the Company should deposit 10% of the penalty amounting to Rs.422.00 Lakhs .The parent Company Based on the legal opinion and considering the uncertainty relating to outcome of this matter, no provision has been considered in the books of account.

Note-Contingent Liability under the EPCG/Advance Licence Scheme

The subsidiary Company has imported capital goods/ raw materials under the Export Promotion Capital Goods Scheme ("EPCG Scheme") / Advance licence ("Advance Licence scheme") and executed bonds aggregating Rs 367.00 lakhs (March 31, 2018 Rs 243.74 lakhs) in favour of Customs authorities. The Company is liable to pay the whole of the customs duty saved on such imported goods, along with interest at 18% per annum from the date of clearance of goods till the date of payment of duty, if it fails to discharge its export obligations as prescribed under the Schemes. Under the Schemes, the Company has to earn foreign currency worth Rs 4,073.78 lakhs (March 31, 2018 Rs 3,427.20 lakhs) in aggregate. The obligations are to be fulfilled within a period of 1.5-6 years from the date of issue of import licences. Import licenses have been issued at various points in time and the time limit of 1.5-6 years for licenses for which such obligation is pending to be fulfilled ends on February 20, 2020. As, at the year end, the balance export obligation is Rs. 2,755.2 lakhs (March 31, 2018 Rs. 2,688.00 lakhs) which is to be fulfilled by earning foreign exchange from Company's operations.

Based on its business plans the Group does not expect any liability to devolve in respect of the above and therefore no provision has been made in the accounts.

31.2 LEASES

The Subsidiary company (Kineco) has entered into a long term lease agreement for land with Goa Industrial Development Corporation. The lease term is for a definite period with no unconditional right with the Company to extend the lease period. The lease term also does not cover a major part of the economic life of the asset, hence the same is being treated as an operating lease. The unamortised lease prepayments as at March 31, 2019 aggregating Rs. 86.95 lakhs (as at March 31, 2018 Rs. 43.52 lakhs) is included in 'Other non financial assets (current and non current)'.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**31. ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS****DISCLOSURES UNDER INDIAN ACCOUNTING STANDARDS (CONTD.)**

(Rs. in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Lease payments recognised in the Statement of Profit and Loss for the year	3.00	2.29
Further minimum lease payments under the agreements, which are non cancellable are as follows:		
a. Not later than one year	3.24	2.47
b. Later than one year and not later than five years	13.67	10.42
c. Later than five years	75.87	38.22
Terms and Conditions of the lease:		
a. The lease agreements provide for a 10% increase in lease rent every 3 years.		
b. The agreements provide for a subleasing of the leased land with prior approval of the lessor.		
c. The agreements provide for renewal option of the lease period. The option to be exercised within the time stipulated in the lease agreements.		

31.3 Disclosure under MSMED Act

The details relating to Micro, Small and Medium Enterprises in terms of the Micro, Small and Medium Enterprises Development Act, 2006 are as follows: As provided by the management, on the basis of confirmations received from suppliers regarding their status under the said act. Interest has not been provided as the amount due to these creditors is not overdue for a period of more than 45 days.

Outstanding principal Amount and Interest as on March 31, 2019

- Principal amount	42.66	-
- Interest due thereon	-	-
Total	42.66	-

31.4 Disclosure as per Regulation 34 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015

Particulars of Loans, guarantees or investments covered under Section 186(4) of the Companies Act, 2013

Particulars	March 31, 2019	March 31, 2018	Purpose
(a) Loan outstanding	660.00	150.00	Working capital requirement
(b) Investments	4,651.52	4,651.52	Refer Notes 5A to Standalone Financials
(c) Guarantees	3,690.00	3,690.00	

* Since Indo National Ltd. has given the Corporate Guarantee to avail working capital limits by Kineco Ltd., from HDFC Bank Ltd., to have a proportionate back to back cover, we entered into a risk sharing agreement with another shareholder of Kineco Ltd to the extent of 49%

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

31.5 EMPLOYEE BENEFIT PLANS

31.5.1 Defined contribution plans / Benefit Plan

Defined contribution plans:

The total expense recognised in profit or loss of Rs. 321.64 Lakhs for the year ended March 31, 2019: (Last year -Rs.290.32 Lakhs) represents contribution paid to these plans by the Company at rates specified in the rules of the plan.

Defined benefit plans:

The Group Companies offer benefits under a defined-benefit plan in the form of a gratuity scheme to its eligible employees. The gratuity scheme covers substantially all regular employees. The plan provides for a lumpsum payment to its vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to fifteen days/ one month salary drawn at the time of the incident occasioning such payment, as applicable, payable for each completed year of service or part there of in excess of six months. Vesting occurs up on completion of five years of service calculated as per the Payment of Gratuity Act, 1972.

