

September 26, 2017

## 1) B S E Limited

Floor 1, 'Phiroze JeeJeebhoy Towers'  
Dalal Street  
Mumbai - 400 001

## 2) The Listing Department

National Stock Exchange of India Ltd.  
"Exchange Plaza",  
Bandra-Kurla Complex, Bandra (E)  
MUMBAI - 400 051

Ref: Scrip Code: 504058 / ISIN: INE567A01010 / Symbol: NIPPOBATRYSub: Outcome of 44<sup>th</sup> Annual General meeting held on 25<sup>th</sup> September 2017 at 3.00 p.m.

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Dear Sirs,

Further to our letter dated August 17, 2017, this is to inform you that 44<sup>th</sup> Annual General Meeting (AGM) of our company was concluded on 25<sup>th</sup> September 2017 at Sri P.Obul Reddy Hall, Vani Mahal, No.103, G.N.Chetty Road, T.Nagar, Chennai – 600 017.

The following businesses were transacted in the meeting.

**Ordinary Business:**

1. Adoption of Standalone / Consolidated Annual Accounts for the year ended 31st March 2017. –passed with requisite majority.
2. Rs.25/- (250%) per share dividend was declared for the Financial Year 1<sup>st</sup> April 2016 to 31<sup>st</sup> March 2017. - passed with requisite majority.
3. Appointment of Mr. P.Dwaraknath Reddy as Director of the Company liable to retire by rotation. - passed with requisite majority.
4. Appointment of Mr. R.P. Khaitan as Director of the Company liable to retire by rotation. - passed with requisite majority.
5. Appointment of Mr. P.Aditya Reddy as Director of the Company liable to retire by rotation. - passed with requisite majority.
6. Appointment of Mr. S. Obul Reddy as Director of the Company liable to retire by rotation. -passed with requisite majority.



7. Appointment of M/s. G. Balu Associates as Chartered Accountants as Statutory Auditors of the Company until the conclusion of the 49<sup>th</sup> Annual General Meeting of the Company. - passed with requisite majority.

**Special Business:**

8. Appointment of Mr. P.Dwaraknath Reddy as Managing Director of the Company for a period of one year from 01<sup>st</sup> October 2017 to 30<sup>th</sup> September 2018 – Ordinary Resolution. - passed with requisite majority.
9. Appointment of Mr. R.P. Khaitan as Joint Managing Director of the Company for a period of one year from 01<sup>st</sup> October 2017 to 30<sup>th</sup> September 2018- Special resolution. - passed with requisite majority.
10. Approved the payment of 1% of net profit of the company as commission to Non-executive independent directors of the Company for a period of three years including financial year 2016-17.- Special Resolution. - passed with requisite majority.
11. Approved the remuneration of the Cost Accountant - Mr. P. Raju Iyer for the financial year ended 31<sup>st</sup> March 2018 – Ordinary Resolution. - passed with requisite majority.

Also we enclosed the following:-

1. Voting results as required under regulation 44 of SEBI (LODR) Regulations 2015.
2. Summary of proceedings.
3. Report of scrutinizer dated 26<sup>th</sup> Sep 2017 pursuant to Section 108 of the Companies Act, 2013 and Rule 20(4) (xii) of the Companies (Management and Administration) Rules, 2014.
4. Approved annual report for the financial year 2016-17 by members.

We request you to kindly take the same on record.

Thanking you,

Yours faithfully,  
For Indo National Ltd

  
J. Srinivasan  
Company Secretary

Submission of proceedings of the 44<sup>th</sup> Annual General Meeting of the Company as per Regulation 30 of the SEBI (LODR) Regulations 2015

Name of the Company	:	Indo national limited
Place and Date of AGM	:	Shri. P. Obul Reddy Hall, Vani Mahal, G.N.Chetty Road, T.Nagar, Chennai – 600 0017 on 25 <sup>th</sup> September 2017 at 3.00 P.M
Total no of share holders as on book closure	:	7252
No.of share holders either present in person or proxy	:	441
Promoters and promoters group	:	15 (In person:3 + proxies:12)
Public	:	426( in person :426)
No.of share holders attended the meeting though Video conference	:	No video conference was established at AGM

Yours faithfully

For Indo National Ltd



J. Srinivasan

Company Secretary.



THE ENERGY POWERHOUSE

# 44<sup>th</sup> ANNUAL REPORT 2016 - 17



**Indo National Limited**

**THE INSTITUTE OF COST ACCOUNTANTS OF INDIA**  
(Statutory body under an Act of Parliament)



**14<sup>th</sup> NATIONAL AWARDS FOR  
EXCELLENCE IN COST MANAGEMENT - 2016**

**First Place**

**Category: Private - Manufacturing - Small**

Presented to

**Indo National limited**

Date : 18<sup>th</sup> July, 2017  
Place : New Delhi

**CMA Manas Kumar Thakur**  
President

# INDO NATIONAL LIMITED

(CIN L31909TN1972PLC006196)

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

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

## CONTENTS

	Page No.
Organisation .....	2
Notice of Annual General Meeting .....	3
Directors' Report .....	15
Annexures to Directors' Report	
A. Conservation of energy, technology Absorption and foreign exchange, etc .....	20
B. Corporate Governance Report .....	22
<b>Standalone</b>	
Auditors Report .....	60
Balance Sheet .....	65
Statement of Profit and Loss .....	66
Notes to Accounts .....	68
<b>Consolidated</b>	
Auditors Report .....	82
Balance Sheet .....	86
Statement of Profit and Loss .....	87
Notes to Accounts .....	89



# 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**

**M. Sankara Reddy**

**J. Srinivasan**

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

## CHIEF FINANCIAL OFFICER

## SECRETARY

## AUDITORS

**Canara Bank**

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

**DBS Bank Ltd**

**Kotak Mahindra Bank Ltd.**

**HDFC Bank Ltd.**

## BANKERS

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

## REGISTERED OFFICE

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

## CORPORATE / HEAD OFFICE

## FACTORY

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





**NOTICE**

NOTICE is hereby given that the FORTY FOURTH 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 25<sup>th</sup> day of September, 2017 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, 2017 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 31<sup>st</sup> March 2017 together with Report of Auditors thereon.
2. To declare a Dividend on equity shares.
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.

7. To appoint Statutory Auditors of the Company. To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

Resolved that pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, M/s. G.Balu Associates, Chartered Accountants (Firm Registration No. 000376S), be and is hereby appointed as Statutory Auditors of the Company in place of the retiring auditors M/s.P.Srinivasan & Co., Chartered Accountants (Firm Registration No. 004054S), to hold office from the conclusion of this Annual General Meeting till the conclusion of the Forty Ninth AGM to be held in the year 2022 (subject to ratification of their appointment at every AGM if so required under the Act), at such remuneration, as may be mutually agreed between the Board of Directors of the Company and the Auditors.

**SPECIAL BUSINESS:**

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

Resolved that in accordance with the provisions of Sections 196, 197 and 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), 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 1 year with effect from 1<sup>st</sup> October 2017, 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 Remuneration and other perquisites payable to Mr.P. Dwaraknath Reddy (DIN:00277929) Managing Director of the Company be and is hereby accorded for a period of 1 year with effect from 01<sup>st</sup> October 2017 to 30<sup>th</sup> September, 2018.

Further resolved 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.

9. To 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), 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 1 year with effect from 1<sup>st</sup> October 2017, 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, 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 Remuneration and other perquisites payable to Mr. R.P. Khaitan, (DIN:00015801), Joint Managing Director of the Company be and is hereby accorded for a period of 1 year with effect from 01<sup>st</sup> October 2017 to 30<sup>th</sup> September, 2018.

Further resolved 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.

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

Resolved pursuant to the provisions of Section 197 and 198 and other applicable provisions, if any, of the Companies Act, 2013, an amount not exceeding 1% of the Net Profits of the Company for each financial year computed in the manner prescribed under Section 198 of the Companies Act, 2013, be paid and distributed amongst the Non- Executive Independent Directors of the Company or some or any of them in such amounts or proportions and in such manner as may be decided by the Board of Directors for each such year for a period of Three financial years commencing from and including the financial year 2016-17, and that such payment will be made in addition to the sitting fees payable for attending meetings of the Board or Committee thereof.

11. To approve the remuneration of the Cost Auditor for the financial year ending March 31,2018 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. 50,000/- plus out of pocket expense to conduct the audit of the cost records of the Company for the financial year ending March 31, 2018.

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 : 17<sup>th</sup> August, 2017

N. Ramesh Rajan  
Chairman  
(DIN:01628318)

**NOTES:**

1. The Explanatory Statement as per the provisions of section 102 of the Companies Act, 2013 in respect of the items of the Special Business as set out above is annexed.
2. A member entitled to attend and vote at this annual general meeting may appoint a proxy to attend and vote on his behalf. such a proxy need not be a member of the company. Proxies, in order to be effective, must be received at the Registered/ Corporate Office of the company not less than Forty-Eight hours before the commencement of the meeting.
3. Pursuant to Section 105 of the Companies Act, 2013 a person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
4. The Register of Members and the Share Transfer Books of the Company will remain closed from 19<sup>th</sup> September, 2017 to 25<sup>th</sup> September, 2017 (Both days inclusive).
5. Pursuant to the provisions of Sections 107 and 108, read with the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer the option of E-Voting facility to all the members of the Company. For this purpose, the Company has entered into an agreement with

Central Depository Services (India) Limited (CDSL) for facilitating e-voting. The Members who wish to attend Annual General Meeting can vote at the Meeting. The Company has appointed Mr. M. Damodaran of M.Damodaran & Associates, Practicing Company Secretaries, Chennai as Scrutinizer.

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

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

User ID	For Members holding shares in Demat Form:- a) For NSDL:- 8 Character DP ID followed by 8 digits Client ID b) For CDSL:- 16 digits beneficiary ID For Members holding shares in Physical Form:- •Folio Number registered with the Company
PAN*	Enter your 10 digit 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](http://www.evotingindia.com) and casted your vote earlier for EVSN of any company, then your existing login id and password are to be used.
  - x) For Members holding shares in physical form, the password and default number can be used only for e-voting on the resolutions contained in this Notice.
  - xi) On the voting page, you will see Resolution Description and against the same the option "YES/NO" for voting. Enter the number of shares (which represents number of votes) under YES/NO or alternatively you may partially enter any number in YES and partially in NO, but the total number in YES and NO taken together should not exceed your total shareholding.
  - xii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
  - xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
  - xiv) Institutional members (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution / Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail at [secretarial@mdassociates.co.in](mailto:secretarial@mdassociates.co.in) with a copy marked to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - xv) In case you have any queries or issues regarding e-voting, please contact [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - xvi) The e-voting period commences on Friday, the 22<sup>nd</sup> September, 2017 at 9.00 am and ends on Sunday, the 24<sup>th</sup> September, 2017 at 5.00 p.m.
  - xvii) During this period members holding shares in physical or dematerialized form as on 18<sup>th</sup> September, 2017 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 18<sup>th</sup> September, 2017.
  - 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 30<sup>th</sup> June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.
6. The Dividend upon its declaration at the meeting will be paid to those members, whose names stand in the Register of Members as on 25<sup>th</sup> September, 2017. The said dividend will be paid on 4<sup>th</sup> October, 2017. In respect of shares held in electronic form, the dividend will be payable on the basis of beneficial ownership as per details furnished by NSDL and CDSL for this purpose.
7. Members holding shares in electronic mode may please note that the dividend payable to them would be paid through Electronic Clearing Services (ECS) at the available RBI locations. The dividend would be credited to their bank account as per the mandate given by the members to their Depository Participants (DPs). In absence of availability of ECS facility, the dividend will be paid through warrants and the bank details as furnished by the respective Depositories to the Company will be printed on their dividend warrants as per the applicable regulations.

8. In respect of shares held in physical form, members desirous of receiving dividends by way of direct credit to their bank accounts through ECS may authorize the Company with their ECS mandate. The Shareholders desirous of obtaining the ECS mandate may download the form from the website of the company at [www.nippobatteries.com](http://www.nippobatteries.com) or may write to the company secretary at the Registered Office of the Company.
9. Members holding shares in physical form are requested to notify change of address immediately to the Share Transfer Agent of the Company, M/s. Cameo Corporate Services Limited, Subramanian Building, No.1 Club House Road, Chennai-600 002 for the purpose of mailing Dividend Warrants etc. As per SEBI circular, members holding shares in physical form and in case of transfer of shares means, the Transfer Deed should contain PAN of both Transferor and Transferee.
10. The shares of the company have been activated for dematerialisation with National Securities Depository Ltd (NSDL) and Central Depository Services (India) Ltd. (CDSL) vide ISIN INE567A01010. Members wishing to dematerialise their shares may approach any Depository Participant (DP).
11. Kindly mention your Folio Number/PAN NO/ Client ID/DPID Number(in case of shares held in electronic form) in all your correspondence to Share Transfer Agents and in the case of electronic form to the Depository Participant in order to reply to your queries promptly.
12. Pursuant to Section 124 of the Companies Act, 2013, an amount of Rs.8,63,520/- remaining unclaimed out of the dividend for the year 2008-09 was transferred to the Investor Education and Protection Fund constituted by the Central Government on 20<sup>th</sup> October 2016.  
  
Pursuant to MCA notification dated 10<sup>th</sup> May 2012, IEPF (uploading of information regarding unpaid and unclaimed amount lying with companies) Rules 2012, the Company has uploaded the information in respect of the unclaimed dividend from the financial year 2009-10 onwards as on the date of Annual General Meeting held on 23<sup>rd</sup> September 2016 on the website of the IEPF and on the website of the Company.
13. Members seeking any information or clarification with regard to the accounts are requested to write to the Company atleast ten days in advance of the meeting so as to enable the Company to keep the information ready.
14. Members who hold shares in demat form are requested to notify any change in their particulars like change in address, bank particulars etc. to their respective Depository Participants.
15. The Ministry of Corporate Affairs vide its circular dated 21<sup>st</sup> April 2011 allowed the companies to send notices, annual reports and other documents by means of e-mail to the members of the Company. Hence members, who have not registered their e-mail addresses, are requested to register their e-mail addresses with the Company/ Registrar.
16. Pursuant to provisions of Section 72 of the Companies Act, 2013, Members can avail of the facility of nomination in respect of shares held by them in physical form. Members desiring to avail this facility may send their nomination in the prescribed Form SH-13 duly filled in to the Company's Registrar and Share Transfer Agent: Cameo Corporate Services Limited, 'Subramanian Building', No.1, Club House Road, Chennai - 600 002. Members holding shares in electronic form may contact their respective Depository Participant for availing this facility.
17. Corporate Members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representatives to attend and vote on their behalf at the Meeting.

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

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

#### ITEM NO.7

As per the provisions of Section 139 of the Companies Act 2013, listed Company can continue to have the same auditor for a period of 3 years including the transition period if an audit firm has been functioning as an Auditor for a period of 10 years or more than ten years. In view of the above, M/s. P.Srinivasan & Co., can continue as the Auditors of the Company only up to the conclusion of this Annual General Meeting ('AGM'), having completed their term as per the provisions of Section 139 of the Act. The Board of Directors has, based on the recommendation of the Audit Committee, at its meeting held on 26<sup>th</sup> May 2017, proposed the appointment of M/s G. Balu Associates (Firm Registration No. 000376S) as the Statutory Auditors of the Company for a period of 5 years, to hold office from the conclusion of this Annual General Meeting till the conclusion of the Forty Ninth Annual General Meeting (subject to ratification of their appointment at every AGM, if so required under the Act). M/s G. Balu Associates have consented to their appointment as Statutory Auditors and have confirmed that if appointed, their appointment will be in accordance with Section 139 read with Section 141 of the Act. The Board commends the Ordinary Resolution set out at Item No. 7 of the Notice for approval by the Members. None of the Directors or Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested in the Resolution set out at Item No. 7 of the Notice.

#### ITEM NO.8

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, the Board of Directors of the Company (the 'Board'), at its meeting held on 17<sup>th</sup> August, 2017, has, subject to the approval of members, re-appointed Mr. P. Dwaraknath Reddy as Managing Director, for a period of 1 year with effect from 01<sup>st</sup> October 2017 and approved the remuneration recommended by the Nomination and Remuneration Committee of the Board for a period of 1 year with effect from 01<sup>st</sup> October 2017.

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 appointment. He is not disqualified from being appointed as Directors in terms of Section 164 of the Act.

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

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

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

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

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

#### ITEM NO.9

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, the Board of Directors of the Company (the 'Board'), at its meeting held on 17<sup>th</sup> August, 2017, has, subject to the approval of members, re-appointed Mr. R.P. Khaitan as Joint Managing Director, for a period of 1 year from the expiry of his present term, which will expire on 30<sup>th</sup> September 2017, at the remuneration recommended by the Nomination and Remuneration Committee of the Board and approved by the Board.

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

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

- (a) Salary, Perquisites and Allowances per annum:
- Salary : Rs.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 and under Section 190 of the Act.

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

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

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

The Board recommends the Ordinary Resolution for appointment of Mr. R.P. Khaitan as Joint

Managing Director of the Company, for the approval of members.

#### **ITEM NO.10**

The Non- Executive / Independent Directors have to devote considerable time to the business of the Company and the Company is benefited by their expertise and mature advice. It is appropriate that they should be paid suitable remuneration by way of commission on the net profits of the Company in addition to the sitting fees payable in recognition of their services. Accordingly it is proposed to pay the Non- Executive / Independent Directors remuneration by way of commission up to 1% of the net profits of the Company for a period of Three Financial Years commencing from the financial year ending March 31, 2017 in the manner stated in the Resolution. The Board of Directors of the Company recommends to the members to approve payment of commission to the Non – Executive / Independent Directors in accordance with the provisions of Sections 149, 197 and 198 and other applicable provisions of Companies Act, 2013.

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

#### **ITEM NO.11**

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.50,000/- plus service tax as applicable and reimbursement of actual travel and out-of-pocket expenses for the Financial Year ending on March 31, 2018.

The resolution of Item No.11 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.11.

**ADDITIONAL INFORMATION ABOUT THE DIRECTORS PROPOSED TO BE APPOINTED/RE-APPOINTED AS PER REGULATION 36(3) OF SEBI LODR 2015 AND AS PER CLAUSES OF SS 2 ADDITIONAL INFORMATION ABOUT THE DIRECTORS PROPOSED TO BE RE- APPOINTED AS DIRECTOR FOR THE ITEM NO.3,4,5 & 6**

S.No	Name of the Appointee	Mr. PDwaraknath Reddy	Mr. R.P. Khaitan	Mr. P. Aditya Reddy	Mr. S. Obul Reddy
2.	Age	64 Yrs	69 Yrs	33 Yrs	55 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
4.	Experience	45 Yrs	47 Yrs	9 Yrs	25 Yrs
5.	Expertise in specific functional area	Pl. refer explanatory statement - Item No.8	Pl. refer explanatory statement Item No.9	Aerospace and Defence	Corporate finance, legal and general management
6.	Shareholding in the company	1653695	69049	6	Nil
7.	Relationship with other Directors and KMP	Father of Mr. P. Aditya Reddy, Joint Managing Director of the Company	Nil	Son of Mr.PDwaraknath Reddy Managing Director of the Company	Nil
8.	No. of meetings attended during the year	4	4	4	4
9.	Other directorship	1) PDR Investments Private Ltd 2) Sindya Securities and Investments Private Ltd. 3) Iris KPO Resourcing (India) Pvt Ltd. 4) Sindya Properties Pvt. Ltd. 5) Obul Reddy Investments P Ltd. 6) Helios Holdings Private Ltd. 7) Helios Strategic Systems Ltd.	1) Radiohms Properties Private Ltd. 2) RAL Consumer Products Ltd. 3) Glide International Private Limited 4) Video Electronics Private Limited 5) Manya Education Private Limited 6) Jhaveri Properties Private Ltd.	1) Helios Strategic Systems Ltd. 2) Kineco Limited 3) Kalpatharu Infrastructure Development Company P. Ltd 4) P.D.R. Investments Pvt. Ltd. 5) Sindya Securities and Investment Private Ltd 6) Sindya Builders Private Ltd. 7) Garuda Energy Private Ltd. 8) Sirkazhi Port Private Limited	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. 6) Vasumati Spinning Mills Pvt Ltd. 7) Sindya Infrastructure Devt. Co. Pvt. Ltd. 8) Kineco Limited

		<b>Mr. P.Dwaraknath Reddy</b>	<b>Mr. R.P. Khaitan</b>	<b>Mr. P. Aditya Reddy</b>	<b>Mr. S. Obul Reddy</b>
				9) Garuda Thermal Power Pvt. Ltd.	9) Indian Hospitals Corporation Ltd.
				10) Sindya Properties Pvt. Ltd.	10) Apollo Pharmacies Ltd.
				11) Helios Holdings Pvt. Ltd.	
				12) Kalpatharu Enterprises Pvt Ltd.	
				13) Kineco Kaman Composites India P. Ltd.	
				14) Apollo Telemedicine Networking Foundation	
				15) Obul Reddy Investments (P) Ltd.	
10.	Membership / Chairman of Committees of other Board				<p><u>Indian Hospitals Corporation Ltd:</u></p> <ol style="list-style-type: none"> <li>1. Audit Committee - Member</li> <li>2. Nomination and Remuneration Committee - Member</li> </ol> <p><u>PCR Investments Limited:</u></p> <ol style="list-style-type: none"> <li>1. Audit Committee - Member</li> <li>2. Nomination and Remuneration Committee - Member</li> <li>3. Corporate Social Responsibility (CSR) Committee - Member</li> <li>4. Risk Management Committee - Member</li> </ol>

## DIRECTORS' REPORT

Your Directors have pleasure in presenting the Forty Fourth Annual Report of your Company together with the Audited Balance Sheet as at March 31, 2017, the Statement of Profit & Loss for the year ended that date and the Auditors' Report thereon.

