

12th
ANNUAL
REPORT
1996-1997



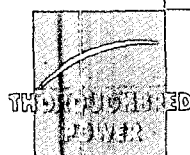
 **AMARA RAJA**

**LEADERSHIP IS A PRIVILEGE.****IT IS ALSO A RESPONSIBILITY.**

It took more than a clear vision and an incisive perception to bring the current global technologies to India. It took much more than a pioneering spirit and the courage of conviction to catalyse a trendsetting change.

It took implicit leadership to create products of high quality ahead of their time. It took all this, just to fulfil the objective - total customer satisfaction.

Nothing then, can come in the way of our march ahead. Nor in the path of fulfilling our responsibilities. As we have undertaken to establish benchmarks of quality. To be the voice that educates customers about products that actually meet their needs. To have concern for the environment in policy and practice. To value suppliers, invest in human resource and allow them to blossom to the utmost. And above all, to repay in full measure the trust and confidence our shareholders repose in us.





AMARA RAJA BATTERIES LTD

CONTENTS

Five Years At A Glance.....	2
Report Of The Directors	3
Auditors' Report	9
Balance Sheet	12
Profit & Loss Account	13
Schedules To Balance Sheet	14
Schedules To Profit & Loss Account	18
Accounting Policies	20
Notes On Accounts	21
Cash Flow Statement	25
General Business Profile	28

MD	✓		BKC	✓
CS	✓		DPY	NA
RO	✓		DIV	✓
TRA	✓		AC	✓
AGM	✓	✓	SHI	✓
YE	✓	✓		✓



AMARA RAJA BATTERIES LTD

BOARD OF DIRECTORS

Shri. U.V. Warlu	Chairman
Shri. T. Panduranga Rao	Nominee of IDBI
Dr. Upendranath Nimmagadda	
Shri. V.R. Rao	Alternate to Dr. Upendranath Nimmagadda
Smt. Amara Kumari Galla	
Shri. P. Lakshman Rao	
Shri. Jayadev Galla	Executive Director
Shri. Ramachandra N. Galla	Managing Director

PRINCIPAL EXECUTIVES

Shri. Ramachandra N. Galla	Managing Director
Shri. Jayadev Galla	Executive Director
Shri. P.M. Venkatraman	V.P. - Marketing
Shri. I.B.K. Murthy	V.P. - Operations
Shri. B. Ramabrahmam	V.P. - Finance
Shri. T.S. Srinath	G.M. - Technical
Shri. D.N. Reddy	G.M. - Customer Support

AUDITORS

M/s E. Phalguna Kumar & Co.
Chartered Accountants
Tirupati.

M/s. Chevuturi Associates
Chartered Accountants
Vijayawada.

BANKERS

State Bank of India
Settipalle, Tirupati.

Andhra Bank
Main Branch, Tirupati

State Bank of Hyderabad
Main Branch, Tirupati.





AMARA RAJA BATTERIES LTD

Regd. Office : Renigunta - Cuddapah Road, Karakambadi - 517 520, TIRUPATI, Andhra Pradesh, India.
Tel : +91-8574-755 61 to 65 Fax : +91-8574-753 60 email : tpt.amararaja@sms.sprintpg.ems.vsnl.net.in

NOTICE

NOTICE is hereby given that the Twelfth Annual General Meeting of the shareholders of AMARA RAJA BATTERIES LIMITED will be held at the Registered Office at Renigunta-Cuddapah Road, Karakambadi, Tirupati - 517 520 on Thursday the 25th September, 1997 at 3.00PM to transact the following business.

Ordinary Business

01. To receive, consider, approve and adopt the audited Balance Sheet as at 31st March, 1997 and Profit & Loss Account for the year ended on that date and the reports of the Directors and the Auditors.
02. To declare Dividend.
03. To appoint a Director in place of Shri. P. Lakshman Rao, who retires by rotation, and being eligible, offers himself for reappointment.
04. To appoint a Director in place of Dr. Upendranath Nimmagadda, who retires by rotation, and being eligible, offers himself for reappointment.
05. Appointment of Auditors.