The employees' gratuity fund scheme is managed by Life Insurance Corporation of India (LIC). The Group Companies make annual contributions to the plan. Commitments are actuarially determined at year-end. Actuarial valuation is based on "Projected Unit Credit" method.

31.5.2 The Group offers the following employee benefit schemes to its employees:

Defined benefit plans

- i. Gratuity
- ii. Leave encashment

Amounts recognised in total comprehensive income in respect of these defined benefit plans are as follows:

(Rs. in lakhs)

Particulars	Year ended 31st March , 2019		Year ended 31st March , 2018	
	Gratuity Funded	Leave Encashment Non-Funded	Gratuity Funded	Leave Encashment Non-Funded
Amount recognised under Employee Benefits Expense in the Statement of Profit and Loss:				
Current service cost	77.72	15.33	71.45	14.02
Interest cost / (Income) - Net	2.58	2.39	(49.22)	1.59
Mortality charges and taxes	-	-	1.13	-
Past service cost	-	16.27	13.89	-
Return on Plan Assets (Excluding Interest Income)	-	-	-	-
Components of defined benefit costs recognised in profit or loss	80.30	33.98	37.24	15.62
Amount recognised in Other Comprehensive Income (OCI) for the Year:				

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

31.5 EMPLOYEE BENEFIT PLANS (CONTD.)

(Rs. in lakhs)

	Year ended 31st March, 2019		Year ended 31st March, 2018	
	Funded	Non-Funded	Funded	Non-Funded
Remeasurement on the net defined benefit liability comprising:				
Actuarial (gains)/losses recognised				
during the period	16.58	-	(16.59)	(3.64)
Components of defined benefit costs recognised in other comprehensive income	16.58	-	(16.59)	(3.64)
Total expense / (income) recognised in the Consolidated Statement of Profit and Loss	96.88	33.98	20.65	11.97
Change in defined benefit obligations (DBO) during the year				
Opening defined benefit obligation	1,295.96	33.20	1,199.08	21.23
Current service cost	77.72	15.33	71.45	14.02
Interest cost	86.89	2.39	34.24	1.59
Past service cost	-	16.27	13.89	-
Benefit Paid	(214.72)	-	(6.10)	-
Actuarial losses / (gains)	(153.44)	(4.36)	(16.59)	(3.64)
Closing defined benefit obligation	1,092.41	62.83	1,295.96	33.20
Change in fair value of assets during the year				
Opening fair value of plan assets	1,246.42	-	1,128.77	-
Interest Income	85.71	-	84.52	-
Actual Group contributions	33.00	-	39.69	-
Mortality charges and taxes	(185.99)	-	(1.13)	-
Benefits paid	(214.43)	-	(4.85)	-
Return on plant of assets (excluding interest income)	0.02	-	(0.58)	-
Plan Assets at the end of the year	964.73	-	1,246.42	-
Net asset/ (liability) recognised in the Balance Sheet				
Present value of defined benefit obligation	(1,092.41)	(62.83)	(1,295.96)	(33.20)
Fair value of plan of assets	964.73	-	1,246.42	-
Net asset/ (liability) recognised in the Balance Sheet	(127.69)	(62.83)	(49.55)	(33.20)

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

ACTUARIAL ASSUMPTIONS

Controlling Interest

Particulars	As at March 31, 2019	As at March 31, 2018
Discount Rate	7.67% p.a.	7.95% p.a.
Salary Escalation	9.13% p.a.	8.50% p.a.
Expected return on assets	NA	NA
Mortality	Indian Assured Lives Mortality (2012-14) & (2006-08)	Indian Assured Lives Mortality 2012-14) & (2006-08)
Attrition rate	1% - 7.5% p.a.	1% - 7.5% p.a.
Non-controlling Interest		
Discount Rate	8.50% p.a.	8.50% p.a.
Expected return on plan assets	6.90% p.a.	6.90% p.a.
Salary Escalation	7.00% p.a.	7.00% p.a.
Mortality Tables	Indian Assured Lives Mortality (2012-14) & (2006-08) Ultimate table	Indian Assured Lives Mortality 2012-14) & (2006-08) Ultimate table
Attrition rate	1% - 7.5% p.a.	1% - 7.5% p.a.

In the absence of detailed information regarding Plan assets which is funded with Life Insurance Corporation of India, the composition of each major category of plan assets, the percentage or amount for each category to the fair value of plan assets has not been disclosed.