## FINANCIAL RESULTS

The profit before tax for the year under review is at Rs.29.37 Crores as against Rs.31.89 Crores in the previous year. The financial results for the year 2016-17 as compared with the previous year are summarized as under :

	<b>2016-17</b> (Rs. in crores)	2015-16 (Rs. in crores)
Profit Before Tax and Depreciation	<b>34.61</b>	37.03
Less : Depreciation for the year	<b>5.24</b>	5.14
Profit Before Tax	<b>29.37</b>	31.89
Provision for tax including Deferred tax	<b>10.40</b>	14.95
Profit after Tax	<b>18.97</b>	16.94
Add : Surplus in P&L Account brought forward	<b>5.03</b>	3.36
Sub - Total	<b>24.00</b>	20.30

Your Directors recommend the following appropriations :

Less : APPROPRIATION		
General Reserve	<b>7.00</b>	4.00
Proposed Dividend	<b>9.37</b>	9.37
Tax on proposed dividend	<b>1.91</b>	1.87
Surplus in P&L A/c carried forward	<b>5.72</b>	5.06
Total	<b>24.00</b>	20.30

## REVIEW OF PERFORMANCE

### DRY CELL BATTERIES

The Dry Cell Battery Industry as a whole was affected due to demonetization and import of poor quality batteries from China. In terms of battery category wise sale of "D" size continuous to drop year on year over 25%, "AA" varieties has sustained growth of more than 5% and "AAA" varieties continuous to be fastest growing category of batteries in India. Your Company's production has increased from 539 million pieces to 618 million

pieces showing an increase of 14.65%. The sales also increased from 624 millions pieces to 625 million pieces. In terms of value your Company had registered a turnover of Rs.358 crores as against Rs.353 crores in the previous year.

### LIGHTING PRODUCTS

The sales volume of flashlight and other lighting products had decreased from 46.69 lakhs pieces to 40.90 lakhs pieces as compared to the previous year. In LED product category (bulbs, fixtures, tube lights, 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.25/- per share (250%) for the year 2016-17. This Dividend, if approved, will be paid to the Shareholders whose names appear on the Register of Members as on 25<sup>th</sup> September, 2017. The Company intends to pay the dividend on 4<sup>th</sup> October, 2017.

### FIXED DEPOSITS

The Company has not accepted any deposits from the public.

### 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 and prepared in accordance with the Accounting Standard prescribed by the ICAI, in this regard.

### SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES

During the year your company through its wholly owned subsidiary company M/s. Helios Strategic Systems Ltd (HSSL), has increased its stake in equity holding to 50.991% from 44.49% in Kineco Limited, a company based at GOA in to defence and Aerospace business. In addition to that HSSL is also entitled to appoint majority of the Board of directors in Kineco Limited.

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, 2017, 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) the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2017 and of the profit of the Company for the year ended on that date;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors have prepared the annual accounts on a 'going concern' basis;
- e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

### CORPORATE GOVERNANCE

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

### RELATED PARTY TRANSACTIONS

As per the requirements of the Companies Act, 2013 and 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](http://www.nippobatteries.com).

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

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

There were no contract / arrangement / transactions entered in to during the year ended March 31, 2017 which were not at arm's length basis.

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

### CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:

The CSR committee comprises Mr.N.Ramesh Rajan, Chairman, Mr. S. Obul Reddy, and Mr. 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 2016-2017 is presented in the prescribed format in Annexure-"D" to the Board Report.

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

## RISK MANAGEMENT

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

## DIRECTORS

In accordance with the Articles of Association of the Company Mr. P. 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.

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

## MEETING OF INDEPENDENT DIRECTORS

The Independent Directors of the Company had met during the year on 02<sup>nd</sup> February, 2017 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**

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

### **PERSONNEL**

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

In terms of the provisions of Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5 (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the information required in respect of employees of the Company, will be provided upon request. As per section 136 (1) of the Companies Act, 2013 the report and accounts are being sent to the members and others entitled thereto. Any member interested in inspecting or obtaining copy of the statement of particulars of employees being forms part of the Report may contact the Company Secretary at Registered Office during working hours and any member interested in obtaining such information may write to the company secretary and the same will be furnished on request.

### **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 2016-17 are given in the notes to the financial statements.

### **STATUTORY AUDITORS**

At the Annual General Meeting held on September 23, 2016 the appointment of M/s. P. Srinivasan & Co, Chartered Accountants, as statutory auditors of the Company were ratified to hold office till the conclusion of the 44<sup>th</sup> Annual General Meeting of the Company have completed more than ten years as statutory auditor of the Company. As per section 139 of the Companies Act 2013 and applicable rules thereon and with the recommendation of the Audit Committee 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 this Annual General Meeting till the conclusion of the Forty Ninth Annual General Meeting (subject to ratification of their appointment at every AGM, if so required under the Act). M/s G. Balu Associates have consented to their appointment as Statutory Auditors and have confirmed that if appointed, their appointment will be in accordance with Section 139 read with Section 141 of the Act.

Yours directors placed on record their appreciation for the services rendered by M/s. P. Srinivasan & Co, Chartered Accountants during their tenure as a Statutory Auditor of the Company.

### **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, Practicing Cost Accountant, as the Cost Auditor of the Company for conducting the audit of cost records of the Company for the financial year 2016-17.

### **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 2016-17. The Secretarial Audit Report for the financial year ended March 31, 2017 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](http://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 LISTING AGREEMENT / 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 significant and material orders passed by the regulators or courts or tribunals impacting the goingconcern status of the Company.

**DISCLOSURE UNDER THE SEXUAL HARASMENT 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.

**ACKNOWLEDGEMENT**

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

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

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

Place: Chennai  
Date: 17<sup>th</sup> August, 2017

N. Ramesh Rajan  
Chairman  
(DIN:01628318)

**Annexure “A” to Directors’ Report**

Information required under Section 134(3)(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, 2017.

**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 2016-2017.

**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	18.10
b) Total R & D expenditure as a percentage of total turnover	0.050%

**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 on imports of raw materials, components, capital goods, spare parts, travel and others amounts to Rs. 2974.05 Lakhs as against Rs.4578.33 Lakhs for the previous year.

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

Place: Chennai  
Date: 17<sup>th</sup> August, 2017

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 held in other companies	No. of Shares held in the company
Mr. P. Dwaraknath Reddy	Executive Director	7	None	1653695
Mr. R.P. Khaitan	Executive Director	8	None	69049
Mr. P. Aditya Reddy	Executive Director	14	None	6
Mr. S.Obul Reddy	Non-Executive Director	9	6	-
Mr. N. Ramesh Rajan	Independent Director	2	-	-
Mrs. Lakshmmi Subramanian	Independent Director	2	-	-

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

During the year under review four Board Meetings were held and the gap between two Board meetings did not exceed four months. Among other things, key matters like periodic financial results, Company's Annual Financial Results, Financial Statements, Auditor's report and Board's Report, diversify the business of the company, Terms of reference of Board Committees, capital/ operating budgets and risk management are brought to the Board. In case of business exigencies or urgency of matters, resolutions are passed by circulation.

**b. DATE OF BOARD MEETINGS:**

26<sup>th</sup> May 2016, 10<sup>th</sup> August 2016, 10<sup>th</sup> November 2016 and 03<sup>rd</sup> February 2017.

**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	4	4	Yes
Mr. R.P. Khaitan	4	4	Yes
Mr. P. Aditya Reddy	4	4	Yes
Mr. S. Obul Reddy	4	4	Yes
Mr. N. Ramesh Rajan	4	4	Yes
Mrs. Lakshmmi Subramanian	4	4	Yes

**3) AUDIT COMMITTEE:**

As a measure of good Corporate Governance and to provide assistance to the Board of Directors in fulfilling the Board’s responsibilities, an Audit Committee has been constituted consisting 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.
- Approval and subsequent modification and review of related party transactions, scrutiny of inter corporate loans and investments, to review the functioning of the whistle blower mechanism statutory compliance etc.,
- Approval of extension of Retirement age of CFO after assessing age, and experience etc.,
- Looks in to matters specifically referred by the Board of Directors.

During the year, four meetings were held one of which was before finalisation of accounts. The said meetings were held on 25<sup>th</sup> May 2016, 09<sup>th</sup> August, 2016, 09<sup>th</sup> November 2016 and 02<sup>nd</sup> February 2017. The constitution of the Committee and the attendance of each member of the Committee as on March 31, 2017 are given below:

Name	Status	No. of meetings held	No. of meetings attended
Mr. N. Ramesh Rajan	Chairman	4	4
Mrs. Lakshmmi Subramanian	Member	4	4
Mr. S. Obul Reddy	Member	4	4

The Company Secretary acts as the secretary of the Audit Committee. Mr. N. Ramesh Rajan, Chairman of the Audit Committee was present at the 43<sup>rd</sup> Annual General Meeting of the Company held on September 23, 2016.

**4) STAKEHOLDER RELATIONSHIP AND SHARE TRANSFER COMMITTEE:**

The Committee oversees share transfers and monitor investors’ grievances such as complaints on transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends, etc. and redressal thereof within the purview of the guidelines set out in the listing agreement. The Committee also look into the matters of issue of duplicate share certificates, approval / reject application for re-materialisation, subdivision, consolidation transposition and thereupon issue of share certificates to the shareholders etc., The committee also monitors the implementation and compliance with the Company’s Code of conduct for prohibition of Insider Trading.

No complaints of material nature were received during the year under review. As on 31<sup>st</sup> March 2017 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 details of remuneration paid to the Executive Directors for the financial year 2016-17 are given below:

(Rs. in lakhs)

Name & Designation	Salary	Perquisites	Total
Mr. P. Dwaraknath Reddy Managing Director	48.00	56.57	104.57
Mr. R.P. Khaitan Joint Managing Director	48.00	53.45	101.45
Mr. P. Aditya Reddy Joint Managing Director	50.00	44.96	94.96

The Board of Directors shall decide the remuneration of Non-Executive/Independent Directors. The Non-Executive/Independent Directors are paid sitting fees of Rs.20,000/- each per meeting of the Board / Committee attended by them. Further commission upto one percent of 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, 2014 is being paid to them in such a manner as determined by the Board of Directors of the Company. The Commission payable to each Non – Executive / Independent Directors for the financial year ending March 31, 2017 amounting to Rs.3,00,000/-. The sitting fees of Rs.5.24 lakhs for attending Board Meetings and Audit committee meetings were paid to Non-Executive/Independent Directors during the financial year 2016-2017. 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 2016-2017. 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 7<sup>th</sup> May, 2014 constituted "Corporate Social Responsibility Committee" (CSR) as required under Section 135 of the Companies Act, 2013. The Committee comprises of three Members. The Chairman of the Committee is a Non – Executive and Independent Director.



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.

Four 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.M. Sankara Reddy, Chief Financial Officer and J. Srinivasan Company Secretary as members of the Committee.

The role of Risk Management Committee is as follows:

Implementation of Risk Management Systems and Framework;

Reviewing the Company's financial and risk management policies;

Assessing risk and minimizing the procedures;

Framing, implementing and monitoring the risk management plan for the Company.

The committee will apprise to the Board the most significant risk and action taken by the respective heads to mitigate such risks.

The Committee met two times during the Financial Year ended 31st March, 2017.

#### 8) WHOLLY OWNED SUBSIDIARY / 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:

- The Company does not have any material unlisted Indian subsidiary, and hence, is not required to nominate an Independent Director of the Company on the Board of any subsidiary.
- The Audit Committee reviews the financial statements, in particular, the investments made by the unlisted Wholly owned subsidiary / subsidiary companies.
- 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.
- 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>

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

AGM	YEAR	VENUE	DATE	TIME
41 <sup>ST</sup>	2013-2014	Sri. P. Obul Reddy Hall Vani Mahal, No.103, G.N. Chetty Road, Chennai – 600 017	26-09-2014	2.30 p.m.
42 <sup>nd</sup>	2014-2015	Sri. P. Obul Reddy Hall Vani Mahal, No.103, G.N. Chetty Road, Chennai – 600 017	23-09-2015	2.30 p.m.
43 <sup>rd</sup>	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.

Seven 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.	Approval of 1% of the Net Profits of the Company be paid and distributed amongst the Non-Executive Independent Directors of the Company	26 <sup>th</sup> Sept. 2014	31 <sup>st</sup> March, 2014
2.	Approval of Related Party transactions U/s. 188 of the Companies Act, 2013	26 <sup>th</sup> Sept. 2014	31 <sup>st</sup> March, 2014
3.	Approval of Related Party transactions as per SEBI Circular Nos.CIR/CFD/POLICY CELL /2/2014 / 07/2014 dated April 07 & September 15 2014 – M/s. Associated Electrical Agencies	23 <sup>rd</sup> Sept. 2015	31 <sup>st</sup> March, 2015
4.	Approval of Related Party transactions as per SEBI Circular Nos.CIR/CFD/POLICY CELL /2/2014 / 07/2014 dated April 07 & September 15 2014 – M/s. Apex Agencies	23 <sup>rd</sup> Sept. 2015	31 <sup>st</sup> March, 2015
5.	Approval of Related Party transactions U/s. 188 of the Companies Act, 2013 and SEBI Circular Nos.CIR/CFD/POLICY CELL /2/2014 / 07/2014 dated April 07 & September 15 2014 – M/s. Radiohms Agencies	23 <sup>rd</sup> Sept. 2015	31 <sup>st</sup> March, 2015
6.	Approval of Related Party transactions U/s. 188 of the Companies Act, 2013 and SEBI Circular Nos.CIR/CFD/POLICY CELL /2/2014 / 07/2014 dated April 07 & September 15 2014 - M/s. RAL Consumer Products Ltd	23 <sup>rd</sup> Sept. 2015	31 <sup>st</sup> March, 2015
7.	Alteration of Articles of Association of the company	23 <sup>rd</sup> Sept. 2016	31 <sup>st</sup> March, 2016

**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.

- 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.
- 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.

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

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

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

#### **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 2<sup>nd</sup> February 2017 and inter – alia discussed:

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

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 2016-17 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](http://www.nippobatteries.com).

**14) MANAGEMENT DISCUSSION AND ANALYSIS:**

Appended to this Report.

**15) GENERAL SHAREHOLDERS' INFORMATION:**

- |   |   |  |
|---|---|--|
| <b>1. AGM date, time and venue</b>            | : 25 <sup>th</sup> September, 2017; 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. |  |
| <b>2. Dates of Book Closure (Physical)</b>    | : Tuesday, 19 <sup>th</sup> September, 2017 to Monday, 25 <sup>th</sup> September, 2017 (both days inclusive)   |  |
| <b>3. Financial Year</b>                      | : 01-04-2016 to 31-03-2017  |  |
| <b>4. Annual Results</b>                      | : 26 <sup>th</sup> May, 2017  |  |
| <b>5. Posting of Annual Reports</b>           | : 31 <sup>st</sup> August, 2017   |  |
| <b>6. Last date of receipt of proxy Forms</b> | : 48 hrs before AGM   |  |
| <b>7. Dividend payment date</b>               | : 04 <sup>th</sup> October, 2017  |  |
| <b>8. Listing Fees</b>                        | : Paid to all the above stock exchanges for the year 2016-17  |  |
| <b>9. Address</b>                             | <b>: Registered Office</b>  | <b>Corporate / Head Office</b>   |
|   | No.609, Mount Road, Lakshmi Bhavan, IVth Floor, Chennai – 600 006.  | 'Pottipati Plaza', IV Floor, No.77, Nungambakkam High Road, Chennai - 600 034. |
| <b>10. Plant location</b>                     | : (i) Tada Kandriga Village, Nellore. (A.P.)  |  |
| <b>11. Postal ballot resolutions</b>          | : Nil   |  |

**12. Listing on Stock Exchanges :**

- |   |   |
|---|---|
| <p>(i) BSE Ltd.<br/>                 Floor 25, Phiroze Jheejibhoy Towers<br/>                 Dalal Street; Mumbai – 400 001<br/>                 Tel : 91-22-2272 1233/ 22721234<br/>                 Fax : 91-22-2272 2082/ 2061<br/>                 Email : corp.relations@bseindia.com</p> | <p>(ii) National Stock Exchange of India Ltd<br/>                 Exchange Plaza, Bandra-Kurla Complex<br/>                 Bandra (E); Mumbai – 400 051<br/>                 Tel : 91-22-26598235/36,<br/>                 Fax : 91-22-26598237/38<br/>                 Email : cmlist@nse.co.in</p> |
|---|---|

**16) STOCK CODE :**

BSE Ltd.	504058
National Stock Exchange of India Ltd	NIPPOBATRY

**17) MONTHLY SHARE PRICE DETAILS AT BSE & NSE DURING 2016-17 ARE :**

MONTH	BSE			NSE		
	HIGH (Rs.)	LOW (Rs.)	NO. OF SHARES TRADED	HIGH (Rs.)	LOW (Rs.)	NO. OF SHARES TRADED
APRIL – 16	965.00	846.00	26743	938.00	851.00	37410
MAY – 16	920.00	740.00	22265	899.00	725.50	36992
JUNE – 16	900.00	732.00	21387	899.00	733.05	62094
JULY -16	922.00	820.00	44420	940.00	826.60	56383
AUGUST -16	1064.00	821.00	104820	1064.00	820.00	168257
SEPTEMBER – 16	1185.00	960.05	33455	1172.00	951.55	77867
OCTOBER -16	1193.80	975.05	32843	1198.00	987.00	65174
NOVEMBER -16	1177.95	911.05	13342	1160.00	901.10	37393
DECEMBER -16	1090.00	911.10	13733	1137.20	905.80	44491
JANUARY – 17	1006.90	964.00	6940	1020.00	961.00	17500
FEBRUARY -17	999.00	893.00	8222	1002.90	884.95	25958
MARCH – 17	937.70	876.00	19699	933.45	863.40	32356

**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 31<sup>st</sup> March 2017.

**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 31<sup>st</sup> March, 2017, 97.73% of the Company's total shares representing 3664908 shares are in dematerialized form.

**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, 2017:**

Number of shares	Number of shareholders	Percentage of shareholders	Number of shares held	Percentage of shareholding
1 - 500	6892	95.82	441628	11.77
501 - 1000	171	2.37	125262	3.34
1001 - 2000	68	0.94	99543	2.65
2001 - 3000	16	0.22	42024	1.12
3001 - 4000	15	0.20	54579	1.45
4001 - 5000	3	0.04	13965	0.38
5001 - 10000	9	0.12	52489	1.39
10001 & above	18	0.25	2920510	77.88
<b>TOTAL</b>	<b>7192</b>	<b>100.00</b>	<b>3750000</b>	<b>100.00</b>

**25) CATEGORIES OF SHAREHOLDERS AS ON 31<sup>ST</sup> MARCH, 2017:**

Category	No. of shares held	% of shareholding
Indian Promoters	2806895	74.85
Resident Indians	804967	21.47
Non-Resident Indians	15065	0.40
Foreign Institutional Investors	50	-
Domestic Companies	119043	3.18
Banks	2674	0.07
Clearing Members	1306	0.03
<b>TOTAL</b>	<b>3750000</b>	<b>100.00</b>

**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.

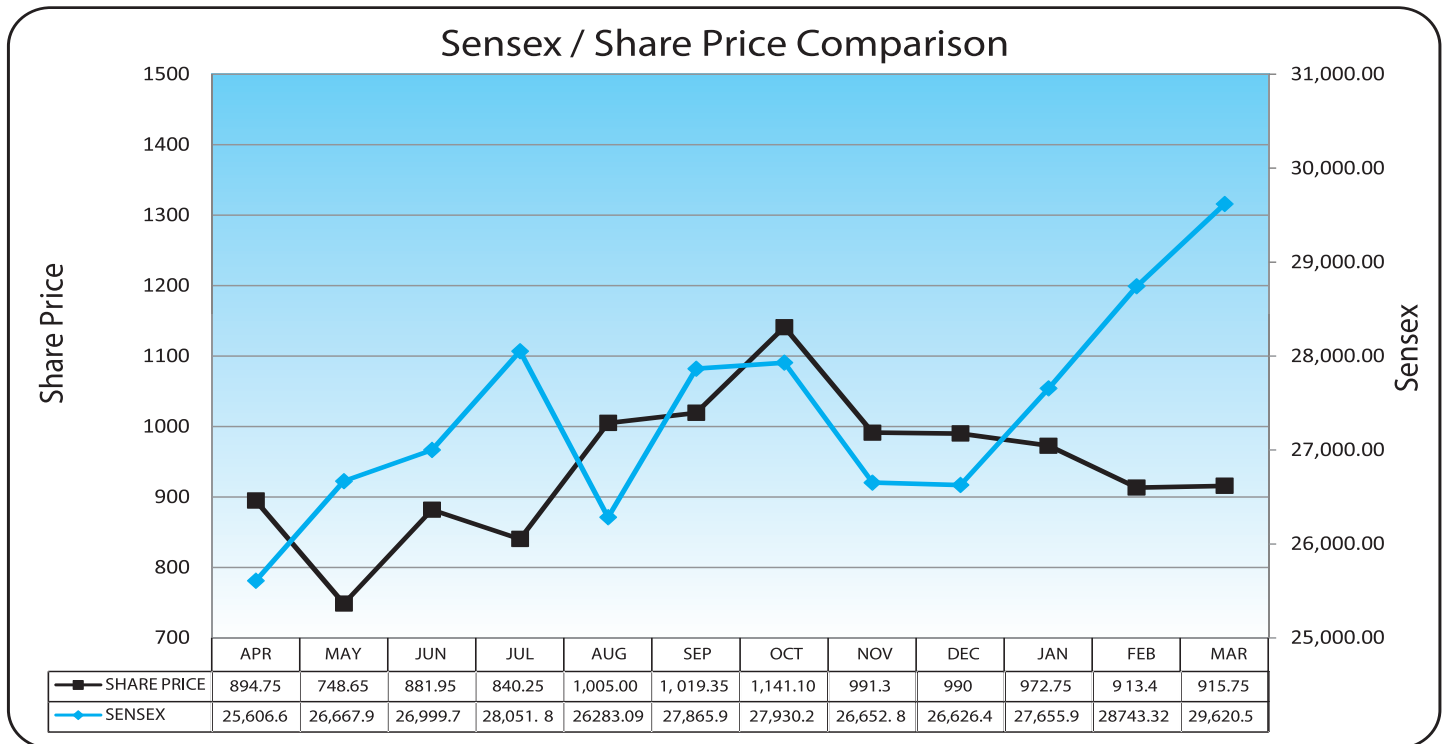
During the year under review, the Company has credited Rs.8,63,520 to the Investor Education and Protection Fund (IEPF) pursuant to Section 205C of the Companies Act, 1956 read with the Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001.

