

INDO NATIONAL LIMITED

CHAIRMAN'S SPEECH AT THE 43rd ANNUAL GENERAL MEETING HELD ON 23.09.2016

Dear Shareholders,

Indeed it gives me immense pleasure in welcoming you all to the 43rd 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, 2016 have been with you for sometime now, and with your kind permission, I shall take them as read.

ECONOMY

During the financial year 2015-2016, India's GDP growth rate was 7.6% as against 7.2% in the previous year. The overall price level measured by the Wholesale Price Index inflation for the Financial Year 2015-16 started with -2.65% in April 2015 and at the end of March 2016 the inflation stood at -0.85% and current inflation stands at 1.62%.

India's Foreign Exchange Reserves had increased by around US\$ 14181 million during the financial year 2015-16. The Foreign Exchange Reserve currently stands at US\$ 3,67,169 Million when compared to 1st April 2016 it was US\$ 3,55,559 Million shows an increase of US\$11,610 Million.

The Rupee had depreciated 6.73% during the year under review. In terms of value wise it's about Rs.62.15 per US\$ at the beginning of the year and Rs.66.33 per US\$ at the end of the year and as on the date it is around Rs.66.17.

During the year under review bullish and bearish sentiment in the Domestic Capital Market had resulted Bombay Stock Exchange (BSE) touching a high of 29,044 points in the month of April 2015 and low of 22,951 points in the month of February 2016 and currently it is trading in between 27500 to 27900 points.

REVIEW OF OPERATIONS

The Dry cell battery industry as a whole registered de- growth of 0.45% as against growth of 3% in the previous year. The sale of dry cell batteries in the industry had decreased from 2209 million pieces to 2199 million pieces. Your company's production had decreased from 532 million to 499 million pieces and sales quantity increased from 617 million to 624 million pieces.

In terms of value, your company had registered a Turnover of Rs.353.40Crs as against Rs.341.41 Crs in the previous year. The Company's Profit before tax stood at Rs.31.89 Crs during the fiscal under review as against Rs.40.12 Crs in the previous year.

DIVIDEND

The Board recommends a Dividend of 250% for the year 2015-16. 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 29th September, 2016.

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.

ACQUISITION

Your company through its wholly owned subsidiary acquired 51% stake in Kineco limited, 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 etc.,

FUTURE OUT LOOK

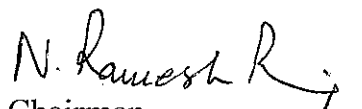
The Union Budget for the year 2016-2017 withdraws stimulus packages by limiting the existing weighted deduction of 200% for in-house Research to 150 % with effect from 01st April 2017 and 100% from 01st April 2020.

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