These plans typically expose the Group to actuarial risks are as follows:

Investment risk	All plan assets are maintained in a trust fund managed by a public sector insurer viz; LIC of India. LIC has a sovereign guarantee and has been providing consistent and competitive returns over the years. The Company has opted for a traditional fund wherein all assets are invested primarily in risk averse markets. The Company has no control over the management of funds but this option provides a high level of safety for the total corpus. A single account is maintained for both the investment and claim settlement and hence 100% liquidity is ensured. Also interest rate and inflation risk are taken care of.
Salary Risk	The present value of the defined benefit obligation calculated by reference to the future salaries of the plan participants. An increase in the salary of the plan participants will increase the plan liability.
Discount rate risk	The present value of the defined benefit obligation is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. Decrease in the bond rate will increase the plan liability; this will partially be offset by the increase in the interest on plan assets.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Longevity Risk	The present value of the defined benefit obligation calculated by reference to the best estimate of the mortality of plan participants. An increase in the life expectancy of the plan participants will increase the plans liability.
Interest risk	A decrease in the bond interest rate will increase the plan liability. However, this will be partially offset by an increase in the return on the plan's debt investments.

Sensitivity Analysis

The increase/ (decrease) of the defined benefit obligation to changes in the weighted principal assumptions are:

Particulars	Funded	
	2018-19	2017-18
DISCOUNT RATE +100 basis points	73.26	39.50
DISCOUNT RATE -100 basis points	81.31	43.74
SALARY GROWTH +100 basis points	81.19	42.71
SALARY GROWTH -100 basis points	73.29	38.05

Particulars	Non-Funded	
	2018-19	2017-18
DISCOUNT RATE +100 basis points	59.28	31.92
DISCOUNT RATE -100 basis points	66.81	34.69
SALARY GROWTH +100 basis points	66.74	34.64
SALARY GROWTH -100 basis points	59.28	31.94

Segment Information

The business of the Group currently is manufacture and sale of dry batteries, trading lighting products and other home appliances which comes under a single business segment known as consumer goods. This classification is based on the nature of products, risks, returns and the internal business reporting system and accordingly there is no other reportable segment in terms of Ind AS "Operating Segment".

M/S. Kineco Limited along with its subsidiaries which is a step down subsidiary of Indo National Limited is engaged in the business of composites and aerospaces. M/s. Kineco Limited has achieved the revenue of INR 80.04 Crores which amounts to more than 10% of the consolidated revenue of the Group. Considering the same and in accordance with IND AS 108 "Segment Reporting" becomes applicable for consolidated financial statements and the same is given herewith.

31.6 SEGMENT WISE REVENUE, RESULTS & CAPITAL EMPLOYED

(Rs. in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Segment Revenue		
a) Consumer Goods	31,694.87	28,498.44
b) Composite & Aerospace	12,628.39	11,848.27
Total	44,323.26	40,346.71
Less: Inter-segment revenue	-	-
Revenue from operations	44,323.26	40,346.71

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Results		
Profit before tax and interest		
a) Consumer Goods	3,233.76	3,350.82
b) Composite & Aerospace	1,505.15	1,480.88
Total	<u>4,738.91</u>	<u>4,831.70</u>
Less: i) Interest	1,209.46	494.48
Profit before tax	<u>3,529.45</u>	<u>4,337.22</u>
Tax	<u>872.47</u>	<u>1,237.85</u>
Profit After Tax(Including share of profit/ loss subsidiaries)	<u>2,656.98</u>	<u>3,099.37</u>
Segment Assets		
a) Consumer Goods	24,341.72	22,481.55
b) Composite & Aerospace	23,584.59	20,593.10
Total Segment Assets	<u>47,926.31</u>	<u>43,074.65</u>
Segment Liabilities		
a) Consumer Goods	24,341.72	22,481.55
b) Composite & Aerospace	23,584.59	20,593.10
Total Segment Liabilities	<u>47,926.31</u>	<u>43,074.65</u>

31.7 RELATED PARTY TRANSACTIONS

31.7.1 (a) Details of related parties:

Description of relationship	Names of related parties
SUBSIDIARIES	Helios Strategic Systems Ltd. Kineco Limited (Subsidiary of Helios Ltd) Kineco Kaman composites Pvt Ltd (Second level subsidiary of Kineco Ltd) Kineco Alte Train Technologies Pvt Ltd. Second level subsidiary of Kineco Ltd)
Joint Venturer of Subsidiary with 49% ownership	Kaman Aerospace Group Inc
Associates Of Subsidiary (with whom transactions have taken place during the year)	Kaman Aerosystems - Kaman Composites CT Kaman Composites - Vermont, Inc Kaman Composites - UK Limited

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Related party transactions (CONTD.)