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 23<sup>rd</sup> September, 2016 (date of last Annual General Meeting) on the Company's website [www.nippobatteries.com](http://www.nippobatteries.com) and on the website of the Ministry of Corporate Affairs.

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

Financial Year	Amount outstanding as on 31.03.2017 (Rs.)	Date of Declaration of Dividend	Proposed date of transfer to IEPF
2009-10	6,89,900.00	23-07-2010	29-08-2017
2010-11	7,88,440.00	20-07-2011	25-08-2018
2011-12	2,76,220.00	31-07-2012	05-09-2019
2012-13	3,03,220.00	27-09-2013	02-11-2020
2013-14	5,10,860.00	26-09-2014	01-11-2021
2014-15	6,21,225.00	23-09-2015	29-10-2022
2015-16	6,06,650.00	23-09-2016	29-10-2023

**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 2017 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) 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 :

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			
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/ Yearly	Prevailing Market Rates	Ordinary course of business being carried on for many years	45.94	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/ Yearly	Prevailing Market Rates	Ordinary course of business being carried on for many years	59.77	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	37.26	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	32.04	Nil
5	Deccan Hospitals (A Unit of Apollo Hospitals Enterprises Ltd)	Relative Director is a Director	Sale of Solar units	Yearly	Prevailing Market Rates	At Arms length basis	0.75	Nil
6	Kalpatharu Enterprises Pvt.Ltd	One common Director	Rent	One year	Prevailing Market Rates	At Arms length basis	1.18	0.67
7	Radiohms Properties Pvt.Ltd	One common Director	Rent	One year	Prevailing Market Rates	At Arms length basis	0.18	0.08

\* Approval u/s.297 of the Companies Act 1956 was obtained for Rs. 495 crs for the period from 21.02.2014 to 20.02.2019

\*\* Approval u/s.297 of the Companies Act 1956 was obtained for Rs.1265 crs for the period from 21.02.2014 to 20.02.2019

**ANNEXURE - "D"**

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

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

CSR Policy is stated herein below:

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

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

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

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

S.No.	FINANCIAL YEAR	Rs. in Crores
1	2013-14	20.33
2	2014-15	41.64
3	2015 - 16	34.10
	TOTAL PROFIT	96.07
	AVERAGE FOR 3 YEARS	32.02

4. The total CSR Budget on the basis of @ 2% of average net profits of the Company for the financial year 2016-2017 is Rs.0.64 Crs.

5. Details of CSR spent during the financial year.

Total amount spent for the financial year : Rs.0.64 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	Bring special children across Chennai on one platform and to provide food, Breakfast & Lunch for them	Social	Chennai Tamil Nadu	750000	750000	750000	Trust : The Sakthi Foundation, No.9, Manikeswari Road, Kilpauk, Chennai-600010
2	Hospital Equipment for the Rural under privileged	Healthcare	Chennai Tamil Nadu	800000	800000	1550000	Trust : The Sakthi Foundation, No.9, Manikeswari Road, Kilpauk, Chennai-600010
3	Water supply to Tada Village	Drinking Water	Tada, Andhra Pradesh, Nellore District	99960	99960	1649960	Direct
4	Construction of R.O. Plant at Tada (RO System, SS Tank & Cable)	Drinking Water	Tada, Andhra Pradesh, Nellore District	444250	444250	2094210	Direct
5	Electricity Charges for RO Plant	Drinking Water	Tada, Andhra Pradesh, Nellore District	46489	46489	2140699	Direct
6	T. Shirts for challenged children	Social Welfare	Chennai Tamil Nadu	96600	96600	2237299	Trust : The Sakthi Foundation, No.9, Manikeswari Road, Kilpauk, Chennai-600010
7	Construction of Indoor Stadium at School	Education, Sports	P.Obul Reddy Public School, Jubilee Hills	3000000	3000000	5237299	Through Andhra Mahila Sabha, Hyderabad

(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*
8	Run for a Soldier	Armed Forces	Navi, Mumbai	500000	500000	5737299	Through Global Foundation
9	Sponsorship amount	Education and Health Care	Covelong Point Surfing School	200000	200000	5937299	Direct
10	School Fees for Veda Students	Education	Shri Ahobila Math Oriental Higher Secondary School	122750	122750	6060049	Direct
11	School Fees for the children of St. Joseph's, Kovalam	Education	R.A Puram Chennai	377600	377600	6737649	Through NUR
	TOTAL			6437649	6437649		

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**  
Chairperson of CSR Committee

Place : Chennai  
Date : August 17, 2017

**EXTRACT OF ANNUAL RETURN**  
**Financial year ended on 31.03.2017**  
**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	92.05
Flashlights and others	-	7.95

**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	
<b>A. Promoters</b>									
<b>1. Indian</b>									
a) Individual / HUF	2557528	0	2557528	68.2007	2557528	0	2557528	68.2007	0.0000
b) Central Govt.	0	0	0	0.0000	0	0	0	0.0000	0.0000
c) State Govt.(s)	0	0	0	0.0000	0	0	0	0.0000	0.0000
d) Bodies Corporate	249367	0	249367	6.6498	249367	0	249367	6.6498	0.0000
e) Banks / FI	0	0	0	0.0000	0	0	0	0.0000	0.0000
f) Any Other....	0	0	0	0.0000	0	0	0	0.0000	0.0000
<b>Sub-Total (A)(1)</b>	<b>2806895</b>	<b>0</b>	<b>2806895</b>	<b>74.8505</b>	<b>2806895</b>	<b>0</b>	<b>2806895</b>	<b>74.8505</b>	<b>0.0000</b>
<b>2. Foreign</b>									
a) NRIs - Individuals	0	0	0	0.0000	0	0	0	0.0000	0.0000
b) Other - Individuals	0	0	0	0.0000	0	0	0	0.0000	0.0000
c) Bodies Corporate	0	0	0	0.0000	0	0	0	0.0000	0.0000
d) Banks / FI	0	0	0	0.0000	0	0	0	0.0000	0.0000
e) Any Other....	0	0	0	0.0000	0	0	0	0.0000	0.0000
<b>Sub-Total (A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>0.0000</b>
<b>Total Shareholding of Promoters (A)=(A)(1)+(A)(2)</b>	<b>2806895</b>	<b>0</b>	<b>2806895</b>	<b>74.8505</b>	<b>2806895</b>	<b>0</b>	<b>2806895</b>	<b>74.8505</b>	<b>0.0000</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds / UTI	0	0	0	0.0000	0	0	0	0.0000	0.0000
b) Banks / FI	2034	0	2034	0.0542	2903	0	2903	0.0774	0.0232
c) Central Govt.	0	0	0	0.0000	0	0	0	0.0000	0.0000
d) State Govt.(s)	0	0	0	0.0000	0	0	0	0.0000	0.0000
e) Venture Capital Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000
f) Insurance Companies	0	0	0	0.0000	0	0	0	0.0000	0.0000
g) FIs	50	0	50	0.0013	50	0	50	0.0013	0.0000
h) Foreign Venture Capital	0	0	0	0.0000	0	0	0	0.0000	0.0000
i) Others (specify) - -	0	0	0	0.0000	0	0	0	0.0000	0.0000
<b>Sub-Total (B)(1)</b>	<b>2084</b>	<b>0</b>	<b>2084</b>	<b>0.0556</b>	<b>2953</b>	<b>0</b>	<b>2953</b>	<b>0.0787</b>	<b>0.0232</b>

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

**i. Category-wise Shareholding**

Category of Share Holders	No. of Shares held at the beginning of the Year				No. of Shares held at the end of the Year				% Change during the year
	Demat	Physical	Total	% of the Total Shares	Demat	Physical	Total	% of the Total Shares	
<b>2. Non-Institutions</b>									
<b>a. Bodies Corporate</b>									
i) Indian	156768	463	157231	4.1928	118580	463	119043	3.1745	-1.0183
ii) Overseas	0	0	0	0.0000	0	0	0	0	0.0000
<b>b. Individuals</b>									
i) Individual Shareholders holding nominal share capital up to 1 lakh	573068	87885	660953	17.6254	613241	84629	697870	18.610	0.9845
ii) Individual Shareholders holding nominal share capital in excess of 1 lakh	72968	0	72968	1.9458	72968	0	72968	1.9458	0.0000
<b>c. Qualified Foreign Investor</b>	0	0	0	0.0000	0	0	0	0	0.0000
<b>d. Any Other</b>									
i) Clearing Members	1485	0	1485	0.0396	1306	0	1306	0.0348	-0.0048
ii) Hindu Undivided Families	37075	0	37075	0.9887	33900	0	33900	0.9040	0.0847
iii) Non-Resident Indians	11309	0	11309	0.3016	15065	0	15065	0.4017	-0.1002
<b>Sub-Total (B)(2):</b>	<b>852673</b>	<b>88348</b>	<b>941021</b>	<b>25.0939</b>	<b>855060</b>	<b>85092</b>	<b>940152</b>	<b>25.0707</b>	<b>-0.0232</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>854757</b>	<b>88348</b>	<b>943105</b>	<b>25.1495</b>	<b>858013</b>	<b>85092</b>	<b>943105</b>	<b>25.1495</b>	<b>0.0000</b>
<b>Total (A) + (b)</b>	<b>3661652</b>	<b>88348</b>	<b>3750000</b>	<b>100.00</b>	<b>3664908</b>	<b>85092</b>	<b>3750000</b>	<b>100.00</b>	<b>0.0000</b>
<b>C. Shares held by Custodian and against which Depository Receipts have been issued</b>									
<b>Promoter and Promoter Group</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>
<b>Public</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>
<b>Total Custodian (c)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>
<b>Grand Total (A+B+C)</b>	<b>3661652</b>	<b>88348</b>	<b>3750000</b>	<b>100.00</b>	<b>3664908</b>	<b>85092</b>	<b>3750000</b>	<b>100.00</b>	<b>0.0000</b>

ii. Shareholding of Promoters

Sl. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in shareholding during the year
		No. of Shares	% of Total shares of the Company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of Total shares of the Company	% of shares Pledged/encumbered to total shares	
1	M/s. PDR Investments Pvt.Ltd	163907	4.3708	97.25	163907	4.3708	97.25	-
2	M/s.Obul Reddy Investments Pvt.Ltd	68560	1.8283	30.29	68560	1.8283	30.29	-
3	Mrs. P. Sindoori Reddy	11000	0.2933	-	11000	0.2933	-	-
4	Mrs. Suneeta Reddy	59580	1.5888	24.47	59580	1.5888	24.47	-
5	Mr. P. Dwaraknath Reddy	1653695	44.0985	90.31	1653695	44.0985	90.31	-
6	Mrs. Sindoori Reddy	135016	3.6004	100.00	135016	3.6004	100.00	-
7	Mr. Aditya dev Reddy	6	0.0002	-	6	0.0002	-	-
8	M/s. H.N.Khaitan (HUF)	21540	0.5744	-	21540	0.5744	-	-
19	M/s. JSK Marketing Pvt.Ltd	6400	0.1707	-	6400	0.0000	-	-
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	322284	8.5942	99.91	322284	8.5942	99.91	-
13	Mrs. Saraladevi Khaitan	83036	2.2143	-	83036	2.2143	-	-
14	Mrs. Saraladevi Khaitan	11114	0.2964	-	11114	0.2964	-	-
15	Mr. R.P. Khaitan	69049	1.8413	-	69049	1.8413	-	-
16	Mrs. Savitri devi Jiwarajka	22228	0.5927	-	22228	0.5927	-	-
17	Mrs. Saraladevi Khaitan	166248	4.4333	-	166248	4.4333	-	-
18	Ms. Anju Ganeriwal	2732	0.0729	-	2732	0.0729	-	-
	<b>Total</b>	<b>2806895</b>	<b>74.8505</b>		<b>2806895</b>	<b>74.8505</b>	<b>-</b>	<b>-</b>



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

Sl. No.	Shareholders Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of Total shares of the Company	No. of Shares	% of Total shares of the Company
1	<b>M/s. PDR INESTMENTS PVT.LTD</b> At the beginning of the year 01-Apr-2016 At the end of the year 31-Mar-2017	163907 163907	4.3708 4.3708	163907 163907	4.3708 4.3708
2	<b>M/s. OBUL REDDY INVESTMENTS PVT.LTD</b> At the beginning of the year 01-Apr-2016 At the end of the Year 31-Mar-2017	68560 68560	1.8282 1.8282	68560 68560	1.8282 1.8282
3.	<b>Mrs. SINDOORI REDDY</b> At the beginning of the year 01-Apr-2016 At the end of the Year 31-Mar-2017	135016 135016	3.6004 3.6004	135016 135016	3.6004 3.6004
4	<b>Mrs. P. SINDOORI REDDY</b> At the beginning of the year 01-Apr-2016 At the end of the Year 31-Mar-2017	11000 11000	0.2933 0.2933	11000 11000	0.2933 0.2933
5.	<b>Mrs. SUNEETA REDDY</b> At the beginning of the year 01-Apr-2016 At the end of the Year 31-Mar-2017	59580 59580	1.5888 1.5888	59580 59580	1.5888 1.5888
6.	<b>Mr. P. DWARAKNATH REDDY</b> At the beginning of the year 01-Apr-2016 At the end of the Year 31-Mar-2017	1653695 1653695	44.0985 44.0985	1653695 1653695	44.0985 44.0985
7.	<b>Mr. ADITYA DEV REDDY</b> At the beginning of the year 01-Apr-2016 At the end of the Year 31-Mar-2017	6 6	0.0001 0.0001	6 6	0.0001 0.0001
8.	<b>M/s. H N KHAITAN (HUF)</b> At the beginning of the year 01-Apr-2016 At the end of the Year 31-Mar-2017	21540 21540	0.5744 0.5744	21540 21540	0.5744 0.5744
9.	<b>M/s. JSK MARKETING PVT.LTD.</b> At the beginning of the year 01-Apr-2016 At the end of the Year 31-Mar-2017	6400 6400	0.1706 0.1706	6400 6400	0.1706 0.1706
10.	<b>M/s. RADIOHMS INVESTMENT AND TRADING PRIVATE LIMITED</b> At the beginning of the year 01-Apr-2016 At the end of the Year 31-Mar-2017	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.	<b>M/s. RADIOHMS PROPERTIES PRIVATE LIMITED</b>				
	At the beginning of the year 01-Apr-2016	5200	0.1386	5200	0.1386
	At the end of the Year 31-Mar-2017	5200	0.1386	5200	0.1386
12.	<b>Mrs. LAXMI DEVI JIWARAJKA</b>				
	At the beginning of the year 01-Apr-2016	322284	8.5942	322284	8.5942
	At the end of the Year 31-Mar-2017	322284	8.5942	322284	8.5942
13.	<b>Mrs. SARLADEVI KHAITAN</b>				
	At the beginning of the year 01-Apr-2016	83036	2.2142	83036	2.2142
	At the end of the Year 31-Mar-2017	83036	2.2142	83036	2.2142
14.	<b>Mrs. SARLADEVI KHAITAN</b>				
	At the beginning of the year 01-Apr-2016	166248	4.4332	166248	4.4332
	At the end of the Year 31-Mar-2017	166248	4.4332	166248	4.4332
15.	<b>Mrs. SARLADEVI KHAITAN</b>				
	At the beginning of the year 01-Apr-2016	11114	0.2963	11114	0.2963
	At the end of the Year 31-Mar-2017	11114	0.2963	11114	0.2963
16.	<b>Mr. R.P. KHAITAN</b>				
	At the beginning of the year 01-Apr-2016	69049	1.8413	69049	1.8413
	At the end of the Year 31-Mar-2017	69049	1.8413	69049	1.8413
17.	<b>Mrs. SAVITRI DEVI JIWARAJKA</b>				
	At the beginning of the year 01-Apr-2016	22228	0.5927	22228	0.5927
	At the end of the Year 31-Mar-2017	22228	0.5927	22228	0.5927
18.	<b>Ms. ANJU GANERIWAL</b>				
	At the beginning of the year 01-Apr-2016	2732	0.0728	2732	0.0728
	At the end of the Year 31-Mar-2017	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.	<b>SHARAD KANAYALAL SHAH</b> UT1 : VARSHA SHARAD SHAH UT12 : DIPAK KANAYALA SHASH At the beginning of the year 01-Apr-2016 Sale 12-Aug-2016 At the end of the Year 31-Mar-2017 HAVING SAME PAN	40010 -40010 -	1.0669 1.0669 -	40010 - -	1.0669 - -	IN30064410001816	AAKPS6262N
1.	<b>SHARAD KANAYALAL SHAH</b> JT1 : VARSHA SHARAD SHAH JT2 : DIPAK KANAYALAL SHAH At the beginning of the year 01-Apr-2016 Purchase 12-Aug-2016 At the end of the Year 31-Mar-2017 HAVING SAME PAN	0 40010 40010	0.0000 1.0669 1.0669	0 40010 40010	0.0000 1.0669 1.0669	IN30082911655927	AAKPS6262N
1.	<b>SHARAD KANAYALAL SHAH</b> JT1 : VARSHA SHARAD SHAH JT2 : DIPAK KANAYALAL SHAH At the beginning of the year 01-Apr-2016 Purchase 31-Mar-2017 At the end of the Year 31-Mar-2017	0 4800 4800	0.0000 0.1280 0.1280	0 4800 4800	0.0000 0.1280 0.1280	IN30133021657213	AAKPS6262N
2.	<b>SHARE BAZAR FINANCIAL SERVICES LTD.</b> At the beginning of the year 01-Apr-2016 At the end of the Year 31-Mar-2017	34900 34900	0.9306 0.9306	34900 34900	0.9306 0.9306	1201910100004869	AAFCS0923
3.	<b>GLOBE CAPITAL MARKET LTD</b> At the beginning of the year 01-Apr-2016 Purchase 20-May-2016 Purchase 27-May-2016 Purchase 03-Jun-2016 Sale 30-Jun-2016 Sale 05-Aug-2016 Sale 12-Aug-2016 Sale 30-Sep-2016 Purchase 04-Nov-2016 Purchase 11-Nov-2016 Purchase 09-Dec-2016 Purchase 23-Dec-2016 Purchase 30-Dec-2016 Purchase 27-Jan-2017 Purchase 03-Feb-2017 Purchase 10-Feb-2017 Purchase 17-Feb-2017 Sale 24-Feb-2017 Purchase 10-Mar-2017 Purchase 24-Mar-2017 Sale 31-Mar-2017 At the end of the Year 31-Mar-2017	29547 17 100 50 -50 -29642 -17 -5 2 100 100 2 5 10 192 16 40 -10 100 98 -153 502	0.7879 0.0004 0.0026 0.0013 0.0013 0.7904 0.0004 0.0001 0.0000 0.0026 0.0026 0.0000 0.0001 0.0002 0.0051 0.0004 0.0010 0.0002 0.0026 0.0026 0.0040 0.0133	29547 29564 29664 29714 29664 22 5 0 2 102 202 204 209 219 411 427 467 457 557 655 502 502	0.7879 0.7883 0.7910 0.7923 0.7910 0.0005 0.0001 0.0000 0.0000 0.0027 0.0053 0.0054 0.0055 0.0058 0.0109 0.0113 0.0124 0.0121 0.0148 0.0174 0.0133 0.0133	IN30096610060240	AAACG4267G

