

## INDO NATIONAL LIMITED

### CHAIRMAN'S SPEECH AT THE 44<sup>th</sup> ANNUAL GENERAL MEETING HELD ON 25.09.2017

Dear Shareholders,

Indeed it gives me immense pleasure in welcoming you all to the 44<sup>th</sup> Annual General Meeting of your Company.

The Notice convening the Meeting, the Director's Report and the Audited Accounts for the Financial Year ended March 31, 2017 have been with you for sometime now, and with your kind permission, I shall take them as read.

#### ECONOMY

India's GDP grew 7.1% in the financial year 2016-17 lower than 8% recorded in the previous year. The overall price level measured by Wholesale Price Index (WPI) for the Financial Year 2016-17 started with 109 points in April 2016 and at the end of March 2017 the WPI stood at 113.2 and current WPI stands at 113.9.

India's Foreign Exchange Reserves had decreased by US\$ 10195 million during the financial year 2016-17. The Foreign Exchange Reserve currently stands at US\$ 3, 98,123 Million when compared to 1<sup>st</sup> April 2016 it was US\$ 3, 59,760 Million shows an increase of US\$38,363Million.

The Rupee had appreciated 2.13% during the year under review. In terms of value wise it's about Rs.66.24 per US\$ at the beginning of the year and Rs.64.83 per US\$ at the end of the year and as on the date it is around Rs.64.04

During the year under review bullish and bearish sentiment in the Domestic Capital Market had resulted Bombay Stock Exchange (BSE) touching a high of 29,842 points in the month of March 2017 and low of 24,523 points in the month of April 2016 and currently it is trading in between 32000 to 32400 points.

#### REVIEW OF OPERATIONS

The Dry cell battery industry as a whole evidencing shift in usage of batteries from "D" size to "AA" / "AAA" batteries and our Company has a market share of around 31% among the organized players in dry battery industry. Your company's production qty has increased from 539 million to 618 million pieces and sales quantity stood at 625 million as against 624 million pieces.

In terms of value, your company had registered a Turnover of Rs.358.13Crs as against Rs.353.40 Crs in the previous year. The Company's Profit before tax stood at Rs.29.37 Crs during the fiscal under review as against Rs.31.89 Crs in the previous year.

#### DIVIDEND

The Board recommends a Dividend of 250% for the year 2016-17. You will be happy to note that the Company, as a gesture of goodwill to the shareholders, will be paying the dividend if approved, on 04<sup>th</sup> October 2017.

## CORPORATE GOVERNANCE

The basic philosophy of corporate governance of the Company is to achieve business excellence and enhance shareholder value, keeping in view the needs and interests of its shareholders. Your company is following a system of corporate governance which ensures transparency, fairness, independence, accountability, integrity and social responsibility and has adopted all mandatory provisions as mentioned in the Listing Agreement signed with the Stock Exchanges.

## INVESTMENT

During the year your company through its wholly owned subsidiary (M/s. Helios Strategic Systems Ltd) has made further investment and increased its controlling stake to 51% in Kineco Ltd a company engaged in the design, development and manufacture of wide range of composite parts and assembly for Telecommunications, Automotive, Railways, Water Treatment and process equipment's and Aerospace & Defense Sectors.

Your company also continues to explore the possibilities of diversification in to new areas of business including defense, aerospace and other FMCG products.

## AWARDS

Your company received "14<sup>th</sup> National Award for Excellence in Cost Management -2016" from the Institute of Cost Accountants of India and "Best Management Award" from Govt. of Andhra Pradesh for the year 2016.

## FUTURE OUT LOOK

The Union Budget for the year 2017-2018 introduced new section 115 BBG to charge ten percent tax on income from transfer of carbon credit which will be beneficial to your company since company has accumulated carbon credit in its books.

Your company has undertaken various measures like increase in productivity, cost reduction activities, intensifying promotional activities and improving sales in the Rural Markets and introduction of new models of LED lighting products etc. With these measures your Company is hopeful to sustain the performance and thereby increase the market share in the coming years.

## ACKNOWLEDGEMENT

On behalf of the Board of Directors and on my behalf, I convey my sincere thanks to the Authorised Wholesalers, Stockists, Retailers, the Bankers, Shareholders and the Employees of the Company. I also thank you, all for being with us today and for your continued support and encouragement.

Thanking you.

  
Chairman