Description of relationship	Names of related parties
ENTERPRISES WITH SIGNIFICANT INFLUENCE	Apex Agencies Associated Electrical Agencies Radiohms Properties Pvt. Ltd Radiohms Agencies RAL Consumer Products Limited Deccan Hospitals (A Unit of Apollo Hospitals Ent. Ltd)
KEY MANAGERIAL PERSON	P. Dwaraknath Reddy
Executive Directors	R.P. Khaitan P. Aditya Reddy Mr. Vinay Jagtap
Director	Mr. Prashant Naik
Executive Vice Chairman and Managing Director	Mr. Shekhar Sardesai

Related party relationship are as identified by management and relied upon by auditors.

31.7.2(b) Details of related party transactions during the year ended March 31, 2019 and balances outstanding as at March 31, 2019:

Particulars	(Rs. in lakhs)	
	As at March 31, 2019	As at March 31, 2018
SUBSIDIARIES		
Helios Strategic Systems Limited		
Corporate Guarantee	3,690.00	3,090.00
Kineco Limited		
Outstanding as at the year end		
Trade receivables	1.40	0.75
Kaman Aerospace Group Inc.		
Outstanding at the year end		
- Trade payables	(7.37)	(6.93)
Corporate guarantee	908.37	975.66
Kaman Composites - Vermont, Inc		
Purchase of raw material	-	5.48
Purchase of services	-	3.25
Kaman Composites - UK Limited		
Recovery of expenses	39.08	1.73
Expenses reimbursed	3.37	-

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**Related party transactions (CONTD.)**

(Rs. in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Outstanding at the year end		
Purchase of Fixed Assets	-	31.86
- Trade payables	-	(0.46)
- Expenses recoverable	37.50	1.80
Apex Agencies		
Sales	5,909.73	4,873.00
Services Received	128.40	74.36
Services Rendered	512.93	522.95
Outstanding as at the year end		
Trade receivables	2,919.26	2,577.86
Associated Electrical Agencies		
Sales	4,563.01	3,557.67
Services Received	57.37	27.29
Services Rendered	430.77	467.63
Outstanding as at the year end		
Trade receivables	2,375.25	2,386.29
Kalpatharu Enterprises Pvt Ltd		
Services Received	-	62.54
Outstanding as at the year end	-	-
Deccan Hospitals		
Sales	431.91	270.37
Services Received	14.45	8.57
Outstanding as at the year end		
Trade receivables	0.24	0.24
Radiohms Properties Pvt Ltd		
Services Received	14.93	15.42
Radiohms Agencies		
Sales	2,228.65	2,753.16
Services Received	41.35	45.76
Services Rendered	75.85	12.09
Outstanding as at the year end		
Trade receivables	156.03	575.92
RAL Consumer Products Limited		
Sales	1,993.88	2,396.20
Services Received	48.97	94.83
Services Rendered	73.75	25.06

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**Related party transactions (CONTD.)**

(Rs. in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Outstanding as at the year end		
Trade receivables	109.13	597.32
Key Managerial Person		
(i) R.P. Khaitan		
Remuneration	90.22	84.34
Commission	15.25	31.00
(ii) P. Dwaraknath Reddy		
Remuneration	88.33	80.19
Commission	15.25	31.00
(iii) P. Aditya Reddy		
Remuneration	87.31	86.72
Commission	15.25	31.00
(iv) Shekhar Sardesai		
Remuneration	118.74	73.79
Repayment of Loan	20.00	117.02
Finance Cost	9.73	-
Loan received	95.00	150.00
v) Vinay Jagtap		
Repayment of Loan	3.60	-
Loan received	3.60	-

31.8 EARNINGS PER SHARE**31.8.1 Basic**

Profit for the year in Rs. Lakhs	1,842.33	2,234.10
Weighted average number of equity shares	37.50	37.50
Par value per share	10.00	10.00
Earnings per share - Basic	49.13	59.58

31.8.2 Diluted

The diluted earnings per share has been computed by dividing the profit for the year available for Equity Shareholders by the weighted average number of equity shares

Profit for the year	1,842.33	2,234.10
Weighted average number of equity shares for basic EPS	37.50	37.50
Weighted average number of equity shares for diluted EPS	37.50	37.50
Par value per share	10.00	10.00
Earnings per share - Diluted	49.13	59.58

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**Related party transactions (CONTD.)**