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	<b>VIJAYAKUMAR R</b> At the beginning of the year 01-Apr-2016 At the end of the Year 31-Mar-2017 HAVING SAME PAN	22184 22184	0.5915 0.5915	22184 22184	0.5915 0.5915	'IN30169611683964	ABWPV4806G
4	<b>R VIJAYAKUMAR</b> At the beginning of the year 01-Apr-2016 At the end of the Year 31-Mar-2017	600 600	0.0160 0.0160	600 600	0.0160 0.0160	'IN30018312351258	ABWPV4806G
5	<b>JAINAM COMMODITIES PVT. LTD.</b> At the beginning of the year 01-Apr-2016 Sale 27-May-2016 Sale 03-Jun-2016 Sale 22-Jul-2016 Sale 29-Jul-2016 Sale 05-Aug-2016 Sale 12-Aug-2016 Sale 09-Sep-2016 At the end of the Year 31-Mar-2017	14790 -2773 -1237 -258 -1637 -5240 -460 -3185 0	0.3944 0.0739 0.0329 0.0068 0.0436 0.1397 0.0122 0.0849 0.0000	14790 12017 10780 10522 8885 3645 3185 0 0	0.3944 0.3204 0.2874 0.2805 0.2369 0.0972 0.0849 0.0000 0.0000	'1204150000046440	AABCJ5478P
6	<b>UTTAM KHOBRAGADE</b> At the beginning of the year 01-Apr-2016 At the end of the Year 31-Mar-2017	10774 10774	0.2873 0.2873	10774 10774	0.2873 0.2873	'IN30002010243687	AFCPK7196J
7	<b>GOLDMINE STOCKS PVT LTD</b> At the beginning of the year 01-Apr-2016 Sale 24-Jun-2016 At the end of the Year 31-Mar-2017 HAVING SAME PAN	9018 -9018 0	0.2404 0.2404 0.0000	9018 0 0	0.2404 0.0000 0.0000	'IN30164510020770	AAACG5445N
7	<b>GOLDMINE STOCKS PVT LTD</b> At the beginning of the year 01-Apr-2016 Sale 24-Jun-2016 At the end of the Year 31-Mar-2017 HAVING SAME PAN	1771 -1771 0	0.0472 0.0472 0.0000	1771 0 0	0.0472 0.0000 0.0000	'IN30164510032663	AAACG5445N
7	<b>GOLDMINE STOCKS PVT LTD</b> At the beginning of the year 01-Apr-2016 Sale 15-Apr-2016 Sale 22-Apr-2016 Sale 24-Jun-2016 Purchase 12-Aug-2016 Sale 19-Aug-2016 Purchase 26-Aug-2016 Sale 09-Sep-2016 At the end of the Year 31-Mar-2017	238 -5 -105 -128 49 -49 50 -50 0	0.0063 0.0001 0.0028 0.0034 0.0013 0.0013 0.0013 0.0013 0.0000	238 233 128 0 49 0 50 0 0	0.0063 0.0062 0.0034 0.0000 0.0013 0.0000 0.0013 0.0000 0.0000	'IN30164510036537	AAACG5445N

**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		
8	<b>PRAFULLA BHAT</b> At the beginning of the year 01-Apr-2016 Purchase 08-Apr-2016 Sale 15-Apr-2016 Purchase 22-Apr-2016 Purchase 29-Apr-2016 Purchase 06-May-2016 Sale 13-May-2016 Purchase 20-May-2016 Purchase 27-May-2016 Sale 03-Jun-2016 Purchase 10-Jun-2016 Purchase 17-Jun-2016 Purchase 30-Jun-2016 Sale 15-Jul-2016 Sale 29-Jul-2016 Sale 05-Aug-2016 Sale 12-Aug-2016 At the end of the Year 31-Mar-2017 HAVING SAME PAN	8972 4790 -2387 355 1050 300 -500 339 504 -2130 300 145 20 -1600 -1000 -8158 -1000 0	0.2392 0.1277 0.0636 0.0094 0.0280 0.0080 0.0133 0.0090 0.0134 0.0568 0.0080 0.0038 0.0005 0.0426 0.0266 0.2175 0.0266 0.0000	8972 13762 11375 11730 12780 13080 12580 12919 13423 11293 11593 11738 11758 10158 9158 1000 0 0	0.2392 0.3669 0.3033 0.3128 0.3408 0.3488 0.3354 0.3445 0.3579 0.3011 0.3091 0.3130 0.3135 0.2708 0.2442 0.0266 0.0000 0.0000	'1202550000121745	AMEPB0155F
8	<b>PRAFULLA SUBHASHCHANDRA BHAT</b> At the beginning of the year 01-Apr-2016 Sale 24-Jun-2016 Sale 29-Jul-2016 Purchase 05-Aug-2016 Sale 12-Aug-2016 At the end of the Year 31-Mar-2017 HAVING SAME PAN	5515 -132 -5383 4838 -4838 0	0.1470 0.0035 0.1435 0.1290 0.1290 0.0000	5515 5383 0 4838 0 0	0.1470 0.1435 0.0000 0.1290 0.0000 0.0000	'1304140007798347	AMEPB0155F
8	<b>PRAFULLA SUBHASHCHANDRA BHAT</b> At the beginning of the year 01-Apr-2016 Sale 24-Jun-2016 Sale 30-Jun-2016 At the end of the Year 31-Mar-2017 HAVING SAME PAN	151 -49 -100 2	0.0040 0.0013 0.0026 0.0000	151 102 2 2	0.0040 0.0027 0.0000 0.0000	'1207160000037711	AMEPB0155F
8	<b>PRAFULLA SUBHASHCHANDRA BHAT</b> At the beginning of the year 01-Apr-2016 Sale 15-Apr-2016 At the end of the Year 31-Mar-2017 HAVING SAME PAN	53 -53 0	0.0014 0.0014 0.0000	53 0 0	0.0014 0.0000 0.0000	'1202900000039661	AMEPB0155F
8	<b>PRAFULLA BHAT</b> At the beginning of the year 01-Apr-2016 Purchase 08-Apr-2016 At the end of the Year 31-Mar-2017	0 132 132	0.0000 0.0035 0.0035	0 132 132	0.0000 0.0035 0.0035	'1203350002173297	AMEPB0155F

**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	<b>MEERA REDDY M K</b> At the beginning of the year 01-Apr-2016 At the end of the Year 31-Mar-2017	7084 7084	0.1889 0.1889	7084 7084	0.1889 0.1889	'M0000406	
10	<b>IL AND FS SECURITIES SERVICES LIMITED</b> At the beginning of the year 01-Apr-2016 Sale 08-Apr-2016 Sale 29-Apr-2016 Sale 06-May-2016 Purchase 13-May-2016 Sale 20-May-2016 Sale 27-May-2016 Purchase 23-Sep-2016 Purchase 30-Sep-2016 Sale 07-Oct-2016 Purchase 28-Oct-2016 Sale 04-Nov-2016 Purchase 11-Nov-2016 Sale 18-Nov-2016 Sale 16-Dec-2016 Purchase 30-Dec-2016 Sale 06-Jan-2017 Purchase 13-Jan-2017 Sale 20-Jan-2017 Purchase 03-Feb-2017 Purchase 03-Mar-2017 Sale 10-Mar-2017 Purchase 31-Mar-2017 At the end of the Year 31-Mar-2017	6456 -400 -1742 -161 100 -200 -4053 30 9094 -8454 170 -120 255 -212 -683 455 -455 45 -45 207 273 -101 356 815	0.1721 0.0106 0.0464 0.0042 0.0026 0.0053 0.1080 0.0008 0.2425 0.2254 0.0045 0.0032 0.0068 0.0056 0.0182 0.0121 0.0121 0.0012 0.0012 0.0055 0.0072 0.0026 0.0094 0.0217	6456 6056 4314 4153 4253 4053 0 30 9124 670 840 720 975 763 80 535 80 125 80 287 560 459 815 815	0.1721 0.1614 0.1150 0.1107 0.1134 0.1080 0.0000 0.0008 0.2433 0.0178 0.0224 0.0192 0.0260 0.0203 0.0021 0.0142 0.0021 0.0033 0.0021 0.0076 0.0149 0.0122 0.0217 0.0217	'IN30009511440476	AABCI5580K
11	<b>SUNIDHI SECURITIES &amp; FINANCE LIMITED</b> At the beginning of the year 01-Apr-2016 Purchase 12-Aug-2016 Sale 28-Oct-2016 Sale 04-Nov-2016 Sale 18-Nov-2016 Sale 25-Nov-2016 Sale 02-Dec-2016 Sale 16-Dec-2016 Sale 23-Dec-2016 Sale 30-Dec-2016 Sale 06-Jan-2017 Sale 13-Jan-2017 Sale 20-Jan-2017 Sale 27-Jan-2017 Sale 03-Feb-2017 Sale 10-Feb-2017 At the end of the Year 31-Mar-2017	0 39500 -1517 -581 -659 -198 -1534 -245 -3284 -2383 -9 -302 -120 -20 -1601 -1662 25385	0.0000 1.0533 0.0404 0.0154 0.0175 0.0052 0.0409 0.0065 0.0875 0.0635 0.0002 0.0080 0.0032 0.0005 0.0426 0.0443 0.6769	0 39500 37983 37402 36743 36545 35011 34766 31482 29099 29090 28788 28668 28648 27047 25385 25385	0.0000 1.0533 1.0128 0.9973 0.9798 0.9745 0.9336 0.9270 0.8395 0.7759 0.7757 0.7676 0.7644 0.7639 0.7212 0.6769 0.6769	'1202350000001380	AADCS1657D

**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		
12	<b>KIFS INTERNATIONAL LLP</b>						
	At the beginning of the year 01-Apr-2016	0	0.0000	0	0.0000	'IN30148510870926	AAIFK6285F
	Purchase 12-Aug-2016	2500	0.0666	2500	0.0666		
	Purchase 26-Aug-2016	1414	0.0377	3914	0.1043		
	Purchase 02-Sep-2016	714	0.0190	4628	0.1234		
	Purchase 09-Sep-2016	173	0.0046	4801	0.1280		
	Sale 30-Sep-2016	-500	0.0133	4301	0.1146		
	Purchase 21-Oct-2016	300	0.0080	4601	0.1226		
	Purchase 04-Nov-2016	300	0.0080	4901	0.1306		
	Purchase 25-Nov-2016	10	0.0002	4911	0.1309		
	Purchase 02-Dec-2016	200	0.0053	5111	0.1362		
	Purchase 16-Dec-2016	200	0.0053	5311	0.1416		
	Sale 13-Jan-2017	-178	0.0047	5133	0.1368		
	Purchase 24-Feb-2017	384	0.0102	5517	0.1471		
	Purchase 24-Mar-2017	400	0.0106	5917	0.1577		
Purchase 31-Mar-2017	202	0.0053	6119	0.1631			
At the end of the Year 31-Mar-2017	6119	0.1631	6119	0.1631			
13	<b>RAJESH DEVRAJ MEHRA</b>						
	At the beginning of the year 01-Apr-2016	0	0.0000	0	0.0000	'1202350000274162	AAKPM5998D
	Purchase 12-Aug-2016	6193	0.1651	6193	0.1651		
	Sale 09-Sep-2016	-25	0.0006	6168	0.1644		
	Sale 16-Sep-2016	-75	0.0020	6093	0.1624		
	Sale 23-Sep-2016	-100	0.0026	5993	0.1598		
	Sale 28-Oct-2016	-170	0.0045	5823	0.1552		
	At the end of the Year 31-Mar-2017	5823	0.1552	5823	0.1552		
14	<b>AJIT BASWANT PATNEKAR</b>						
	At the beginning of the year 01-Apr-2016	0	0.0000	0	0.0000	'1202350000274158	AABPP7242C
	Purchase 12-Aug-2016	6160	0.1642	6160	0.1642		
	Sale 09-Sep-2016	-25	0.0006	6135	0.1636		
	Sale 16-Sep-2016	-75	0.0020	6060	0.1616		
	Sale 23-Sep-2016	-100	0.0026	5960	0.1589		
	Sale 28-Oct-2016	-164	0.0043	5796	0.1545		
	At the end of the Year 31-Mar-2017	5796	0.1545	5796	0.1545		

**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		
15	<b>ASHOK SUGLA</b>						
	At the beginning of the year 01-Apr-2016	778	0.0207	778	0.0207	'IN30290242813390	AKXPS6356A
	Purchase 08-Apr-2016	195	0.0052	973	0.0259		
	Purchase 15-Apr-2016	1025	0.0273	1998	0.0532		
	Purchase 22-Apr-2016	978	0.0260	2976	0.0793		
	Sale 29-Apr-2016	-200	0.0053	2776	0.0740		
	Purchase 20-May-2016	330	0.0088	3106	0.0828		
	Purchase 10-Jun-2016	390	0.0104	3496	0.0932		
	Sale 17-Jun-2016	-504	0.0134	2992	0.0797		
	Sale 23-Dec-2016	-16	0.0004	2976	0.0793		
	Purchase 06-Jan-2017	250	0.0066	3226	0.0860		
	Purchase 13-Jan-2017	565	0.0150	3791	0.1010		
	Purchase 03-Mar-2017	455	0.0121	4246	0.1132		
	Purchase 17-Mar-2017	45	0.0012	4291	0.1144		
	Purchase 24-Mar-2017	1090	0.0290	5381	0.1434		
	Purchase 31-Mar-2017	251	0.0066	5632	0.1501		
	At the end of the Year 31-Mar-2017	5632	0.1501	5632	0.1501		



**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 01.04.2016 to 31.03.2017	
		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	0.004	-	-	-	1500	0.004
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
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	3452.35	0	0	3452.35
ii) Interest due but not paid	0.00	0	0	0
iii) Interest accrued but not due	27.03	0	0	27.03
<b>Total (i+ii+iii)</b>	<b>3479.38</b>	<b>0</b>	<b>0</b>	<b>3479.38</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	3074.38	0	0	3074.38
Reduction	4697.41	0	0	4697.41
Net Change	-1623.03	0.00	0.00	-1623.03
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount -	1855.96	0	0	1855.96
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0.39	0	0	0.39
<b>Total (i+ii+iii)</b>	<b>1856.35</b>	<b>0</b>	<b>0</b>	<b>1856.35</b>

**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	4800000	4800000	5000000	14600000
	b) Value of perquisites under section 17(2) of Income Tax Act, 1961	1688405	1376000	1038810	4103215
	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 percentge of profit	3249000	3249000	2708000	9206000
5	- others specify (Superannuation)	720000	720000	750000	2190000
	<b>Total (A)</b>	<b>10457405</b>	<b>10145000</b>	<b>9496810</b>	<b>30099215</b>

**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	181600	181600	<b>363200</b>
2	Commission	300000	300000	<b>600000</b>
3	Others Please Specify	-	-	-
	<b>Total (B) (1)</b>	<b>481600</b>	<b>481600</b>	<b>963200</b>

**2. Other Non Executive Directors**

Sr. No.	Particulars of Remuneration	Name of the Director		
		Mr.Aditya Reddy	Mr.S.Obul Reddy	Total Amount
1	Fee for attending Board / Committee Meetings	20100	161400	181500
2	Commission	-	-	-
3	Others Please Specify	-	-	-
	<b>Total (B) (2)</b>	<b>20100</b>	<b>161400</b>	<b>181500</b>
	<b>Total (B)=(B)(1)+(B)(2)</b>			<b>1144700</b>

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

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		Total amount
		Mr. M.Sankara Reddy Chief Financial Officer	Mr. J.Srinivasan Company Secretary	
1	Gross Salary (a) Salary as per provisions contained in Section 17(1) of the Income Tax Act 1961 (b) Value of perquisites under Section 17(2) Income Tax Act, 1961 (c) Profit in lieu of salary under Section 17(3) Income Tax Act, 1961	6162092	2152232	8314324
2	Stock Options	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit - - -	-	-	-
	- others, specify	-	-	-
	<b>Total ©</b>	6162092	2152232	8314324

**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)
<b>A. COMPANY</b>					
Penalty			NIL		
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty			NIL		
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty			NIL		
Punishment					
Compounding					

**Annexure- "F"**  
**Form No. MR-3**

**SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31.03.2017**

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration 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 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 there on.

Based on my verification of the INDO- NATIONAL LIMITED books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31.03.2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made here in after:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by INDO- NATIONAL LIMITED ("the Company") for the financial year ended on 31.03.2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

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

- (i) The Listing Agreements entered into by the Company with National Stock Exchange of India Limited and BSE Limited under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; and
- (ii) The Secretarial Standards 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 Directors 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 M. Damodaran & Associates

Place : Chennai  
Date : 10.08.2017

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	36 : 1
Mr. R.P. Khaitan	Joint Managing Director	34.93 : 1
Mr. P. Aditya Reddy	Joint Managing Director	32.70 : 1
Mr. M. Ramesh Rajan*	Independent Non-Executive Director	1.65 : 1
Mr. S. Obul Reddy*	Non-Executive Director	0.55 : 1
Mrs. Lakshmi Subramanian*	Independent Non-Executive Director	1.65 : 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	1.61
Mr. R.P. Khaitan	Joint Managing Director	(6.76)
Mr. P. Aditya Reddy	Joint Managing Director	N.A.
Mr. M. Sankara Reddy	Chief Financial Officer	10.01
Mr. J. Srinivasan	Company Secretary	15.01

- c) The percentage increase in the median remuneration of employees in the financial year was 5.48%.
- d) The Company has 547 permanent employees on the rolls of company as on 31<sup>st</sup> March 2017.

- 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	104.57*	1.61	18.97	11.98
Mr. R.P. Khaitan	Joint Managing Director	101.45 <sup>#</sup>	(6.76)		
Mr. P. Aditya Reddy	Joint Managing Director	94.96 <sup>s</sup>	-		
Mr. M. Sankara Reddy	Chief Financial Officer	71.94	10.01		
Mr. J. Srinivasan	Company Secretary	25.13	15.01		

\*#<sup>s</sup> It consists of salary/allowance, value of perquisites, bonus and retirement benefits with in the limit approved by members at the AGM held on 26 th September 2014 / 23<sup>rd</sup> September, 2016.

- f) Average percentage increase made in the salaries of employees other than the managerial personnel in the financial year was 9.48% whereas increase in the managerial remuneration was 42.17%. The increase in managerial remuneration is due to appointment of Mr. P. Aditya Reddy as Joint Managing Director of the company with effect from 01<sup>st</sup> June, 2016.
- g) It is hereby affirmed that the remuneration paid during the year is as per the policy of the company.

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

Dry Battery industry as a whole evidencing shift in usage of batteries from "D" size to "AA" / "AAA". Our Company has a market share of around 31% among organised 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 M/s. R.V. Chander & Associates, Chartered Accountants had carried Audit extensively throughout the year. The prime objective of such Audits is to test the adequacy and effectiveness of all Internal Controls laid down by the management and to suggest improvements, wherever necessary.

**FINANCIAL PERFORMANCE:**

The total turnover of the Company for the year under review was Rs.358 crores as compared to Rs.353 crores in the previous year. The profit before depreciation and tax for the year under review was Rs.34.61 crores as against Rs.37.03 crores in 2015-16 and the depreciation for the year is Rs.5.23 crores as against Rs.5.14 crores in the previous year. The profit before tax for the year under review is Rs.29.37 crores as against Rs.31.89 crores in the previous year.

**HUMAN RESOURCES:**

The Company regards its human resources amongst its most valuable assets and proactively reviews and evolves policies and processes to attract and retain requisite skill-sets covering technical and managerial functions through a work environment that encourages initiative, provides challenges and opportunities and recognizes the performance and potential of its people. As of March 31, 2017, the number of employees stood at 548 covering all locations compared to 549 as of March 31, 2016.



**DECLARATION**

**TO THE MEMBERS OF INDO NATIONAL LTD.**

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

For INDO NATIONAL LIMITED

Place : Chennai  
Date : 17<sup>th</sup> August, 2017

P. DWARAKNATH REDDY  
MANAGING DIRECTOR & CEO

**INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE**

We have examined the compliance of regulations of Corporate Governance by Indo National Limited for the year ended 31<sup>st</sup> March, 2017, as per regulations 17-27, clauses (a) to (m) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations).

The compliance of regulations of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the regulations of 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 P. SRINIVASAN & CO.  
Chartered Accountants  
Firm No. 004054S

Place : Chennai  
Date : 17<sup>th</sup> August, 2017

P . SRINIVASAN  
Partner  
Membership No.: 2090

## CEO &amp; 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

M. Sankara Reddy  
Chief Financial Officer

Place : Chennai  
Date : 17<sup>th</sup> August, 2017

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

**Report on the Standalone Financial Statements**

We have audited the accompanying (Standalone) financial statements of INDO NATIONAL LIMITED ("the Company") which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

**Management's Responsibility for the (Standalone) Financial Statements**

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

**Auditor's Responsibility**

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

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on (Standalone) the financial statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid (Standalone) financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, and its profit and its cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
  - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b. in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

- c. the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
- d. in our opinion, the aforesaid (Standalone) financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of written representations received from the directors as on March 31, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 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 B".
- 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 to Note No.35 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 Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November 2016 to 30th December 2016. On the basis of audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the

Management-Refer Note No37 to the financial statements.