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

"RESOLVED that the auditors of the company M/s. E. Phalguna Kumar & Co., Chartered Accountants, Tirupati and M/s. Chevuturi Associates, Chartered Accountants, Vijayawada, who retires at this meeting, being eligible and willing to act as joint auditors be and are hereby appointed as auditors of the Company from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting at a remuneration to be fixed by the Board in addition to out-of-pocket expenses as may be incurred by such auditors in connection with the audit of the Company".

By order of the Board
for AMARA RAJA BATTERIES LIMITED

Place : Hyderabad
Date : 13.08.96

Sd/-
Managing Director

Notes

01. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE COMMENCEMENT OF THE MEETING.
02. The Register of Members of the Company will remain closed from Tuesday, the 23rd September, 1997 to Thursday, the 25th September, 1997 (Both days inclusive).
03. Dividend, if approved and declared at the Annual General Meeting, will be paid to those members whose names appear in the Register of Members of the Company on 25th September, 1997.
04. Members are requested to kindly notify any change in address immediately to the Company.

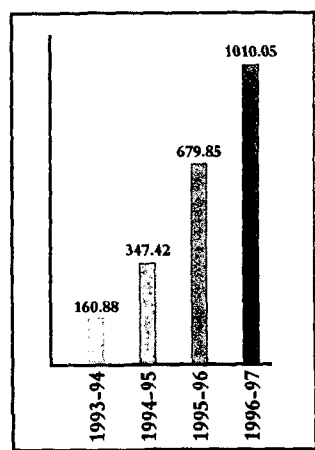
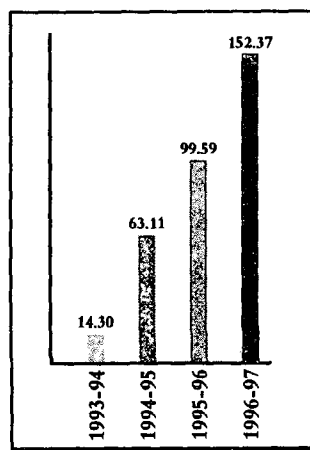
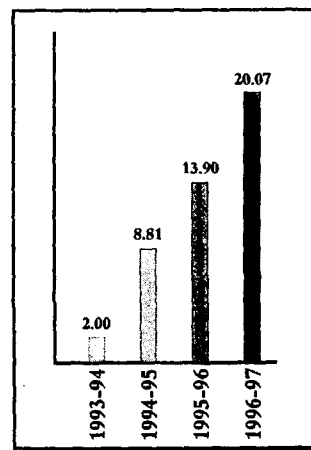




**AMARA RAJA BATTERIES LTD****OPERATING & FINANCIAL PERFORMANCE****Five Years at a Glance**

Particulars	(Rupees in Millions)				
	1996-97	1995-96	1994-95	1993-94	1992-93*
Production (Nos.)	126,297	91,855	48,661	25,212	17,750
Sales (Nos.)	128,631	89,274	48,293	23,124	18,920
Sales	1,010.05	679.85	347.42	160.88	92.88
Profit Before Depreciation, Interest And Tax	249.80	189.65	111.20	63.29	15.52
Profit Before Depreciation	228.81	163.41	78.02	27.88	(10.72)
Profit After Depreciation	210.42	143.79	63.15	14.30	(20.77)
Profit After Tax	152.37	99.59	63.11	14.30	(20.79)
Equity Capital	75.92	71.63	71.63	71.63	71.63
Reserves & Surplus	273.89	145.43	56.63	0.01	—
Networth	349.81	217.06	115.06	48.10	29.98
Gross Block	351.85	262.08	220.45	200.84	193.96
Net Block	267.48	195.98	173.98	169.14	175.85
Book Value Per Share (Rs.)	46.08	30.30	16.06	6.71	4.18
Earnings Per Share (Rs.)	20.07	13.90	8.81	2.00	—

* Nine months operation

Sales
(Rupees in Millions)Profit After Tax
(Rupees in Millions)

Earnings Per Share (Rs.)



AMARA RAJA BATTERIES LTD

REPORT OF THE DIRECTORS

Your Directors have pleasure in presenting their Twelfth Annual Report together with Audited Accounts for the financial year ended 31st March, 1997.