(Rs. in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
31.9 CORPORATE SOCIAL RESPONSIBILITY (CSR)		
As per section 135 of the Companies Act, 2013, CSR committees have been formed by the Group companies. The areas of CSR activities are eradication of hunger, promoting education, gender equality, empowerment of women, rural development, promoting sports - National & Olympic etc. The expenditure incurred during the year on these activities are as specified in schedule VII on the Companies Act, 2013.		
(a) Gross amount required to be spent by the Company during the year INR 74.94 Lakhs		
(b) Amount spent during the year on:		
Education and Health care	38.97	21.54
Social Welfare	22.48	18.30
Drinking Water	5.83	10.10
Sports	0.30	0.30
Protection of Indian Culture and heritage	-	20.00
Promoting greenery	-	3.00
Sanitation and Swacch Bharath Abiyan	7.36	-
Total	74.94	73.24
31.10 Details of research and development expenditure recognised as an expense		
Buying of equipments and lab test cylinder development charges	65.61	15.97
31.11 FINANCIAL INSTRUMENTS		
31.11.1 Capital management		
The Group's capital management objective is to maintain an optimal debt-equity structure so as to reduce the cost of capital, thereby enhancing returns to shareholders. The Group's also has a policy of making judicious use of various available debt instruments within its overall working capital drawing limit. This interest arbitrage helps the Group's to contain / reduce the cost of capital.		
Gearing ratio		
Debt (A)	9,163.66	4,510.13
Cash and bank Balances (B)	5,112.15	5,026.98
Net Debt (A-B)	4,051.51	(560.79)
Total Equity	22,246.64	21,323.85
Net debt to Equity Ratio (%)	18.21	(2.63)

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**Related party transactions (CONTD.)**

(Rs. in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
31.11.2 Categories of financial instruments		
Financial assets		
Measured at fair value through Other Comprehensive Income (FVTOCI)		
Investments designated at fair value through Other Comprehensive Income (FVTOCI)	0.64	0.71
Measured at amortised cost		
(a) Cash and Bank Balances	5,112.15	5,070.92
(b) Other financial assets at amortised cost	13,866.12	12,834.83
Financial liabilities		
Financial liabilities measured at amortised cost	18,069.84	13,287.24

31.11.3 Risk Management framework

The Group's Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board has constituted the risk management committee which carries on the following functions:

1. The implementation of Risk management systems and framework;
2. Reviewing the Group's financial and risk management policies;
3. Assessing risk and minimizing the procedures;
4. Framing, implementing and monitoring the risk management plan

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Risk management Committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group's. The Risk management Committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

The Group has exposure to the following risks arising from its financial risk management:

Credit risk

Liquidity risk

Commodity Price risk

Foreign currency risk

The Group manages its financial operations with its own accruals and hence is not subject to interest rate risk. The Group manages its working capital with its own stock and debtors. However, the overdraft/ cash credit facility from our bankers are utilised to manage the working capital gap as and when required. The Group does not foresee any requirement for long term funding in the near future.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Related party transactions (CONTD.)

31.11.4 Credit risk management

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's trade receivables, deposits and other financial assets.

Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business. The Group has established a strong liquidity damage agreement with its customers. The normal credit period for trade receivable is 15 days and any settlement beyond 15 to 90 days and 90 days and above is settled with interest.

The Group based on internal assessment which is driven by the historical experience and current facts available in relation to default and delays in collection thereof has decided not to make any expected credit loss of trade receivables. The Group does not foresee any requirement to create the allowance matrix considering the past trend, future operations and materiality of doubtful/bad debts incurred till now. Refer Note (9.A)

Liquidity risk management

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The average credit period for purchase of materials and traded products ranges from 30 to 60 days and the Group settles the significant portion of the obligation within the aforesaid credit period. The Group's working capital is adequately supported by Stock, Book debts and Bank overdraft/ CC facilities.

Commodity price risk management

The Group is exposed to commodity price risk, mainly in respect of Zinc, which is a key raw material in the manufacture of batteries. The price risk is linked to fluctuations in London Metal Exchange (LME). The Group manages the price risk by entering into a average price agreement with the vendor.

31.11.5 Foreign currency risk management

The Group undertakes transactions denominated in foreign currencies; consequently, exposure to exchange rate fluctuations arise. The Group has the policy of settling the foreign exchange exposure within 5 to 10 days to mitigate the foreign currency risk

The Group's business activities include import of raw materials which are linked to international price in dollar terms. As a result the Group is exposed to exchange rate fluctuation on its imports. The Group also avails foreign currency funding in terms of export packing facilities for the purchase of raw materials. The impact of these fluctuations affects the Group's profitability and finance.

The Group's objective is to insure that the cost of export packing facilities availed doesn't exceed the cost of Rupee funding of a comparable nature at the time of availing. The Group's foreign currency transaction are recorded in accordance with guidelines laid down in Indian accounting standards.

The Group enters into derivative financial instruments of the nature of forward foreign exchange contracts to manage its foreign currency risk of foreign currency receivables. The Group also uses the asset liability offset of foreign currency exposures as a part of its foreign exchange fluctuation risk management policies.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Foreign currency risk management (CONTD.)