For and on behalf of  
 P. SRINIVASAN & CO.,  
 Chartered Accountants  
 Firm's Registration Number: 004054S

P. Srinivasan  
 Partner

Place: Chennai  
 Date: 26.05.2017

Membership number: 02090

Annexure to Independent Auditors' Report of even date

- i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) The fixed assets have been physically verified during the year by the Management in accordance with a programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us no material discrepancies were noticed on such verification.
- c) According to the information and explanations given to us and on the basis of our examination of the records of the company the title deeds of immovable properties are held in the name of the company.
- ii) (a) As explained to us, inventories held by the Company were physically verified during the year at reasonable intervals by the management.
- (b) In our opinion and according to the information and explanations given to us, no material discrepancies were noticed on such physical verification and the same have been properly dealt with in the books of account.
- iii) On the basis of records maintained by the company and in our opinion, the company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained u/s 189 of the Act.

- iv) In our opinion and according to the information and explanations given to us, there are no loans and securities granted in respect of which the provisions of Sections 185 and 186 of the Companies Act, 2013 are applicable. The company during the year has invested Rs.665 Lakhs in 8% compulsory convertible debentures in its wholly owned subsidiary company. The terms and conditions, original as well as revised relating to the investments in the said compulsory convertible debentures and guarantee given by the company on a loan availed by its subsidiary company are not prejudicial to the interests of the company.
- v) The Company has not accepted any deposits from the public during the year to which the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Act and the Rules framed thereunder are applicable.
- vi) According to the records produced and the information and explanations given to us, the cost records prescribed by the Central Government under sub-section 1 of Section 148 of the Companies Act are being prima facie made and maintained by the Company. We have broadly reviewed the cost records maintained by the company.
- vii) (a) According to the records of the Company, the Company is regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Wealth Tax, Service Tax, duty of Customs, duty of Excise, Value added tax, Cess and any other statutory dues applicable to it, with the appropriate authorities during the year. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2017 for a period of more than six months from the date on which they became payable.
- (b) According to the records of the company, there are no dues of income tax, wealth tax, duty of customs, service tax, duty of excise and cess which have not been deposited on account of any dispute except:
  - i) Sales Tax of Rs.2.15 Lacs disputed and pending before the First Sales Tax Appellate Authority and
  - ii) Income Tax of Rs.23.11 lakhs disputed and pending before the Income Tax Authorities as under:
    1. The First Appellate Authority - Rs.11.60 lakhs.
    2. The Second Appellate Authority- Rs.11.51 lakhs.
- viii) In our opinion and according to the information and explanations given to us, the company has not defaulted in the repayment of dues to banks. The Company has not taken any loan either from financial institutions or from the government. The company has during the year has made further investment Rs.665 lakhs in 8% compulsory convertible debentures of its wholly owned subsidiary. In our opinion and on the basis of information and explanations given to us, the terms and conditions, original and revised, relating to the said debentures are not prejudicial to the interests of the company.
- ix) The company has not raised any money by way of initial public offer or further offer (including debt instruments) and the company has availed term loans during the year and has not defaulted in repayment of the term loans.
- x) On the basis of the audit procedures carried out by us and information and explanations given by the management, we state that no fraud on or by the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi) On the basis of the audit procedures carried out by us and information and explanations given by the management, 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 to the Companies Act, 2013.
- xii) In our opinion, the Company is not a Nidhi company. Therefore the provisions of this clause of the Order are not applicable to the Company.
- xiii) According to the information and explanations given to us and based on our examination, the transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 and where applicable, the details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

- xiv) The company has not made any preferential allotment or private placement of shares during the year.
- xv) On the basis of the audit procedures performed and information and explanations given by the management, the company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, the provisions of clause 3(xv) of the Order are not applicable to the Company.
- xvi) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For and on behalf of  
P. SRINIVASAN & CO.,  
Chartered Accountants  
Firm's Registration Number: 004054S

Place: Chennai  
Date: 26.05.2017

P. Srinivasan  
Partner  
Membership number: 02090

**“Annexure B” to the Independent Auditor’s Report of even date on the Standalone Financial Statements of Indo National Limited 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 March 31, 2017 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. 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 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 is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

A company’s internal financial control over financial reporting 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 authorisations 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**

Because of the inherent limitations of internal financial controls over financial reporting, 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 and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, 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 and on behalf of  
P. SRINIVASAN & CO.,  
Chartered Accountants  
Firm's Registration Number: 004054S

Place: Chennai  
Date: 26.05.2017

P. Srinivasan  
Partner  
Membership number: 02090

**BALANCE SHEET AS AT MARCH 31, 2017**

(Rs. in Lakhs)

Particulars	Note Nos.	As at March 31, 2017	As at March 31, 2016
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	2	375.00	375.00
(b) Reserves and Surplus	3	17,129.65	16,363.96
<b>(2) Non-Current Liabilities</b>			
(a) Long Term Borrowings	4	-	2,200.00
(b) Deferred tax liabilities (Net)	5	2,148.30	1,752.80
(c) Other Long-term liabilities	6	5.18	1.94
(d) Long-term provisions	7	264.46	217.13
<b>(3) Current Liabilities</b>			
(a) Short-term borrowings	8	1,855.95	1,252.35
(b) Trade payables	9	1,119.19	847.24
(c) Other current liabilities	10	711.44	490.51
(d) Short term provisions	11	1,362.46	1,275.18
<b>TOTAL</b>		<b>24,971.63</b>	<b>24,776.11</b>
<b>II. ASSETS</b>			
<b>(1) Non-current Assets</b>			
(a) Fixed assets	12		
(i) Tangible assets		8,117.61	7,300.95
(ii) Intangible assets		14.18	22.89
(iii) Capital work-in-progress		30.28	1.50
(b) Non-Current Investments	13	3,846.52	3,181.52
(c) Long-term loans and advances	14	47.24	45.52
<b>(2) Current Assets</b>			
(a) Inventories	15	4,028.85	3,356.34
(b) Trade receivables	16	7,278.05	6,906.79
(c) Cash and cash equivalents	17	832.10	3,226.63
(d) Short-term loans and advances	18	587.30	492.58
(e) Other current assets	19	189.50	241.39
<b>TOTAL</b>		<b>24,971.63</b>	<b>24,776.11</b>
Significant Accounting Policies and Notes on Accounts	1		

**N. RAMESH RAJAN**  
Chairman

**P. DWARAKNATH REDDY**  
Managing Director

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

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

**M. SANKARA REDDY**  
Chief Financial Officer

**J. SRINIVASAN**  
Secretary

**P. SRINIVASAN**  
Partner

Place : Chennai  
Date : 26<sup>th</sup> May, 2017



**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017**

(Rs. in Lakhs)

Sl. No.	Particulars	Note Nos.	Year ended March 31, 2017	Year ended March 31, 2016
I.	Revenue from operations (Gross)	<b>20</b>	<b>35,813.39</b>	35,340.04
	Less : Excise Duty		<b>3,949.91</b>	3,804.52
	Revenue from operations (Net)		<b>31,863.48</b>	31,535.52
II.	Other Income	<b>21</b>	<b>1,458.02</b>	1,854.77
III.	<b>Total Revenue (I + II)</b>		<b>33,321.50</b>	33,390.29
IV.	<b>Expenses</b>			
a.	Cost of materials consumed	<b>22</b>	<b>13,305.37</b>	12,344.90
b.	Purchases of stock-in-trade	<b>23</b>	<b>7,139.83</b>	7,691.95
c.	Changes in inventories of finished goods Work-in-progress and stock-in-trade	<b>24</b>	<b>(263.36)</b>	629.87
d.	Employee benefits expenses	<b>25</b>	<b>3,272.66</b>	3,060.03
e.	Finance costs	<b>26</b>	<b>239.56</b>	71.82
f.	Depreciation and amortization expense	<b>27</b>	<b>523.71</b>	514.25
g.	Other expenses	<b>28</b>	<b>6,166.28</b>	5,888.10
	<b>Total Expenses</b>		<b>30,384.05</b>	30,200.92
V.	Profit before exceptional and extraordinary items (III-IV)		<b>2,937.45</b>	3,189.37
VI.	Exceptional items		-	-
VII.	Profit before tax and after exceptional and extraordinary items (V-VI)		<b>2,937.45</b>	3,189.37
VIII.	<b>Less : Tax expenses</b>			
a.	Current tax		<b>644.50</b>	859.00
b.	Deferred tax		<b>395.50</b>	636.00
IX.	Profit for the year		<b>1,897.45</b>	1,694.37
X.	Earning per share (of Rs.10/- each)			
a.	Basic		<b>50.60</b>	45.18
b.	Diluted		<b>50.60</b>	45.18

Significant Accounting Policies and Notes on Accounts **1**

**N. RAMESH RAJAN**  
Chairman

**P. DWARAKNATH REDDY**  
Managing Director

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

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

**M. SANKARA REDDY**  
Chief Financial Officer

**J. SRINIVASAN**  
Secretary

**P. SRINIVASAN**  
Partner

Place : Chennai  
Date : 26<sup>th</sup> May, 2017

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017**

(Rs. in Lakhs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
<b>A. Cash flow from operating activities</b>		
<b>Net Profit before Tax</b>	<b>2,937.45</b>	<b>3,189.37</b>
<b>Adjustment for :</b>		
Depreciation	523.71	514.25
Loss on sale of Fixed Assets	-	31.05
Profit on sale of Fixed Assets	(0.89)	(247.60)
<b>Operating Profit before working capital changes</b>	<b>3,460.27</b>	<b>3,487.07</b>
(Increase) / Decrease in Trade Receivables	(371.26)	1,618.19
(Increase) / Decrease in other Receivables	(120.19)	(82.81)
(Increase) / Decrease in Inventories	(672.51)	747.57
(Decrease) / Increase in Trade payables and other payables	630.73	(646.08)
<b>Changes in Working Capital</b>	<b>(533.23)</b>	<b>1,636.87</b>
<b>Cash generated from operations</b>	<b>2,927.04</b>	<b>5,123.94</b>
Income Tax paid	572.27	869.97
<b>Net cash generated from operating activities</b>	<b>2,354.77</b>	<b>4,253.97</b>
<b>B. Cash flow from investing Activities</b>		
Purchase of Fixed Assets	(1,361.80)	(4,052.87)
Proceeds from sale of Fixed Assets	2.25	2,077.30
Proceeds from short term borrowings	1,855.95	1,252.35
Repayment of short term borrowings	(1,252.35)	(855.88)
Proceeds from long term borrowings	(2,200.00)	2,200.00
Investment in Debentures/Shares of wholly owned subsidiary	(665.00)	(3,181.52)
<b>Net Cash used in Investing Activities</b>	<b>(3,620.95)</b>	<b>(2,560.62)</b>
<b>C. Cash flow from Financing Activities</b>		
Dividend paid including Tax thereon	(1,128.35)	(1,124.94)
<b>Net cash used in Financing Activities</b>	<b>(1,128.35)</b>	<b>(1,124.94)</b>
<b>D. Net Increase / (Decrease) in Cash &amp; Cash Equivalents</b>	<b>(2,394.53)</b>	<b>568.41</b>
<b>E. Cash &amp; Cash Equivalents (Opening)</b>	<b>3,226.63</b>	<b>2,658.22</b>
<b>F. Cash and Cash Equivalents (Closing)</b>	<b>832.10</b>	<b>3,226.63</b>

**N. RAMESH RAJAN**  
Chairman

**P. DWARAKNATH REDDY**  
Managing Director

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

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

**M. SANKARA REDDY**  
Chief Financial Officer

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Partner

Place : Chennai  
Date : 26<sup>th</sup> May, 2017

**1. SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF FINANCIAL STATEMENTS****SIGNIFICANT ACCOUNTING POLICIES :****a) BASIS OF ACCOUNTING**

The financial accounts are prepared under the historical cost convention and accounted on accrual basis and in accordance with Generally Accepted Accounting Principles in India and comply with the Accounting Standards notified by the Central Government of India, under the Companies (Accounting Standards) Rules 2006 and relevant provisions of the Companies Act, 2013.

**b) USE OF ESTIMATES**

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

**c) PROVISIONS AND CONTINGENCIES**

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

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

**d) INVENTORIES**

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

**e) REVENUE RECOGNITION**

(i) Sales exclude discounts, sales tax recoveries and include excise duty.

(ii) Interest is recognised on time basis determined by the amount outstanding and the rate(s) applicable. and when the company becomes entitled to the same as per the terms of the agreement entered into by the parties.

**f) PROPERTY, PLANT AND EQUIPMENT****FIXED ASSETS**

(i) Fixed assets are stated at cost less depreciation except land which is stated at cost.

(ii) Fixed assets are capitalised at the acquisition cost (viz) purchase price, import duties, levies and expenses and cost directly attributable for bringing the assets to their working condition for intended use.

Advances paid for the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'. Subsequent expenditures relating to property, plant and equipment are capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably.

Repairs and maintenance costs are recognized in the Statement of Profit and Loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss. Assets to be disposed of are reported at the lower of the carrying value or the fair value less cost to sell.

## DEPRECIATION

Property, plant and equipment are stated at cost less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by the Management. The property, plant and equipment are depreciated over their estimated useful lives as under:

- i) under Straight Line Method on imported body maker and bag openers, 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 on intangible assets
- ii) under Written down value method on all the other tangible assets, having regard to the expected useful life and residual value commencing from the date the asset is available for use.
- iii) Tangible Fixed Assets individually costing Rs.5000/- or less is fully depreciated.
- iv) 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.

## h) FOREIGN CURRENCY TRANSACTION

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

## i) EMPLOYEE BENEFITS

- 1) Short term employee benefits are recognised as expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the related service is rendered.
- 2) Post employment and other long term employee benefits are recognised as expense in the Statement of Profit and Loss of the year in which the employee has rendered services :-
  - i) Employees Provident Fund, Employees State Insurance and Superannuation are defined contribution plans. The contributions under these plans are charged to revenue.
  - ii) a) Gratuity is a defined benefit plan funded with an Insurance Company(ies). The contributions actuarially assessed by them and paid under the plan are charged to revenue.
    - b) Actuarial gains and losses are credited / charged to revenue.
  - iii) In respect of those not covered under the schemes in (ii) above, necessary provision has been made as applicable.
  - iv) Future liability on leave encashment to employees has been provided as per company's policy.
- 3) Termination benefits : Payments made under employees 'Early Separation Scheme' are charged to the statement of Profit and loss.

## i) EARNINGS PER SHARE

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

## i) ACCOUNTING FOR TAXES ON INCOME

Tax expense for the current year comprise of current tax and deferred tax. Current tax is recognised based

on assessable income computed in accordance with the Income Tax Act, 1961, and at the prevailing rates. Deferred tax liability is recognized for all timing differences. The deferred tax asset on temporary difference is recognized subject to consideration of prudence. Deferred tax asset and liabilities are measured at the tax rates that have been enacted or substantively enacted at the balance sheet date.

**k) CASH FLOW STATEMENT**

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 the past or future cash receipts or payments.

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

**m) RESEARCH AND DEVELOPMENT**

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

**n) INTANGIBLE ASSETS**

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

**o) IMPAIRMENT OF ASSETS**

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

**p) SEGMENT REPORTING**

As the company has no reportable segment including reportable geographical segment, the segment reporting under Accounting standard 17 - Segment Reporting is not applicable.

**q) INVESTMENTS**

- i) Investments are accounted for and valued as per Accounting Standard AS - '13 Accounting for Investments'.
- ii) Long term Investments are stated at average cost except when there is a diminution other than temporary, for which provision is made.
- iii) Current investments are stated at the lower of cost and fair market value based on category of investments.

	<b>As at March 31,2017</b>	(Rs. in Lakhs) As at March 31,2016
<b>2. SHARE CAPITAL</b>		
<b>(1) Authorised</b>		
50,00,000 Equity Shares of Rs.10/- each	<u>500.00</u>	<u>500.00</u>
<b>(2) Issued, subscribed and Paid-up</b>		
37,50,000 Equity Shares of Rs.10/- each fully paid up	<u>375.00</u>	<u>375.00</u>
<b>(a) Reconciliation of Number of Shares :</b>		
Shares outstanding as at 1st April, 2016 / 1st April 2015	<b>3,750,000</b>	3,750,000
Shares outstanding as at 31st March, 2017 / 31st March, 2016	<b>3,750,000</b>	3,750,000

## INDO NATIONAL LIMITED

(b) Name of share holders holding more than 5% of the total number of shares issued by the company :	% of Holdings	No. of Shares	% of Holdings	No. of Shares
P. Dwaraknath Reddy	44.10	1653695	44.10	1653695
Laxmi Devi Jiwarajika	8.59	322284	8.59	322284
Sarla Devi Khaitan	6.94	260398	6.94	260398

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

	As at March 31,2017	(Rs. in Lakhs) As at March 31,2016
<b>3. RESERVES AND SURPLUS</b>		
<b>1. General Reserve</b>		
Opening Balance	15,857.82	15,457.82
Add : Transfer from surplus	700.00	400.00
Closing Balance	<u>16,557.82</u>	<u>15,857.82</u>
<b>2. Surplus</b>		
Opening Balance	506.14	336.71
Less : Dividend Tax for the last year	3.41	-
Balance in Statement of Profit & Loss	1,897.45	1,694.37
Appropriations :		
Proposed Dividend	937.50	937.50
Tax on Dividend	190.85	187.44
Transfer to General Reserve	700.00	400.00
Closing Balance	<u>571.83</u>	<u>506.14</u>
<b>GRAND TOTAL</b>	<u>17,129.65</u>	<u>16,363.96</u>
<b>4. LONG TERM BORROWINGS</b>		
Long Term Loan from Bank	--	2,200.00

The Term Loan was secured by first charge on the entire fixed assets, both movable and immovable, present and future, pari-passu with other existing charge holders and exclusive charge on the land & building at Polepally, Telengana.

	As at March 31,2017	(Rs. in Lakhs) As at March 31,2016
<b>5. DEFERRED TAX LIABILITY (NET)</b>		
a. Deferred tax Liability		
i. Depreciation	2,096.83	1,700.83
ii. Others	210.20	194.30
	<u>2,307.03</u>	<u>1,895.13</u>
b. Deferred Tax Asset		
i. Employee Benefits	158.73	142.33
c. Net Deferred Tax Liability	<u>2,148.30</u>	<u>1,752.80</u>
<b>6. OTHER LONG-TERM LIABILITIES</b>		
Security deposits	<u>5.18</u>	<u>1.94</u>
<b>7. LONG-TERM PROVISIONS</b>		
Employee benefits	<u>264.46</u>	<u>217.13</u>
<b>8. SHORT-TERM BORROWINGS</b>		
Secured Loan from a Bank	<u>1,855.95</u>	<u>1,252.35</u>
The aggregate working capital limits of Rs.3,000 (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.114 (578) availed from banks is secured against fixed deposits.		
<b>9. TRADE PAYABLES</b>	<u>1,119.19</u>	<u>847.24</u>
There are no outstanding dues to Micro, Small and Medium Enterprises as per the information contained in the vendor list maintained by the Company and to whom the Company had no outstanding dues exceeding forty five days as on 31st March 2017. Hence the additional disclosures as required under the Micro, Small and Medium Enterprises Development Act, 2006 are not furnished.		
<b>10. OTHER CURRENT LIABILITIES</b>		
a. Interest accrued but not due on borrowings	0.39	27.03
b. Unclaimed dividends	37.96	40.97
c. Statutory liabilities payable (Net)	479.84	277.95
d. Other payables	193.25	144.56
Total	<u>711.44</u>	<u>490.51</u>
<b>11. SHORT-TERM PROVISIONS</b>		
a. Employee benefits	195.71	171.16
b. Proposed dividend	937.50	937.50
c. Others	229.25	166.52
Total	<u>1,362.46</u>	<u>1,275.18</u>

**12. FIXED ASSETS**

Rs. in Lakhs

DESCRIPTION OF ASSET	GROSS BLOCK			DEPRECIATION / AMORTISATION					NET BLOCK		
	As at 1st April 2016	Additions	Deletions	As at 31st March 2017	Upto 31st March 2016	Life Completed	For the Year	Deletions	Upto 31st March 2017	As at 31st March 2017	As at 31st March 2016
<b>Own Assets</b>											
<b>I. Tangible Assets</b>											
1. Land	282.41	80.94	0.00	363.35	0.00	0.00	0.00	0.00	0.00	363.35	282.41
2. Buildings	2,692.94	212.51	0.00	2905.45	1,466.48	0.00	91.39	0.00	1,557.87	1,347.58	1,226.46
3. Plant and Machinery	15,025.01	931.21	0.00	15,956.22	9,417.69	0.00	342.34	0.00	9,760.03	6,196.19	5,607.32
4. Furniture & Fixtures	266.67	22.64	0.00	289.31	184.61	0.00	25.91	0.00	210.52	78.79	82.06
5. Vehicles	214.21	63.74	22.18	255.77	169.12	0.00	21.04	20.88	169.28	86.49	45.09
6. Office Equipments	179.10	7.54	0.00	186.64	159.90	0.00	10.14	0.00	170.04	16.60	19.20
7. (i) Computer Systems	388.69	10.31	1.74	397.26	370.41	0.00	13.80	1.71	382.50	14.76	18.28
(ii) Airconditioners & Refrigerators	248.01	0.00	0.52	247.49	227.88	0.00	6.25	0.49	233.64	13.85	20.13
Sub-Total (A)	19,297.04	1,328.89	24.44	20,601.49	11,996.09	0.00	510.87	23.08	12,483.88	8,117.61	7,300.95
<b>II. Intangible Assets</b>											
1. Computer Software	68.26	4.13	0.00	72.39	45.37	0.00	12.84	0.00	58.21	14.18	22.89
Sub-Total (B)	68.26	4.13	0.00	72.39	45.37	0.00	12.84	0.00	58.21	14.18	22.89
<b>III. Capital Work in Progress</b>											
Sub-Total (C)	1.50	28.78	0.00	30.28	0.00	0.00	0.00	0.00	0.00	30.28	1.50
<b>Grand Total (A+B+C)</b>	19,366.80	1,361.80	24.44	20,704.16	12,041.46	0.00	523.71	23.08	12,542.09	8,162.07	7,325.34
Previous Year's Total	18,486.11	4,054.20	3,173.51	19,366.80	12,838.64	0.00	514.25	1,311.43	12,041.46	7,325.34	5,647.47



