

INDO NATIONAL LIMITED

CHAIRMAN'S SPEECH AT THE 50th ANNUAL GENERAL MEETING HELD ON 27.09.2023

Good afternoon Dear Shareholders,

It gives me immense pleasure in welcoming you all to the 50th Annual General Meeting of your Company which is being held through Video conferencing and other audiovisual means.

The Notice convening the Meeting, the Director's Report and the Audited Accounts for the Financial Year ended March 31, 2023 have been with you for some time now, and with your kind permission, I shall take them as read.

ECONOMY

After rapid economic growth of 7.2% in the 2022-23 fiscal year, economic momentum has remained strong in the April-June quarter of 2023, with GDP growth of 7.8% year-on-year (y/y).

The overall price level measured by Wholesale Price Index (WPI) for the Financial Year 2022-23 started with 151.9 points in April 2022 and at the end of March 2023 the WPI stood at 150.9 points. The current WPI stands at 149 points.

The Foreign Exchange Reserve as on 1st April 2022 amounted to US\$ 6,06,475 million and at the end of March 2023, the Foreign Exchange Reserve stood at US\$ 5,78,449 million registering a decrease of US\$ 28,026 Million. The foreign exchange reserve currently stands at US\$ 5,98,897 Million.

The Rupee had depreciated 3.50% during the year under review. In terms of value the Rupee was around Rs.75.81 per US\$ at the beginning of the year and was around Rs.82.22 per US\$ at the end of the year and as on the date it is around Rs.83per US\$.

During the year under review bullish and bearish sentiment in the Domestic Capital Market had resulted in the Bombay Stock Exchange (BSE) touching a high of 63,583 points in the month of December 2022 and low of 50,921 points in the month of June 2022 and currently it is trading in between 66500 to 67500 points.

50TH GOLDEN JUBILEE YEAR

Half a century ago, Nippo and Indo National Limited embarked on a journey that transformed the Indian dry cell industry, pioneering milestones through cutting-edge technology. Nippo expanded its brand portfolio in the new millennium, becoming a prominent consumer brand. Nippo at 50 is a dynamic and youthful entity, embracing a niche, consumer-centric approach to navigate today's rapid changes and challenges.

Commemorating Nippo's Golden Jubilee, our redesigned brand identity heralds an exciting era of growth, emphasizing our dedication to adapting to evolving consumer demands. Our objective remains unwavering: maintaining a unique, consumer-focused approach amidst today's swift transformations”

REVIEW OF OPERATIONS

BATTERY CATEGORY:

This category has seen a flattish trend in value and declines in volume. Your company managed a 3% value growth backed by price increases. The input costs have been on a higher side although the year which had an impact on margins. There is a continuous erosion of battery-operated torches due to cheaper grey market options, this had major impact on battery consumption.

Your company has worked out focused plans to strengthen urban distribution to grow faster in our core.

NON- BATTERY CATEGORY:

Technology shift in the flashlight category from battery operated torches to rechargeable torches is happening at a rapid pace. Your company's growth of 26% in the RC torches segment reflects this significant shift.

Your company has also achieved a 39% growth in the Mosquito-bats category with significant contribution from the newly launched economy priced mosquito swatter.

Your company sees huge opportunity in the LED category as space to grow is very large. We are happy to share your company has delivered a robust 30% growth in LED and 31% growth in Electrical Accessories.

DIVIDEND

Your Board of Directors is pleased to recommend a Dividend of 100% for the year 2022-23 subject to the approval of the shareholders. 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 06th October 2023.

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 all its stakeholders. 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 required in the Listing Agreement signed with the Stock Exchanges.

SUBSIDIARIES

As the members are aware that our diversification in to defense and aerospace business had contributed towards the growth path and during the year your company continued to have a controlling stake of 50.99% in Kineco Ltd., which is a material subsidiary of your company.

Kineco Kaman Composites, a Joint Venture between Kineco Group and Kaman Aerospace Group, USA is proud to be a significant contributor to Chandrayaan-3 Mission having supplied 4 flight critical components which form part of the LVM3-M4 launch vehicle: 1. Equipment Bay Shroud Assembly 2. ITSC Closure Plates 3. ITSC, LOX & LH2 Wire Tunnel & Bottom Plate Assembly 4. FSA Casings CFRP Elements.

Chandrayaan-3 is India's third moon mission to demonstrate end-to-end capability in safe landing and roving on the lunar surface. Chandrayaan-3 consists of an indigenous lander module (LM), propulsion module (PM), and a rover with an objective of developing and demonstrating new technologies required for inter-planetary missions.

Kineco Kaman is working on the 1st Crew Orbiter Module Adaptor Assembly (OMA) which is expected to be used for the India's first human space flight mission, Gaganyaan.

Kineco Kaman's is committed to continually invest in technology & capability upgrades to move up the value chain and contribute to Aatmanirbhar Bharat mission in Aerospace & Defense domain.

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

FUTURE OUT LOOK

BATTERY CATEGORY:

It has been observed urban India will be driving consumption in this category. Your company has plans to strengthen urban distribution and make strong expansion into modern trade and e-commerce platforms. Alkaline as a segment has been fastest growing. Your company will be launching an alkaline range as part of the entire urban focus.

The major input costs are showing signs of softening, it will help your company improve margins and making investments in the brand.

NON- BATTERY CATEGORY:

Last 4 years, your company made LED business as the second largest category by making good inroads in few pockets. Your company will continue to focus on LED across India through distribution expansion, channel management and new product introductions.

Rechargeable torches at economical price points is one way to accelerate growth and this is the opportunity is being addressed with the new RC launches. With mosquito swatters, your company is making into a large "home-care" segment. Your company will invest into new product offerings and focused distribution to drive growth in this category.

ACKNOWLEDGEMENT:

On behalf of the Board of Directors and on my own behalf, I convey my sincere thanks to the Authorised Wholesalers, Stockiest, Direct Dealers, Retailers, the Bankers, Shareholders and the Employees of the Company for their continued support to the Company.

I also thank you, all for being with us today and for your continued support and encouragement.

Thanking you.

Chairman