Derivatives are used only for economic hedging purposes and not as speculative investments. All such transactions are carried out with the approval of the board of Directors.

The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below.

i. Amount receivable in foreign currency on account of the following:-

Particulars	As at March 31, 2019		As at March 31, 2018	
	Rupees in Lakhs	Foreign Currency Lakhs	Rupees in Lakhs	Foreign Currency Lakhs
Trade receivables and advances to suppliers				
- USD	350.99	5.05	315.29	4.86
- Euro	0.16	-	77.15	1.01
- GBP	7.75	0.09	5.16	0.06
Cash and Bank balances				
- USD	155.75	2.25	110.71	1.70
- SGD	0.23	-	0.22	-
- GBP	0.02	-	-	-
ii. Amount payable in foreign currency on account of the following:				
Trade payables and other Current Liabilities				
- Euro	24.62	0.31	1.03	0.01
- USD	2,171.82	33.70	3,812.34	59.82
Foreign Currency loans including interest there on				
- USD	1,631.93	23.59	977.12	15.02

Development of Composite Technology, Products and Process Know-How:

(i) Development of Composite Filament Winding Technology, products and process know- how

The subsidiary company has completed and commercialized a project for Research and Development in the field of filament Winding using advanced technology at an aggregate cost of Rs.227.18 lacs, In association with Indian Institute of Technology, Mumbai and Technology Information Forecasting Assessment Council, a body constituted by Govt. of India under Ministry of Science and Technology. Research and product development under this has been funded by TIFAC for Rs. 99.50 Lakhs. Out of Rs. 227.18 lac, Rs. 33.31 lacs was expensed on Building and Rs.134.71 lacs represent capital expenditure on Research, which is capitalized under appropriate assets heads. Balance Rs. 59.10 lacs represent expenditure on personnel, consultancy fees to IIT Mumbai and other consultant, premium payable to bridge TIFAC as per agreement, travelling, depreciation, interest on finance etc. These being incurred for "Development of Composite development process, are classified as Intangible Asset under Technology, Products and process Know-How".

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Related party transactions (CONTD.)

(ii) Development of Composite Sky bus Coaches Technology, products and process know- how

The company has completed R&D project for Development of composite sky bus coaches for Konkan Railway Corporation at an aggregate cost Rs. 186.47 lacs, in association with Indian Institute of Technology, Mumbai and TIFAC. TIFAC has committed financial assistance of Rs. 99.50 lacs of which Rs. 79.60 lacs has been disbursed till 31st March 2006. The Commercialisation of the sky bus Coaches Project for Konkan Railway in the project. However, during the year the Group has successfully leveraged this intangible asset in the form of Composite Technology, Products and Process Know-How Sky Bus Project. Using the technology developed under this project, the Group has manufactured and supplied substantial volume orders for seats, front end cab and interior train paneling for Indian Railways over the past 8 years.

(iii) The Development of Composite Technology, Products and Process Know-How for armature cores (for power plants), carbon fiber cycle frame and forks, Canisters for projectile launchers and Optical telescopic structures.

The company has incurred capital expenditure for Research and Development of armature cores (for power plants), carbon fiber cycle frame and forks, Canisters for projectile launchers and Optical telescopic structures at an aggregate cost of Rs. 288.67 lacs. The Group has received initial commercial order from customers for products developed from this research and development efforts and expects revenues over years arising out of the same.

(iv) The Development of Composite Technology, Products and Process Know-How for Sonar Dome

The company has incurred capital expenditure for Research and development of composites Sonar Dome for ships through R&DE(E),BEL at an aggregate cost of Rs.99.46 lacs. The company has received commercial order from R&DE(E), BEL orders for manufacture and supply of sonar domes from these domes from these research and development efforts and expects revenues over years arising out of the same.

(v) The Development of Composite Technology for fabrication of Composites Sonar Dome for P15A Class Ships

Kineco in coordination with R&DEE, Pune, DRDO, Ministry of Defence, Govt. of India developed a unique technology for fabrication of Composites Sonar Dome for P15A Class Ships by vacuum assisted resin transfer moulding technical know-how process and testing method for quality assurance. With this know how process Kineco have successfully manufactured SONAR DOME to DRDO. The Sonar Dome is a protective cover to sonar equipment of surface war ships. This technology will be utilised to manufacture sonar domes to MDL/INDIAN ARMED FORCES/BEL in consultation with DRDO. As per the TOT the licence to utilise the technology for manufacture in India and supply for 10 years.

31.11.6 Interest rate risk management

The Group is exposed to interest rate risk because it borrows funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings contracts.