	As at March 31,2017	Rs. in Lakhs As at March 31,2016
<b>13. NON-CURRENT INVESTMENTS</b>		
50000 Equity Shares of Rs.10/- each fully paid up	5.00	5.00
8% Compulsory Convertible Debentures	<u>3,841.52</u>	<u>3,176.52</u>
	<u><u>3,846.52</u></u>	<u><u>3,181.52</u></u>
<b>14. LONG TERM LOANS AND ADVANCES</b>		
Security deposits	<u>47.24</u>	<u>45.52</u>
<b>15. INVENTORIES</b>		
(as taken, valued & certified by the management)		
Raw materials	1,146.67	761.48
Work in process	412.53	313.76
Finished goods	1,491.77	1,209.92
Stock-in-trade (Traded goods)	739.43	856.69
In Transit (Material and Traded goods)	-	-
Stores and spares	<u>238.45</u>	<u>214.49</u>
Total	<u><u>4,028.85</u></u>	<u><u>3,356.34</u></u>
<b>16. TRADE RECEIVABLES</b>		
(Unsecured and considered good)		
Outstanding for a period exceeding six months from the due date for payment	36.61	853.68
Outstanding for a period of less than six months from the due date for payment	<u>7,241.44</u>	<u>6,053.11</u>
Total	<u><u>7,278.05</u></u>	<u><u>6,906.79</u></u>
<b>17. CASH &amp; BANK BALANCES</b>		
Cash and cash equivalents :		
Cash on hand	3.14	1.98
Cheques and drafts on hand	<u>501.36</u>	<u>1,260.21</u>
Balance with banks		
Held as fixed deposits (Less than 12 months)	240.89	1,830.67
In Current accounts	44.21	88.26
Unpaid dividend accounts	<u>37.97</u>	<u>40.98</u>
Held as margin money against borrowings and other commitments	<u>4.53</u>	<u>4.53</u>
Total	<u><u>832.10</u></u>	<u><u>3,226.63</u></u>
<b>18. SHORT TERM LOANS &amp; ADVANCES</b>		
(Unsecured and considered good)		
Advances recoverable in cash or in kind or for the value to be received	418.49	357.91
Receivable from Revenue authorities	208.94	99.16
Income tax and TDS (Net of liability)	<u>(40.13)</u>	<u>35.51</u>
Total	<u><u>587.30</u></u>	<u><u>492.58</u></u>

Rs. in Lakhs

	<b>As at March 31,2017</b>	As at March 31,2016
<b>19. OTHER CURRENT ASSETS</b>		
Prepaid expenses	<b>47.05</b>	98.66
Insurance claims	<b>25.68</b>	25.96
Interest receivables	<b>116.77</b>	116.77
Total	<u><b>189.50</b></u>	<u>241.39</u>
<b>20. REVENUE FROM OPERATIONS</b>		
Sale of Goods		
Manufactured Goods		
Dry Batteries	<b>25,976.57</b>	25,264.94
Traded goods		
Batteries	<b>6,991.07</b>	6,035.67
Flashlights	<b>2,524.93</b>	3,307.81
Others	<b>320.82</b>	731.62
Total	<u><b>9,836.82</b></u>	<u>10,075.10</u>
Total	<u><b>35,813.39</b></u>	<u>35,340.04</u>
<b>21. OTHER INCOME</b>		
Interest income		
- Deposits	<b>56.10</b>	72.17
- Over due bills	<b>1,180.82</b>	1,219.92
- Debentures	-	91.28
- Others	-	72.73
Net gain on sale of fixed assets	<b>0.89</b>	247.60
Other non-operating income	<b>220.21</b>	151.07
Total	<u><b>1,458.02</b></u>	<u>1,854.77</u>
<b>22. COST OF MATERIALS CONSUMED</b>		
Material Consumed Comprises of :		
Zinc	<b>4,101.42</b>	3,395.54
Electrolytic Manganese Dioxide	<b>1,704.31</b>	1,628.37
Others*	<b>7,499.64</b>	7,320.99
Total	<u><b>13,305.37</b></u>	<u>12,344.90</u>

\* Include raw material, components and packing materials none of which individually accounts for more than 10% of the total consumption.

	As at March 31,2017	Rs. in Lakhs As at March 31,2016
<b>23. PURCHASES OF TRADED GOODS</b>		
Batteries	4,963.89	4,514.22
Flashlights	2,021.16	2,639.05
Others	154.78	538.68
	<u>7,139.83</u>	<u>7,691.95</u>
<b>24. CHANGES IN INVENTORIES</b>		
At the beginning of the accounting year		
Finished goods	1,209.92	1,437.92
Goods-in-process	313.76	326.49
Stock-in-trade	856.69	1,245.83
	<u>2,380.37</u>	<u>3,010.24</u>
At the end of the accounting year		
Finished goods	1,491.77	1,209.92
Goods-in- process	412.53	313.76
Stock-in-trade	739.43	856.69
	<u>2,643.73</u>	<u>2,380.37</u>
	<u>(263.36)</u>	<u>629.87</u>
<b>25. EMPLOYEE BENEFITS EXPENSES</b>		
Salary, Wages and Allowances	2,161.00	1,875.11
Directors remuneration	300.99	211.72
Contribution to Provident and other funds	223.61	357.32
Staff welfare expenses(including compensated absences)	587.06	615.88
	<u>3,272.66</u>	<u>3,060.03</u>
<b>26. FINANCIAL COSTS</b>		
Interest to bank	241.99	65.62
Other borrowing costs		
Applicable net Loss / (gain) of foreign currency transaction/translation	(2.43)	6.20
	<u>239.56</u>	<u>71.82</u>
<b>27. DEPRECIATION AND AMORTIZATION EXPENSE</b>		
Depreciation	510.87	502.85
Amortisation	12.84	11.40
	<u>523.71</u>	<u>514.25</u>

	As at March 31,2017	Rs. in Lakhs As at March 31,2016
<b>28. OTHER EXPENSES</b>		
Consumption of stores and spare parts	380.13	360.17
Power, Gas and Water	380.74	368.45
Repairs to :		
Machinery	18.56	29.21
Buildings	76.16	79.28
General	<u>750.01</u>	<u>556.11</u>
	<b>844.73</b>	664.60
Insurance	16.68	12.61
Research & Development Expenses	18.10	20.80
Rent	297.20	246.83
Travelling & Conveyance	535.53	450.46
Communication expenses	72.65	65.02
Printing and Stationery	15.07	15.04
Vehicle Maintenance	50.37	47.71
Auditors' Remuneration		
Statutory audit	3.50	3.50
Taxation and certification	2.00	2.00
Tax audit	1.75	1.75
Out of pocket expenses	<u>0.75</u>	<u>0.75</u>
	<b>8.00</b>	8.00
Professional charges	707.20	430.24
Additional Sales Tax, etc	60.06	62.34
Rates and taxes	133.81	130.74
Advertisement expenses	886.62	717.80
Freight charges	988.36	1,059.96
Sales promotion, Selling and Distribution expenses	626.21	521.32
Loss on sale of fixed assets	-	31.05
Corporate social responsibility	64.38	48.32
Miscellaneous expenses	<u>80.44</u>	<u>626.64</u>
Total	<u><b>6,166.28</b></u>	<u><b>5,888.10</b></u>

**29. DEFINED BENEFIT PLAN**

Defined benefit plan as per actuarial valuation as on 31<sup>st</sup> March, 2017 and recognised in the financial statements in respect of Employee Benefit Scheme: (AS - 15) :

	Gratuity (funded)	
	2016 - 2017	Rs. in Lakhs 2015 - 2016
<b>(i) Component of Employee Cost</b>		
a) Current Service Cost	46.75	38.54
b) Interest Cost	73.75	69.37
c) Expected return on Plan Assets	(75.87)	(60.96)
d) Actuarial gain / (loss)	91.18	0.42
e) Net Liability recognised in the Profit and Loss A/c.	<b>135.81</b>	47.37

	Gratuity (funded)	
		Rs. in Lakhs
	2016 - 2017	2015 - 2016
<b>(ii) Net Asset/(Liability) recognised in Balance Sheet</b>		
a) Present value of obligation	1,106.58	(939.53)
b) Fair value of Plan Assets	(1,100.63)	966.52
c) Asset / (Liability) to be recognised in the Balance Sheet	(5.95)	26.99
<b>(iii) Changes in defined benefit obligation</b>		
a) Present value at the beginning	939.52	876.97
b) Current Service Cost	46.75	38.54
c) Interest Cost	73.75	69.37
d) Benefits paid	(50.76)	(56.75)
e) Actuarial gain / (loss)	97.32	11.39
f) Present value at the end	1,106.58	939.52
<b>(iv) Changes in fair value of Plan assets</b>		
a) Present value at the beginning	966.52	770.73
b) Expected actual return on Plan Assets	75.87	60.96
c) Contributions	102.86	180.62
d) Benefit paid	(50.76)	(56.75)
e) Actuarial gain / (loss)	6.13	10.96
f) Fair value at the end	1,100.62	966.52
g) Funded Status Asset / (Liability)	5.95	(26.99)
<b>(v) Actuarial Assumptions</b>	%	%
a) Discount rate (per annum)	7.05	7.85
b) Expected rate of return on assets	7.05	7.85
c) Salary escalation rate	10.00	10.00
d) Attrition rate	5	5

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

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

**31. a) Related party disclosures : Are disclosed as per Accounting Standard 18**

**1. Holding Company**

- a) Indo National Limited

**2. Subsidiaries / Controlling Interest**

- a) Helios Strategic Systems Ltd.
- b) Kineco Limited
- c) Kineco Alte Train Technologies Pvt. Ltd.
- d) Kineco Kaman Composites India Private Limited

**3. Enterprises with significant influence :**

- |                                    |   |
|------------------------------------|---|
| a) Apex Agencies                   | d) Radiohms Properties Pvt. Ltd                           |
| b) Associated Electrical Agencies  | e) Radiohms Agencies                                      |
| c) Kalpatharu Enterprises Pvt. Ltd | f) RAL Consumer Products Limited                          |
|                                    | g) Deccan Hospitals (A Unit of Apollo Hospitals Ent. Ltd) |

Key Managerial Personnel

Mr. P. Dwaraknath Reddy

Mr. R.P. Khaitan

Mr. P. Aditya Reddy

Rs. in Lakhs

Nature of Transaction	Subsidiaries	Enterprises with significant influence	Key Managerial Personnel	Total
Sale of Goods	-	17010.32	-	17010.32
	-	(18325.99)		(18325.99)
Receiving of Services	-	360.30	-	360.30
	-	(893.75)		(893.75)
Rendering of Services	-	787.00	-	787.00
	-	(1,038.19)		(1,038.19)
Remuneration	-		300.99	300.99
			(211.72)	(211.72)
Compulsory Convertible Debentures	665.00	-	-	665.00
	(3,176.52)			(3,176.52)
Equity Shares	-	-	-	-
	(5.00)	-	-	(5.00)
Due from as on 31st March, 2017	-	5,094.86	-	5,094.86
	-	(4,358.49)		(4,358.49)
Due to as on 31st March, 2017	-	10.41	143.66	154.07
	-	(21.84)	(104.36)	(126.20)

**b) Disclosure as required under section 186(4) of the Companies Act, 2013 :**

Particulars	March 31, 2017	March 31, 2016	Purpose
i) Loans Outstanding	Nil	Nil	-
ii) Investments	3,846.52	3,181.52	Refer Notes 13 of the Financial Statements
iii) Guarantees	2,000.00	Nil	In connection with Bank Facilities obtained by Kineco Limited from Kotak Mahindra Bank Limited

32. Value of Raw Materials, Spare parts and components consumed	2016 - 2017		Rs. in Lakhs 2015 - 2016	
	Value	% of Total Consumption	Value	% of Total Consumption
<b>i) Raw Materials</b>				
i) Imported	2,492.36	18.70	2,506.57	20.30
ii) Indigenous	10,813.01	81.30	9,838.33	79.70
Total	<u>13,305.37</u>	<u>100.00</u>	<u>12,344.90</u>	<u>100.00</u>
<b>ii) Stores and Spares</b>				
i) Imported	3.00	0.80	9.96	2.80
ii) Indigenous	377.13	99.20	350.21	97.20
Total	<u>380.13</u>	<u>100.00</u>	<u>360.17</u>	<u>100.00</u>

33. CIF Value of Imports	2016- 2017	2015 - 2016
Raw Materials & Components	2,153.65	2,111.62
Stores & Spares	36.60	31.58
Capital Goods	637.93	2,199.70
Traded Goods	98.60	203.58

34. a) Expenditure in Foreign Currency on Account of	2016- 2017	2015 - 2016
Foreign Travel	26.41	8.26
Other matters	18.46	23.59

**b) Earnings in Foreign Currency**

Others	2.40	-
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**c) Unhedged Foreign Currency exposures for the year ended 31.03.2017**

Currency	ERO	INR
Others	0.80	55.51

**35. Other Contingent Liabilities**

Estimated amount of contracts remaining to be executed on capital accounts and not provided for (Net of advances)

	-	28.45
Bills Discounted with Bankers and others	2,598.88	2,351.48
Sales Tax disputed in Appeals	2.15	2.15
Income Tax disputed in Appeals	29.48	23.11

The Company is confident of relief in appeals, as it has good grounds in respect of expenses disallowed in the Assessments

Rs. in Lakhs

2016 - 2017

2015 - 2016

**36. Computation of earnings per share**

Net profit for the year	1,897.45	1,694.37
Total number of Equity Shares	3750000	3750000
Earnings per share	50.60	45.18
Nominal Value per share	10	10

**37. Details of Specified Bank Notes (SBN) held and transacted during the period November 08, 2016 to December 30, 2016 is as under**

Sl.No.	Particulars	SBN	Other Notes	Total
1	Closing cash in hand as on November 08, 2016	0.96	1.84	2.80
2	Permitted receipts	-	17.24	17.24
3	Permitted payments	-	14.89	14.89
4	Amount deposited in banks	0.96	0.43	1.39
5	Closing cash in hand as on December 30, 2016	-	3.76	3.76

**38.** The company has made further investment during the year in its wholly owned subsidiary of Helios Strategic Systems Limited through additional Compulsory Convertible debentures. The said subsidiary has invested Rs.31,941,530 in the equity share capital in its subsidiary, Kineco Limited resulting in its acquisition of 50.99% ownership therein.

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

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

**N. RAMESH RAJAN**  
Chairman

**P. DWARAKNATH REDDY**  
Managing Director

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

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

**M. SANKARA REDDY**  
Chief Financial Officer

**J. SRINIVASAN**  
Secretary

**P. SRINIVASAN**  
Partner

Place : Chennai

Date : 26<sup>th</sup> May, 2017



## **Independent Auditor's Report To the Members of Indo National Limited Report on the Consolidated Financial Statements**

We have audited the accompanying Consolidated financial statements of **INDO NATIONAL LIMITED ("the Holding Company")** and its subsidiaries (The Holding Company and its Subsidiaries together referred to as "the Group" which comprise the Consolidated Balance Sheet as at March 31, 2017, the Statement of Consolidated Profit and Loss, Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (referred to as "Consolidated Financial Statements").

### **Management's Responsibility for the (Consolidated) 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 Consolidated financial statements that give a true and fair view of the financial position, financial performance and Consolidated cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these (Consolidated) financial statements based on our

audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid (Consolidated) financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, and its

Consolidated Profit/Loss and its Consolidated Cash Flow for the year ended on that date.

**Other Matters**

We did not audit the financial statements/ consolidated financial statements of the subsidiary, Kineco Ltd and its two subsidiaries, whose consolidated financial statements reflect total assets of Rs.6604.54 lakhs as at 31st March, 2017, total profit of Rs.341.43 lakhs and net cash flows amounting to Rs.137.20 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, insofar as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

1. 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 purpose of our audit of the aforesaid consolidated financial statements;
  - b. in our opinion proper books of account as required by law relating to the preparation of the aforesaid consolidated financial statements have been kept by the Company so far as it appears from our examination of those books and the report of the other auditors;
  - c. the Consolidated Balance Sheet, the Statement of Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purposes of preparation of the consolidated financial statements.
  - d. in our opinion, the aforesaid Consolidated 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 written representations received from the directors of the holding company as on March 31, 2017 taken on record by the Board of Directors of the holding company, none of the directors of the Group is disqualified as on March 31, 2017 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 and the operating effectiveness of such controls: refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Holding Company and Subsidiary Companies incorporated in India.
- 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 Consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.
  - ii. The Holding and Subsidiary Companies 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 and/or no amount required to be transferred as applicable, to the Investor Education and Protection Fund by the Holding Company and Subsidiary Companies in India.
  - iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November 2016 to 30th December 2016. On the basis of audit procedures and relying on the management representation we report that the disclosures are in accordance

with books of account maintained by the Company and as produced to us by the Management-Refer Note No32 to the financial statements.

for and on behalf of  
 P. SRINIVASAN & CO.,  
 Chartered Accountants  
 Firm's registration number: 004054S

P. Srinivasan  
 Partner

Place: Chennai  
 Date: 26.05.2017      Membership number: 02090

**“Annexure A” to the Independent Auditor’s Report referred to in Paragraph 9 (f) under “report on other legal and regulatory requirements” section of our report of even date. Report on the 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 (hereinafter referred to as “the Holding Company”) and its subsidiary companies which are incorporated in India as of March 31, 2017 in conjunction with our audit of the consolidated financial statements of the Holding Company for the year then ended.

**Management’s Responsibility for Internal Financial Controls**

The respective Board of Directors of the Holding Company and its Subsidiary Companies which are Companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies 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. 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 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 Companies Act, 2013.

**Auditors’ Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding Company and its Subsidiary Companies which are Companies incorporated in India 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, both 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. 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 auditors’ 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 of the Subsidiaries incorporated in India is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting of the aforesaid entities.

### Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting 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 authorisations 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

Because of the inherent limitations of internal financial controls over financial reporting, 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 and to the best of our information and according to the explanations given to us and taking into consideration the reports of the other auditors, the Holding Company and its subsidiaries which are incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, 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 and on behalf of  
P. SRINIVASAN & CO.,  
Chartered Accountants  
Firm's registration number: 004054S

Place: Chennai  
Date: 26.05.2017

P. Srinivasan  
Partner  
Membership number: 02090

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2017

(Rs. in Lakhs)

Particulars	Note Nos.	As at March 31, 2017	As at March 31, 2016
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	2	375.00	375.00
(b) Reserves and Surplus	3	18,361.20	17,168.90
<b>(2) Minority Interest</b>			
		538.65	(309.23)
<b>(3) Non-Current Liabilities</b>			
(a) Long Term Borrowings	4	1,072.86	3,082.23
(b) Deferred tax liabilities (Net)	5	2,052.53	1,657.04
(c) Other Long-term liabilities	6	5.18	1.94
(d) Long-term provisions	7	320.96	276.52
<b>(4) Current Liabilities</b>			
(a) Short-term borrowings	8	3,438.15	2,743.84
(b) Trade payables	9	2,287.73	1,774.47
(c) Other current liabilities	10	2,659.56	2,981.94
(d) Short term provisions	11	1,474.50	1,322.77
<b>TOTAL</b>		<b>32,586.32</b>	<b>31,075.42</b>
<b>II. ASSETS</b>			
<b>(1) Non-current Assets</b>			
(a) Fixed assets	12		
(i) Tangible assets		10,438.26	9,164.30
(ii) Intangible assets		453.75	443.13
(iii) Capital work-in-progress		211.93	61.10
(iv) Goodwill On consolidation		4,949.65	3,747.71
(b) Non-Current Investments	13	0.09	0.09
(c) Long-term loans and advances	14	440.58	275.05
<b>(2) Current Assets</b>			
(a) Inventories	15	5,157.24	4,456.73
(b) Trade receivables	16	8,505.86	7,982.24
(c) Cash and cash equivalents	17	1,310.58	3,574.59
(d) Short-term loans and advances	18	887.38	1,081.46
(e) Other current assets	19	231.00	289.02
<b>TOTAL</b>		<b>32,586.32</b>	<b>31,075.42</b>
Significant Accounting Policies and Notes on Accounts	1		

**N. RAMESH RAJAN**  
Chairman

**P. DWARAKNATH REDDY**  
Managing Director

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

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

**M. SANKARA REDDY**  
Chief Financial Officer

**J. SRINIVASAN**  
Secretary

**P. SRINIVASAN**  
Partner

Place : Chennai

Date : 26<sup>th</sup> May, 2017

**CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017**

(Rs. in Lakhs)

Particulars	Note Nos.	Year ended March 31, 2017	Year ended March 31, 2016
I. Revenue from operations (Gross)	<b>20</b>	<b>41,947.37</b>	40,261.98
Less : Excise Duty		<b>4,180.40</b>	4,071.02
Revenue from operations (Net)		<b>37,766.97</b>	36,190.96
II. Other Income	<b>21</b>	<b>1,500.23</b>	1,799.95
III. <b>Total Revenue (I + II)</b>		<b>39,267.20</b>	37,990.91
IV. <b>Expenses</b>			
a. Cost of materials consumed		<b>15,825.59</b>	14,390.86
b. Purchases of stock-in-trade		<b>7,139.83</b>	7,691.95
c. Changes in inventories of finished goods Work-in-progress and stock-in-trade		<b>(285.74)</b>	492.19
d. Employee benefits expenses	<b>22</b>	<b>4,548.71</b>	3,983.52
e. Finance costs	<b>23</b>	<b>494.43</b>	640.53
f. Depreciation and amortization expense	<b>24</b>	<b>792.72</b>	755.12
g. Other expenses	<b>25</b>	<b>7,476.50</b>	7,221.73
<b>Total Expenses</b>		<b>35,992.04</b>	35,175.90
V. Profit before exceptional and extraordinary items (III-IV)		<b>3,275.16</b>	2,815.01
VI. Exceptional items		-	
VII. Profit before tax and after exceptional and extraordinary items (V-VI)		<b>3,275.16</b>	2,815.01
VIII. <b>Less : Tax expenses</b>			
a. Current tax		<b>644.50</b>	859.00
b. Deferred tax		<b>395.50</b>	636.00
IX. Profit for the year (Before Minority Interest)		<b>2,235.16</b>	1,320.01
X. Minority Interest		<b>(211.56)</b>	96.94
XI. <b>Profit for the year</b>		<b>2,023.60</b>	1,416.95
XII. Earning per share (of Rs.10/- each)			
a. Basic		<b>53.96</b>	37.79
b. Diluted		<b>53.96</b>	37.79

Significant Accounting Policies and Notes on Accounts

1

**N. RAMESH RAJAN**  
Chairman

**P. DWARAKNATH REDDY**  
Managing Director

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

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

**M. SANKARA REDDY**  
Chief Financial Officer

**J. SRINIVASAN**  
Secretary

**P. SRINIVASAN**  
Partner

Place : Chennai

Date : 26<sup>th</sup> May, 2017

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017**

(Rs. in Lakhs)

Particulars	Year ended March 31,2017	Year ended March 31,2016
<b>A. Cash flow from operating activities</b>		
<b>Net Profit before Tax</b>	<b>3,275.16</b>	2,815.01
<b>Adjustment for :</b>		
Depreciation	<b>792.72</b>	755.12
Loss on sale of Fixed Assets	<b>-</b>	31.05
Profit on sale of Fixed Assets	<b>(0.89)</b>	(247.60)
<b>Operating Profit before working capital changes</b>	<b>4,066.99</b>	3,353.58
(Increase) / Decrease in Trade Receivables	<b>(523.61)</b>	721.95
(Increase) / Decrease in other Receivables	<b>19.36</b>	(496.47)
(Increase) / Decrease in Inventories	<b>(700.51)</b>	413.55
(Decrease) / Increase in Trade payables and other payables	<b>354.31</b>	610.29
<b>Changes in Working Capital</b>	<b>(850.45)</b>	1,249.32
<b>Cash generated from operations</b>	<b>3,216.54</b>	4,602.90
Income Tax paid	<b>571.70</b>	870.54
<b>Net cash generated from operating activities</b>	<b>2,644.84</b>	3,732.36
<b>B. Cash flow from investing Activities</b>		
Purchase of Fixed Assets	<b>(2,269.76)</b>	(4,243.05)
Proceeds from sale of Fixed Assets	<b>30.02</b>	2,077.30
Proceeds from short term borrowings	<b>1,855.95</b>	1,252.35
Repayment of short term borrowings	<b>(1,161.65)</b>	(1,775.29)
Proceeds from long term borrowings	<b>(2,009.37)</b>	1,572.85
Investment in Shares / Debentures of Subsidiary	<b>(225.69)</b>	(963.09)
<b>Net Cash used in Investing Activities</b>	<b>(3,780.50)</b>	(2,078.93)
<b>C. Cash flow from Financing Activities</b>		
Dividend paid including Tax thereon	<b>(1,128.35)</b>	(1,124.94)
<b>Net cash used in Financing Activities</b>	<b>(1,128.35)</b>	(1,124.94)
<b>D. Net Increase / (Decrease) in Cash &amp; Cash Equivalents</b>	<b>(2,264.01)</b>	528.49
<b>E. Cash &amp; Cash Equivalents (Opening)</b>	<b>3,574.59</b>	3,046.10
<b>F. Cash and Cash Equivalents (Closing)</b>	<b>1,310.58</b>	3,574.59

**N. RAMESH RAJAN**  
Chairman

**P. DWARAKNATH REDDY**  
Managing Director

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

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

**M. SANKARA REDDY**  
Chief Financial Officer

**J. SRINIVASAN**  
Secretary

**P. SRINIVASAN**  
Partner

Place : Chennai  
Date : 26<sup>th</sup> May, 2017

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

**SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED MARCH 31, 2017**

**a) BASIS OF ACCOUNTING**

The consolidated financial statements have been prepared under the historical cost convention and accounted on accrual basis and in accordance with Accounting Principles generally accepted in India and comply with the Accounting Standards notified by the Central Government of India, under the Companies (Accounting Standards) Rules 2006 and relevant provisions of the Companies Act, 2013.

**b) USE OF ESTIMATES**

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

**c) PRINCIPLES OF CONSOLIDATION**

The consolidated financial statements of the company have been prepared on the following basis.

- 1) The financial statements of the company and its subsidiary company have been combined on a line by line basis by adding together like items of assets, liabilities, income and expenses. The intra group balances and intra group transactions and unrealised profits have been fully eliminated as per Accounting Standard 21 - "Consolidated Financial Statements" notified by the Companies Act, 2013.
- 2) The excess cost to the company of its investments in the subsidiary company over its share of equity of the subsidiary company at the dates on which the investments in the subsidiary company are made, is recognised as "Goodwill" being an asset in the Consolidated Financial Statements.
- 3) Minority interest in the net asset of consolidated subsidiary is identified and presented in the Consolidated Financial Statements separately from liabilities and equity of the Company's Shareholders.
- 4) Minority interest in the net assets of the consolidated subsidiaries consists of the amount of equity attributable to minority at the dates on which investments in the subsidiary are made by the Company and further movement in their share in the equity, subsequent to the dates of investments as stated above.
- B) The losses relating to minority will be borne by them as per the joint venture agreement and has accordingly been adjusted in the minority interest.
- 5) The date on which the Company acquired the right to nominate majority of the directors in its subsidiaries or when it acquired more than 50% of the voting right, which ever happened earlier is taken as the cut off date for purpose of calculation of Goodwill and Minority Interest.

**d) PROVISIONS AND CONTINGENCIES**

Provisions : Provisions are recognized when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required



to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the balance sheet date and are not discounted to their present values.

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

**e) INVENTORIES**

- (i) Raw materials including components, Finished goods, Work in process, Stock in trade, materials in transit, packing materials and stores & spares have been valued at lower of cost and estimated net realisable value. Cost is computed under the FIFO method. Excise duty payable on manufactured finished goods held in the factory is included in the value of closing stock wherever applicable.
- (ii) 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 (including wear and tear) 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 writedown is made in the year of such adverse change.
- (iii) Material-in-transit is valued at cost.

**f) REVENUE RECOGNITION**

- (i) Sales exclude discounts, sales tax recoveries and include excise duty.
- (ii) Sales are recognised, net of returns and discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales include excise duty but exclude sales tax and value added tax.
- (iii) Interest is recognised on time basis determined by the amount outstanding and the rate(s) applicable, and when the company becomes entitled to the same as per the terms of the agreement entered into by the parties.
- (iv) Revenues from services are recognised when services are rendered and related costs are incurred.
- (v) Export benefits are accounted for in the year exports based on eligibility and there is no uncertainty in receiving the same.

**g) PROPERTY, PLANT AND EQUIPMENT**

**FIXED ASSETS :**

- i) Property, Plant and equipment are capitalised at the acquisition cost (viz) purchase price, import duties, levies and expenses and cost directly attributable for bringing the assets to their working condition for intended use.
- ii) Administrative & other general overhead expenses that are specifically attributable to construction or acquisition of fixed assets or bringing the fixed assets to working condition are allocated and capitalised as a part of fixed assets.
- iii) Equipment acquired under Hire Purchase agreement are included in the fixed assets of the company.

- iv) Capital work in progress represents expenditure incurred for new projects/capex under implementation. the resultant expenditure(including borrowing cost) if any, incurred for these projects upto the date of commencement of commercial production have been considered as part of the project cost.

Advances paid for the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'. Subsequent expenditures relating to property, plant and equipment are capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in the Statement of Profit and Loss when incurred.

The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss. Assets to be disposed of are reported at the lower of the carrying value or the fair value less cost to sell.

#### **DEPRECIATION :**

Property, plant and equipment are stated at cost less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by the Management. The property, plant and equipment are depreciated over their estimated useful lives as under:

- i) under Straight Line Method on imported body maker and bag openers, other projects under plant and equipments on assets relating to 3D Project (I line), 3U Unit (new line), 4U Units(New Line), solar plant and on intangible assets
- ii) under Written down value method on all the other tangible assets, having regard to the expected useful life and residual value commencing from the date the asset is available for use.
- iii) Intangible assets in the nature of Development of Composite Technology, Product & Process know-how are amortised on straight line basis over their useful life having regard to the intended application of the Intangible Assets in core infrastructure and strategic areas and as per opinion obtained from experts, the useful life is determined. The factors which play a significant role in determining the useful life of the assets are taken into consideration.
- iv) Leasehold land is amortised over the period of lease.
- v) Tangible Fixed Assets individually costing Rs.5000/- or less is fully depreciated.
- vi) Motor Cars 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.

#### **h) FOREIGN CURRENCY TRANSACTION**

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

#### **i) GOODWILL ON CONSOLIDATION**

Goodwill arising out of consolidation of financial statements of Subsidiaries and Associates is not amortised and associates. However the same is tested for impairment at each Balance Sheet date.

**j) EMPLOYEE BENEFITS**

- 1) Short term employee benefits are recognised as expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the related service is rendered.
- 2) Post employment and other long term employee benefits are recognised as expense in the Statement of Profit and Loss of the year in which the employee has rendered services :-
  - i) Employees Provident Fund, Employees State Insurance and Superannuation are defined contribution plans. The contributions under these plans are charged to revenue.
  - ii) a) Gratuity is a defined benefit plan funded with Insurance Company(ies). The contributions actuarially assessed by them and paid under the plan are charged to revenue.
    - b) Actuarial gains and losses are credited / charged to revenue.
  - iii) In respect of those not covered by schemes with Insurance Company(ies) necessary provision has been made as applicable.
  - iv) Future liability on leave encashment to employees has been provided as per company's policy.
- 3) Termination benefits : Payments made under employees 'Early Separation Scheme' are charged to the Statement of Profit and Loss.

**k) EARNINGS PER SHARE**

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

**l) ACCOUNTING FOR TAXES ON INCOME**

Tax expense for the current year comprises of current tax and deferred tax. Current tax is recognised based on assessable income computed in accordance with the Income Tax Act, 1961, and at the prevailing rates. Deferred tax liability is recognized for all timing differences. The deferred tax asset on temporary difference is recognized subject to consideration of prudence. Deferred tax assets and liabilities are measured at the tax rates that have been enacted or substantively enacted at the balance sheet date.

**m) CASH FLOW STATEMENT**

Cash flows are reported using the indirect method, whereby profit/(Loss) before extraordinary items and taxes is adjusted for the effects of transactions of non cash nature and any deferrals or accruals of the past or future cash receipts or payments.

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

**o) RESEARCH AND DEVELOPMENT**

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

**p) INTANGIBLE ASSETS**

The intangible assets include design, process and product know-how and similar identifiable intellectual property rights stated at cost. The intangible assets are disclosed in the accounts separately and amortised over their useful lives.

**q) IMPAIRMENT OF ASSETS**

The carrying value of the assets (tangible and intangible) is reviewed at each balance sheet date for impairment. If any such indication exists, the recoverable amount is estimated. If the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognized in the statement of profit and loss to the extent the carrying amount exceeds the recoverable amount.

**r) SEGMENT REPORTING**

As the company has no reportable segment including reportable geographical, the segment reporting under Accounting standard 17 - Segment Reporting is not applicable.

**s) INVESTMENTS**

- (i) Investments are accounted for and valued as per Accounting Standard AS-'13 Accounting for Investments.
- (ii) Long tem investments are stated at average cost except when there is a diminutioin other than temporary, for which provision is made.
- (iii) Current investments are stated at the lower of cost and fair market value based on category of investments.

**t) BORROWING COSTS**

Borrowing costs that are attributable to the acquisition, construction or production of a qualifying assets are capitalised as part of the cost of such assets till such time as the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognised as an expense in the period in which they are incurred.

**u) GOVERNMENT GRANTS**

Subsidy received from the Government as contribution towards capital outlay for setting up industry in a backward area is treated as capital reserves.

	(Rs. in Lakhs)			
		As at March 31, 2017	As at March 31, 2016	
<b>2. SHARE CAPITAL</b>				
<b>(1) Authorised</b>				
50,00,000 Equity Shares of Rs.10/- each		<u>500.00</u>	<u>500.00</u>	
<b>(2) Issued, subscribed and Paid-up</b>				
37,50,000 Equity Shares of Rs.10/- each fully paid up		<u>375.00</u>	<u>375.00</u>	
(a) Reconciliation of Number of Shares :				
Shares outstanding as at 1st April, 2016 / 1st April 2015		<b>3,750,000</b>	3,750,000	
Shares outstanding as at 31st March, 2017 / 31st March, 2016		<b>3,750,000</b>	3,750,000	
(b) Name of share holders holding more than 5% of the total number of shares issued by the company :	<b>% of Holdings</b>	<b>No. of Shares</b>	<b>% of Holdings</b>	<b>No. of Shares</b>
P. Dwaraknath Reddy	<b>44.10</b>	<b>1653695</b>	44.10	1653695
Laxmi Devi Jiwarajika	<b>8.59</b>	<b>322284</b>	8.59	322284
Sarla Devi Khaitan	<b>6.94</b>	<b>260398</b>	6.94	260398

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

(Rs. in Lakhs)

	As at March 31, 2017	As at March 31, 2016
<b>3. RESERVES AND SURPLUS</b>		
<b>Capital Reserve</b>	<b>1,101.91</b>	801.46
<b>1. General Reserve</b>		
Opening Balance	15,857.82	15,457.82
Add : Transfer from surplus	<u>700.00</u>	<u>400.00</u>
Add : Reserves Kinenco	<b>16,557.82</b>	15,857.82
Closing Balance	<u><b>17,659.73</b></u>	<u>16,659.28</u>
<b>2. Surplus</b>		
Opening Balance	<b>509.62</b>	336.71
Less : Dividend Tax for the last year	<b>3.41</b>	-
Balance in Statement of Profit & Loss	<b>2,023.61</b>	1,697.85
Appropriations :		
Proposed Dividend	<b>937.50</b>	937.50
Tax on Dividend	<b>190.85</b>	187.44
Transfer to General Reserve	<b>700.00</b>	400.00
Closing Balance	<u><b>701.47</b></u>	<u>509.62</u>
GRAND TOTAL	<u><b>18,361.20</b></u>	<u>17,168.90</u>
<b>4. LONG TERM BORROWINGS</b>		
Long Term Loan from Bank	<b>59.94</b>	2,200.00
<p>The Term Loan of Rs.2200 of last year was secured by first charge on the entire fixed assets, movable and immovable, present and future, pari-passu with other existing charge holders and exclusive charge on the land &amp; building at Polepally, Telengana.</p> <p>The working capital term Loan of Rs.59.94 is secured by first charge on the entire fixed assets, movable and immovable, present and future and exclusive charge on the land &amp; building at Goa.</p>		
Working Capital Term Loan from		
State Bank of India	-	184.00
(Secured against land and building of Kinenco)		
Bank of America - External Commercial Borrowing	<b>972.58</b>	696.49
Loan against Vehicle	<b>40.34</b>	1.74
	<u><b>1,072.86</b></u>	<u>3,082.23</u>
<b>5. DEFERRED TAX LIABILITY (NET)</b>		
Deferred tax Liability		
i. Depreciation	<b>2,096.83</b>	1,700.83
ii. Others	<b>210.20</b>	194.30
	<u><b>2,307.03</b></u>	<u>1,895.13</u>
Deferred Tax Asset		
i. Employee Benefits	<b>254.50</b>	238.09
Net Deferred Tax Liability	<u><b>2,052.53</b></u>	<u>1,657.04</u>

	(Rs. in Lakhs)	
	As at March 31, 2017	
	As at March 31, 2016	
<b>6. OTHER LONG-TERM LIABILITIES</b>		
Security deposits	5.18	1.94
<b>7. LONG-TERM PROVISIONS</b>		
Employee benefits	320.96	276.52
<b>8. SHORT-TERM BORROWINGS</b>		
From a Bank - Secured	3,438.15	2,738.71
Others	-	5.13
Total	<u>3,438.15</u>	<u>2,743.84</u>
<p>The aggregate working capital limits of Rs.3,000 (Rs.3,000) sanctioned by Banks are secured against equitable mortgage by deposit of title deed of factory property situated at Nellore, Andhra Pradesh / Goa and hypothecation of imported and indigenous raw materials, components, spares, goods in process and finished goods and the loan of Rs.114 (578) availed from banks against fixed deposits.</p>		
<b>9. TRADE PAYABLES</b>		
Due to micro and small enterprises (Refer Note.29)	50.91	21.98
Due to others	2,236.82	1,752.49
Total	<u>2,287.73</u>	<u>1,774.47</u>
<b>10. OTHER CURRENT LIABILITIES</b>		
a. Interest accrued but not due on borrowings	118.98	150.69
b. Unclaimed dividends	37.97	40.97
c. Statutory liabilities payable (Net)	558.85	339.74
d. Other payables	1,943.76	2,450.54
Total	<u>2,659.56</u>	<u>2,981.94</u>
<b>11. SHORT-TERM PROVISIONS</b>		
a. Employee benefits	307.75	218.75
b. Proposed dividend	937.50	937.50
c. Others	229.25	166.52
Total	<u>1,474.50</u>	<u>1,322.77</u>

Rs. in Lakhs

**12. CONSOLIDATED FIXED ASSETS**

DESCRIPTION OF ASSET	GROSS BLOCK			DEPRECIATION / AMORTISATION					NET BLOCK		
	As at 1st April 2016	Additions	Deletions	As at 31st March 2017	Upto 31st March 2016	Life Completed Adjusted against retained earnings	For the Year	Deletions	Upto 31st March 2017	As at 31st March 2017	As at 31st March 2016
<b>Own Assets</b>											
<b>I. Tangible Assets</b>											
1. Land	309.97	102.91	-	412.88	4.46	-	00.85	-	5.31	407.57	305.51
2. Buildings	3,319.99	329.59	-	3,649.58	1,593.28	-	110.50	-	1,703.78	1,945.80	1,726.71
3. Plant and Machinery	17,118.32	1,334.71	15.13	18,437.90	10,254.86	4.35	515.19	-	10,765.70	7,672.20	6,863.46
4. Furniture & Fixtures	318.77	65.39	6.05	378.11	206.97	2.32	30.18	-	234.83	143.28	111.80
5. Vehicles	254.67	129.80	22.18	362.29	200.39	-	27.37	20.88	206.88	155.41	54.28
6. Office Equipments	235.95	41.96	5.40	272.51	195.51	4.23	18.75	-	210.03	62.48	40.44
7. (i) Computer Systems	482.99	22.52	2.94	502.57	441.02	0.99	26.58	1.71	464.90	37.67	41.97
(ii) Airconditioners & Refrigerators	248.01	-	0.52	247.49	227.88	-	6.25	0.49	233.64	13.85	20.13
Sub-Total (A)	22,288.67	2,026.88	52.22	24,263.33	13,124.37	11.88	735.66	23.09	13,825.07	10,438.26	9,164.30
<b>II. Intangible Assets</b>											
1. Computer Software	107.30	71.42	-	178.72	59.00	-	24.14	-	83.14	95.58	48.30
2. Others	633.70	-	-	633.70	238.87	-	36.66	-	275.53	358.17	394.83
Sub-Total (B)	741.00	71.42	-	812.42	297.87	-	60.80	-	358.67	453.75	443.13
<b>III. Capital Work in Progress</b>											
Sub-Total (C)	61.10	210.43	59.60	211.93	-	-	-	-	-	211.93	61.10
<b>Grand Total (A+B+C)</b>	23,090.77	2,308.73	111.82	25,287.68	13,422.24	11.88	796.46	23.09	14,183.74	11,103.94	9,668.53
Previous Year's Total	22,031.54	4,244.75	3,185.52	23,090.77	13,978.55	-	755.12	1,311.43	13,422.24	9,668.53	-