31.11.7 Fair value measurements

The Group has not recognised any financial asset / liability at fair value. The directors consider that the carrying amounts of financial assets and financial liabilities that are recognised at fair value in the financial statements approximate their fair values.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Related party transactions (CONTD.)

Fair value hierarchy

The table shown below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined below:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

(Rs. in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Financial assets - at fair value through other comprehensive income:		
Non-Current Investments (other than equity instruments of subsidiaries)	0.64	0.71
Total	0.64	0.71

32. Approval of Financial Statements

The Consolidated financial statements were approved for issue by the Board of Directors on May 22, 2019.

As per our Report attached

For **G BALU ASSOCIATES LLP**
Chartered Accountants
FRN : 000376S/S200073

RAJA GOPALAN B
Partner (M No.217187)
Place : Chennai
Date : 22nd May, 2019

N. RAMESH RAJAN
Chairman

C.R. SIVARAMAKRISHNAN
Chief Financial Officer

For and on behalf of the Board of Directors

P. DWARAKNATH REDDY
Managing Director

R.P. KHAITAN
Joint Managing Director

J. SRINIVASAN
Company Secretary

ATTACHMENT TO THE FINANCIAL STATEMENT

FORM AOC-1

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Subsidiary / Associate Companies / Joint ventures

Subsidiaries

S.No.	Name of the Subsidiary	Helios Strategic Systems Ltd	Kineco Limited and its Subsidiaries
1	Reporting period	31st March 2019	31st March 2019
2	Reporting Currency	INR in Lakhs	INR in Lakhs
3	Share Capital	5.00	626.42
4	Other Equity	3,628.13	1,990.27
5	Non controlling interest	-	1,132.13
6	Total Assets	5,547.31	19,465.28
7	Total Liabilities	1,914.18	15,716.46
8	Investments (except for investment in subsidiaries)	-	0.64
9	Turnover	167.75	12,628.39
10	Profit/(Loss) before taxation	(289.25)	1,022.08
11	Provision for taxation	-	(18.17)
	Total Comprehensive income attributable to:		
	1. Owners of the Company	(289.25)	424.29
	2. Non controlling interest	-	591.77
12	Proposed Dividend	-	-
13	% of shareholding	100%	*50.991%

*held through Helios Strategic Systems Ltd ., a wholly owned subsidiary of Indo National Ltd.

As per our Report attached

For **G BALU ASSOCIATES LLP**
Chartered Accountants
FRN : 000376S/S200073

N. RAMESH RAJAN
Chairman

RAJA GOPALAN B
Partner (M No.217187)

C.R. SIVARAMAKRISHNAN
Chief Financial Officer

Place : Chennai
Date : 22nd May, 2019

For and on behalf of the Board of Directors

P. DWARAKNATH REDDY
Managing Director

J.P. KHAITAN
Joint Managing Director

J. SRINIVASAN
Company Secretary

INDO NATIONAL LIMITED

(CIN L31909TN1972PLC006196)

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

Corporate / Head Office : 'Surya Varsh', 1st & 2nd Floor, Door No.17/9, Wallace Garden 2nd Street, Nungambakkam, Chennai - 600 006.