(Rs. in Lakhs)

	As at March 31, 2017	As at March 31, 2016
<b>13. NON-CURRENT INVESTMENTS</b>		
<b>Quoted - Trade (at cost)</b>		
500 Equity Shares of Rs.2/- each fully paid up in Bank of Baroda (Market Value Rs.67,500/- Previous Year : Rs.81,650/-)	0.09	0.09
<b>14. LONG TERM LOANS AND ADVANCES</b>		
Security deposits	47.24	45.52
Capital Advance	91.98	41.84
Others	301.36	187.69
	<u>440.58</u>	<u>275.05</u>
<b>15. INVENTORIES</b>		
(as taken, valued & certified by the management)		
Raw materials	1,662.87	1,290.19
Work in process	876.71	755.55
Finished goods	1,491.77	1,209.92
Stock-in-trade (Traded goods)	739.43	856.69
In Transit (Material and Traded goods)	3.54	25.80
Stores and spares	382.92	318.58
Total	<u>5,157.24</u>	<u>4,456.73</u>
<b>16. TRADE RECEIVABLES</b>		
(Unsecured and considered good)		
Outstanding for a period exceeding six months from the due date for payment	1,264.42	1,159.13
Outstanding for a period of less than six months from the due date for payment	7,241.44	6,823.11
Total	<u>8,505.86</u>	<u>7,982.24</u>
<b>17. CASH &amp; BANK BALANCES</b>		
Cash and cash equivalents		
Cash on hand	3.65	2.60
Cheques and drafts on hand	501.36	1,260.21
Balance with banks		
Held as fixed deposits (Less than 12 months)	560.91	2,078.98
In Current accounts	202.17	187.29
Unpaid dividend accounts	37.96	40.98
Held as margin money against borrowings and other commitments	4.53	4.53
Total	<u>1,310.58</u>	<u>3,574.59</u>
<b>18. SHORT TERM LOANS &amp; ADVANCES</b>		
(Unsecured and considered good)		
Advances recoverable in cash or in kind or for the value to be received	583.54	865.71
Receivable from Revenue authorities	304.03	148.57
Income tax and TDS (Net of liability)	(0.49)	67.18
Total	<u>887.38</u>	<u>1,081.46</u>



(Rs. in Lakhs)

	As at March 31, 2017	As at March 31, 2016
<b>19. OTHER CURRENT ASSETS</b>		
Prepaid expenses	88.55	98.66
Insurance claims	25.68	25.96
Interest / other receivables	116.77	164.40
Total	<u>231.00</u>	<u>289.02</u>
<b>20. REVENUE FROM OPERATIONS</b>		
Sale of Goods		
- Export Sales	2,443.33	2,082.82
- Domestic Sales	38,636.72	37,615.36
- Others	867.32	563.80
Total	<u>41,947.37</u>	<u>40,261.98</u>
<b>21. OTHER INCOME</b>		
Interest income		
- Deposits	71.94	92.31
- Over due bills	1,180.82	1,219.92
- Others	0.48	4.19
Net gain on sale of fixed assets	0.90	247.60
Other non-operating income	246.09	235.93
Total	<u>1,500.23</u>	<u>1,799.95</u>
<b>22. EMPLOYEE BENEFITS EXPENSES</b>		
Salary, Wages and Allowances	3,212.72	2,617.61
Directors remuneration	369.99	288.74
Contribution to Provident and other funds	301.38	407.83
Staff welfare expenses (including compensated absences)	664.62	669.34
Total	<u>4,548.71</u>	<u>3,983.52</u>
<b>23. FINANCIAL COSTS</b>		
Interest to bank	447.60	440.78
Other borrowing costs	96.62	181.61
Applicable net Loss / (gain) of foreign currency transaction/translation	(49.79)	18.14
Total	<u>494.43</u>	<u>640.53</u>
<b>24. DEPRECIATION AND AMORTIZATION EXPENSE</b>		
Depreciation	731.93	699.26
Amortisation	60.79	55.86
Total	<u>792.72</u>	<u>755.12</u>

(Rs. in Lakhs)

**25. OTHER EXPENSES**

	<b>As at March 31, 2017</b>	As at March 31, 2016
Consumption of stores and spare parts	<b>584.42</b>	626.61
Power, Gas and Water	<b>498.89</b>	476.79
Repairs to :		
Machinery	<b>41.28</b>	37.03
Buildings	<b>99.44</b>	86.45
General	<b>814.79</b>	587.38
	<b>955.51</b>	710.86
Insurance	<b>68.76</b>	61.51
Research & Development Expenses	<b>18.35</b>	22.10
Rent	<b>297.20</b>	246.83
Travelling & Conveyance	<b>550.79</b>	549.88
Communication expenses	<b>183.41</b>	78.64
Printing and Stationery	<b>34.13</b>	25.20
Vehicle Maintenance	<b>50.37</b>	47.71
Auditors' Remuneration		
Statutory audit	<b>22.35</b>	19.08
Taxation and certification	<b>3.50</b>	3.50
Tax audit	<b>1.75</b>	1.75
Out of pocket expenses	<b>1.11</b>	1.28
	<b>28.71</b>	25.61
Professional charges	<b>911.98</b>	837.51
Additional Sales Tax, etc	<b>60.06</b>	62.34
Rates and taxes	<b>151.80</b>	145.97
Advertisement expenses	<b>955.54</b>	764.88
Freight charges	<b>1,208.04</b>	1,242.12
Sales promotion, Selling and Distribution expenses	<b>639.75</b>	530.42
Loss on sale of fixed assets	-	31.05
Corporate social responsibility	<b>64.38</b>	48.32
Miscellaneous expenses	<b>214.41</b>	687.38
Total	<b>7,476.50</b>	7,221.73

**26. DEFINED BENEFIT PLAN**

Defined benefit plan as per actuarial valuation as on 31<sup>st</sup> March, 2017 and recognised in the financial statements in respect of Employee Benefit Scheme: (AS - 15) :

Rs. in Lakhs

	2016 - 2017			2015 - 2016		
	Unfunded		Funded	Unfunded		Funded
	Gratuity	Leave Encashment	Gratuity	Gratuity	Leave Encashment	Gratuity
<b>(i) Component of Employee Cost</b>						
a) Current Service Cost	15.98	41.65	46.75	11.52	14.21	38.54
b) Interest Cost	5.21	0.88	73.75	4.23	3.86	69.37
c) Expected return on Plan Assets	-	-	(75.87)	-	-	(60.96)
d) Actuarial gain / (loss)	7.76	(3.52)	91.18	(0.34)	(16.31)	0.42
e) Net Liability recognised in the Profit and Loss A/c.	28.95	39.01	135.81	15.41	1.76	47.37
<b>(ii) Net Asset/(Liability) recognised in Balance Sheet</b>						
a) Present value of obligation	-	-	1106.58	-	-	(939.53)
b) Fair value of Plan Assets	-	-	(1100.63)	-	-	966.52
c) Asset/(Liability) to be recognised in the Balance Sheet	(92.54)	(63.60)	(5.95)	(64.44)	24.93	26.99
<b>(iii) Changes in defined benefit obligation</b>						
a) Present value at the beginning	64.43	24.93	939.52	44.23	19.93	876.97
b) Current Service Cost	15.98	41.65	46.75	11.52	14.21	38.54
c) Interest Cost	5.21	0.88	73.75	4.23	3.86	69.37
d) Benefits paid	(0.86)	(0.35)	(50.76)	4.79	3.24	(56.75)
e) Actuarial gain / (loss)	7.78	(3.52)	97.32	(0.33)	(16.31)	11.39
f) Present value at the end	92.54	63.59	1106.58	64.43	24.93	939.52
<b>(iv) Changes in fair value of Plan assets</b>						
a) Present value at the beginning	-	-	966.52	-	-	770.73
b) Expected actual return on Plan Assets	-	-	75.87	-	-	60.96
c) Contributions	0.86	0.35	102.86	(4.79)	(3.24)	180.62
d) Benefit paid	(0.86)	(0.35)	(50.76)	4.79	3.24	(56.75)
e) Actuarial gain / (loss)	-	-	6.13	-	-	10.96
f) Fair value at the end	-	-	1100.62	-	-	966.52
g) Funded Status Asset / (Liability)	-	-	5.95	-	-	26.99
<b>(v) Actuarial Assumptions</b>	%	%	%	%	%	%
a) Discount rate (per annum)	7.50	7.50	7.05	8.00	8.00	7.85
b) Expected rate of return on assets	-	-	7.05	-	-	7.85
c) Salary escalation rate	8.50	8.50	10.00	8.50	8.50	10.00
d) Attrition rate	7.5	7.5	5.00	7.5	7.5	5

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

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

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

**1. Subsidiaries / Controlling Interest**

- a) Helios Strategic Systems Ltd. (wholly owned subsidiary of Indo National Limited)  
 b) Kineco Limited  
 c) Kineco Kaman Composites India Private Limited  
 d) Kineco Alte Train Technologies Pvt. Ltd.  
 e) Kaman Aerospace Group Inc.  
 f) Kaman Composites - Vermont, Inc.

**2. Enterprises with significant influence :**

- a) Apex Agencies  
 b) Associated Electrical Agencies  
 c) Kalpatharu Enterprises Pvt. Ltd  
 d) Radiohms Properties Pvt. Ltd  
 e) Radiohms Agencies  
 f) RAL Consumer Products Limited

**3. Key Managerial Personnel**

Mr. P. Dwaraknath Reddy  
 Mr. R.P. Khaitan  
 Mr. P. Aditya Reddy  
 Mr. Shekhar Sardessai  
 Mr. Vinay Jagtap  
 Mr. Prashant Naik

Rs. in Lakhs

Nature of Transaction	Subsidiaries	Enterprises with significant influence	Key Managerial Personnel	Total
Sale of Goods	-	17,010.32 (18,325.99)	-	17,010.32 (18,325.99)
Royalty	8.73 (145.35)	-	-	8.73 (145.35)
Receiving of Services	1,583.40 (155.98)	360.30 (861.51)	8.55 -	1,952.25 (1,017.49)
Advance for purchase of Shares	-	-	- (408.58)	- (408.58)
Purchase of Shares	-	447.89	673.74 -	1,121.63 -
Rendering of Services	0.22 (29.10)	787.00 (878.37)	-	787.22 (907.47)
Remuneration	-	-	374.90 (288.74)	374.90 (288.74)
Due from as on 31st March, 2017	- (367.25)	5,094.86 (4,241.71)	- (408.58)	5,094.86 (5,017.54)
Due to as on 31st March, 2017	12.76 (16.12)	10.41 (19.47)	454.31 (104.52)	477.48 (140.11)

Note : All intra group transactions and balances included above are net of elimination.

(Rs. in Lakhs)

As at  
March 31, 2017

As at  
March 31, 2016

**29. Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) as at 31st March, 2017 as per information available with the Group. The Group has not provided the interest within the meaning of Section 23 of Small & Medium Enterprises**

a) Principal amount due to supplier under MSMED Act, 2006 **50.91** 21.98

“Trade Payables’ pertaining to Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of the information available with the Company. This has been relied upon by the auditors.

**30. Other Contingent Liabilities**

a) Estimated amount of contracts remaining to be executed on capital accounts and not provided for (Net of advances) - 46.71

b) Letters of Credit **115.62** 72.86

c) Bank Guarantees **863.88** 376.58

d) Bills Discounted with Bankers and others **2,598.88** 2,351.48

e) Sales Tax disputed in Appeals **2.15** 2.15

f) Income Tax disputed in Appeals **29.48** 23.11

g) Claims against the group not acknowledged as debts of the group **1,902.32** 1,268.51

h) Claims against the group for pending cases of the group **2.18** 21.12

In respect of sales tax and income tax disputed in appeals above, the Company is confident of relief due to strong grounds against the disallowances/additions made in the assessments

i) Unhedged foreign currency exposures for the year ended 31.3.2017

Currency	USD	EUR	INR
Trade Receivables	1.32	-	85.82
	(0.09)	-	(6.09)
Trade Payable	13.14	-	885.11
	(16.05)	-	(1089.40)
Trade Payable	-	0.27	19.04
Others	-	0.80	55.51
Advances	-	-	-
	(0.02)		(1.10)

(Rs. in Lakhs)

As at  
March 31, 2017

As at  
March 31, 2016

**31. Computation of earnings per share**

Net profit for the year	<b>2,023.60</b>	1,416.95
Total number of Equity Shares	<b>3750000</b>	3750000
Earnings per share	<b>53.96</b>	37.79
Nominal Value per share	<b>10</b>	10

**32. Details of Specified Bank Notes (SBN) held and transacted during the period November 08, 2016 to December 30, 2016 is as under**

Sl.No.	Particulars	SBN	Other Notes	Total
1	Closing cash in hand as on November 08, 2016	0.96	2.04	3.00
2	Permitted receipts	-	20.79	20.79
3	Permitted payments	-	18.32	18.32
4	Amount deposited in banks	0.96	0.43	1.39
5	Closing cash in hand as on December 30, 2016	-	4.08	4.08

**33.** The company has made further investment during the year in its wholly owned subsidiary of Helios Strategic Systems Limited through additional Compulsory Convertible debentures. The said subsidiary has invested Rs.31,941,530 in the equity share capital in its subsidiary, Kineco Limited resulting in its acquisition of 50.99% ownership therein.

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

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

**N. RAMESH RAJAN**  
Chairman

**P. DWARAKNATH REDDY**  
Managing Director

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

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

**M. SANKARA REDDY**  
Chief Financial Officer

**J. SRINIVASAN**  
Secretary

**P. SRINIVASAN**  
Partner

Place : Chennai

Date : 26<sup>th</sup> May, 2017

**ATTACHMENT TO THE FINANCIAL STATEMENT  
FORM AOC-1**

**Statement pursuant to Section 129 (3) of the Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rules 2014 related to Subsidiary Companies**

**Part 'A' Subsidiaries**

<b>S.NO</b>	<b>Particulars</b>	<b>Helios Strategic Systems Ltd</b>	<b>Kineco Limited and its Subsidiaries</b>
1	Reporting period	31st March 2017	31st March 2017
2	Reporting Currency	INR in Lakhs	INR in Lakhs
3	Share Capital	5.00	626.41
4	Reserves & Surplus	-137.48	243.21
5	Total Assets	4026.81	6604.54
6	Total Liabilities	4026.81	6604.54
7	Investments (except for investment in subsidiaries)	-	0.085
8	Turnover	0.03	6133.97
9	Profit/(Loss) before taxation	-3.72	341.42
10	Provision for taxation	Nil	Nil
11	Profit/(Loss) after taxation and minority interest	-3.72	341.42
12	Proposed Dividend	Nil	Nil
13	% of shareholding	100%	*50.991%

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

<b>Part 'B' Associates and Joint Ventures</b>	NIL
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Note:

1. There were no subsidiaries liquidated or sold during the year 2016-17.
2. There were no subsidiaries which are yet to commence operations during the year 2016-17.

**N. RAMESH RAJAN**  
Chairman

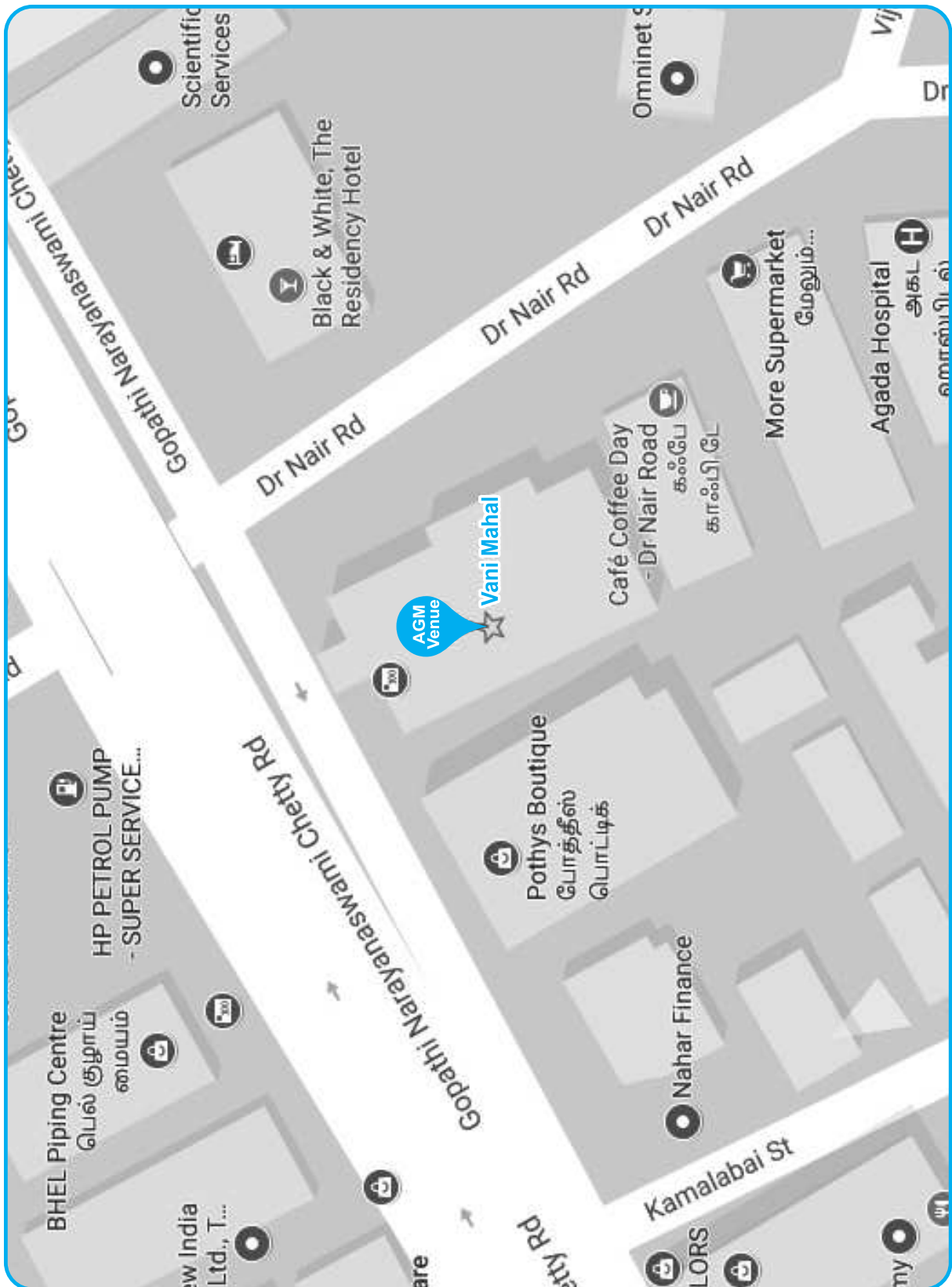
**P. DWARAKNATH REDDY**  
Managing Director

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

**M. SANKARA REDDY**  
Chief Financial Officer

**J. SRINIVASAN**  
Secretary

Place : Chennai  
Date : 26<sup>th</sup> May, 2017







**INDO NATIONAL LIMITED**

(CIN L31909TN1972PLC006196)

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

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

**ATTENDANCE SLIP**

Name & Address of the Shareholder Folio No : \_\_\_\_\_

\_\_\_\_\_ DP ID : \_\_\_\_\_

\_\_\_\_\_ Client ID : \_\_\_\_\_

Certify that I am a member / proxy appointed by the member\* of the Company and record my presence at the 44th 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 25<sup>th</sup> September 2017 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.

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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 44<sup>th</sup> Annual General Meeting of the Company, to be held on Monday the 25<sup>th</sup> day of September 2017 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
<b>Ordinary Business</b>	
1.	Adoption of Standalone / Consolidated Financial Statements for the year ended 31 <sup>st</sup> March, 2017
2.	Declaration of Dividend for the year 2016-17
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.
7.	Appointment of M/s. G. Balu Associates, Chartered Accountants, as Statutory Auditors of the Company.
<b>Special Business</b>	
8.	Re-appointment of Mr. P. Dwaraknath Reddy (DIN: 00277929), as Managing Director of the Company.
9.	Re-appointment of Mr. R.P. Khaitan (DIN: 00015801), as Joint Managing Director of the Company.
10.	Approve 1% of the Net Profits of the Company be paid and distributed amongst the Non-Executive Independent Directors of the Company.
11.	Approve the remuneration of the Cost Auditor for the Financial Year March 31, 2018.

Signed this ..... day of ..... 2017

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 commencement of the meeting.



Indo National Ltd. received “**Best Management Award-2017**” from Mr. N. Chandrababu Naidu, Chief Minister of Andhra Pradesh



The then Defence Minister Mr. Manohar Parrikar at the launch of the first Indigenous Composites Sonar Dome developed by Kineco Ltd at Defexpo-16 in Goa



**KINECO**

WORLD OF COMPOSITES

[www.kinecogroup.com](http://www.kinecogroup.com)

*Landspace To Aerospace*

Plot No. 41, Pilerne Industrial Estate, Pilerne, Bardez - Goa, 403511 (INDIA) Tel: +91 832 6718988



# NIPPO

**Indo National Limited**

(CIN NO.L31909TN1972PLC006196)

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