ATTENDANCE SLIP

Name & Address of the Shareholder _____ Folio No : _____

_____ DP ID : _____

_____ Client ID : _____

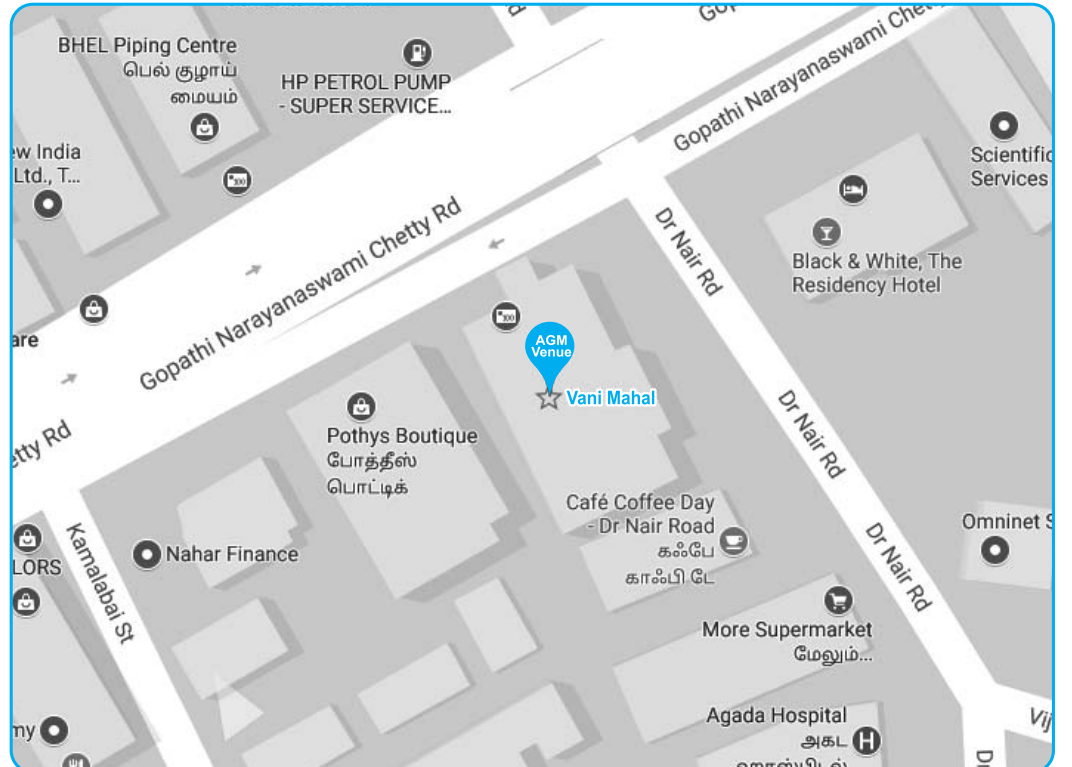
Certify that I am a member / proxy appointed by the member* of the Company and record my presence at the 46th Annual General Meeting of the Company, at Sri. P. Obul Reddy Hall, Vani Mahal, No.103, G.N.Chetty Road, T.Nagar, Chennai - 600 017, on Monday, the 23rd September 2019 at 3.00 p.m.

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.

**ROUTE MAP TO THE
AGM VENUE**



INDO NATIONAL LIMITED

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PROXY FORM (FORM NO.MGT - 11)

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

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 :

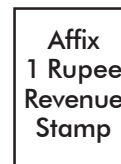
as my/our proxy to attend and vote (on a poll) for me/us and on my /our behalf at the 46th Annual General Meeting of the Company, to be held on Monday the 23rd day of September 2019 at 3.00 P.M. at Sri P. Obul Reddy Hall, Vani Mahal, No.103, G.N. Chetty Road, T.Nagar, Chennai - 600 017 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions
Ordinary Business	
1.	Adoption of Standalone / Consolidated Financial Statements for the year ended 31 st March, 2019
2.	Declaration of Dividend for the year 2018-19
3.	Appointment of Director in the place of Mr. P. Dwaraknath Reddy (DIN: 00277929), who retires by rotation and being eligible, offers himself for re-appointment.
4.	Appointment of Director in the place of Mr. R.P. Khaitan (DIN: 00015801), who retires by rotation and being eligible, offers himself for re-appointment.
5.	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.
6.	Appointment of Director in the place of Mr. S. Obul Reddy (DIN: 00027829), who retires by rotation and being eligible, offers himself for re-appointment.
Special Business	
7.	Re-appointment of Mr. P. Dwaraknath Reddy (DIN: 00277929), as Managing Director of the Company.
8.	Re-appointment of Mr. R.P. Khaitan (DIN: 00015801), as Joint Managing Director of the Company.
9.	Payment of remuneration to Mr. P. Aditya Reddy (DIN: 00482051) Joint Managing Director of the Company.
10.	Approval of related party transactions under Section 188 of the Companies Act, 2013 - M/s. Associated Electrical Agencies
11.	Approval of related party transactions under Section 188 of the Companies Act, 2013 - M/s. Apex Agencies
12.	Approve the remuneration of the Cost Auditor for the Financial Year March 31, 2020.

Signed this day of..... 2019

Signature of Shareholder

Signature of Proxy holder(s)



Member's Signature

Note: A Member entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and vote instead of himself and the proxy need not be a Member of the Company. The instrument appointing a proxy must be received at the Registered Office of the Company, not less than 48 hours before the commence of the meeting.



Customer reviews for the newly launched Terminator Mini Mosquito Bat:

 James Love

★★★★★ **Best bat**

24 July 2019

Verified Purchase

Best performance,efficient,powerful and handfual...Chaina mat lenaYhi le lo best haiI have using this

 Amazon Customer

★★★★★ **Good make and quality**

27 July 2019

Verified Purchase

The product is sturdy and of good make. The working is also very efficient even for larger bugs. The product has a led that turns green when charged, so that's helpful.



NIPPO

TECHNOLOGY FOR A BETTER LIFE

Indo National Limited

(CIN NO.L31909TN1972PLC006196)



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Corporate / Head Office : 'Surya Varsh', 1st & 2nd Floor, Door No.17/9, Wallace Garden 2nd Street,
Nungambakkam, Chennai - 600 006.

Website : www.nippobatteries.com