FINANCIAL RESULTS

Particulars	Rs. in lakhs	
	For the Year ended	
	1997	1996
Profit from Operations Before Interest and Depreciation	2498.07	1896.51
Less : Interest	209.99	262.37
Profit Before Depreciation	2288.08	1634.14
Less : Depreciation	183.90	196.27
Profit Before Tax	2104.18	1437.87
Less : Provision for Income Tax	580.44	442.00
Profit After Tax	1523.74	995.87
Profits Available for Appropriation	1977.86	1562.05
TRANSFER TO :		
General Reserve	1000.00	1000.00
Proposed Dividend 30% (Last year 15%)	217.36	107.93
Dividend Tax	21.73	0.00
Surplus Carried to Balance Sheet	738.77	454.12

DIVIDEND

Your Directors have recommended a dividend of 30% for the year ended 31st March, 1997. The dividend, if declared, will be exempt from income tax in the hands of the shareholders. The dividend will absorb a sum of Rs. 239.09 Lakhs inclusive of tax on dividends. The dividend will be paid, on approval, to those shareholders whose names stand registered in the books of the Company on 25th September, 1997.

OPERATIONS & OUT LOOK

Your Directors are pleased to report another impressive performance during the year under review. The year under review had been significant in terms of Sales and Order Booking crossing the Hundred Crore mark - **yet another milestone**. Your Company's efforts continue to pursue cost controls, optimum utilisation of existing resources and to enhance productivity at all levels of operations.

Your Company's thrust is on technology upgradation through in-house R&D, new ranges, quality, customer satisfaction, need based capacity enhancement ahead of demand and integration of its operations.

The growth in market for MF-VRLA is surpassing the growth in Industrial Storage battery market due to impressive penetration ratio witnessed. The penetration is almost complete in Telecom Sector and is making deep inroads in Railways and Power Control. This change in technology preference has introduced new players in the market.

To meet the challenges ahead, your Company's focus is on product quality and comprehensive customer support. Your Company's ability to respond to the total customer needs has ensured a loyal and committed customer profile, which will overshadow the upcoming competition and help us to retain our leadership.

Your Company's emphasis on overall operational quality has resulted in the Company receiving "ISO 9001" certification from RWTUV, Germany and products obtaining UL recognition for safety of operations from Underwriters Laboratory, USA.



AMARA RAJA BATTERIES LTD

To consolidate and widen the market for the Company's products, the stress is now on new product ranges, commercialisation of technology in new application areas and establishment of retailing network.

Your Company's business plans are directed towards new market opportunities, application areas and business lines.

BUSINESS FOCUS

As spelt-out in our earlier report, your Company is backward integrating its operation with plastics and is expected to be on stream by end November, 1997. In the light of the changing market conditions, your Company is embarking on a comprehensive programme for modernisation of its facilities and need based capacity enhancement from the existing level of 180000 batteries to 275000 batteries per annum.

FINANCE

Consistent high degree of financial performance has favourably positioned your Company to embark on its business plans which are on the anvil and on the drawing board. Your Company's financing strategy would be to leverage with low cost debts and augment funding resources in the years to come for further capital investments, with the ultimate goal of maximising shareholders' wealth. Your Company is approaching the Financial Institutions for funding the proposed project schemes.

PUBLIC DEPOSITS

Your Company has not accepted any deposits from the public during the year under review and there are no outstanding deposits as on March, 31, 1997.

ENVIRONMENT PROTECTION

Towards social responsibility, your Company's emphasis is on environment protection in line with the international industry standards. To accomplish, several effective measures have been implemented with latest pollution control equipments. Employees health assurance and safety has always been on the top agenda of the company. Your Company's extensive green belt around the plant is the best in the domestic battery industry. The Company has conducted environmental impact assessment for expansion and will be kept within the international standards. Your Company is evaluating the feasibility of implementing ISO-14000, environmental systems standards.

PERSONNEL

Industrial relations continued to remain cordial during the year under review. The Company is fully committed to the overall development of its employees. Your Directors place on record their appreciation for the contribution to business growth made by employees at all levels.

Information as required under Section 217(2A) of the Companies Act, 1956 and rules thereunder, a statement containing the particulars of the Company's employees who were in receipt of remuneration of not less than Rs. 3,00,000 during the year ended 31st March, 1997 or Rs. 25,000 or more per month during any part of the said year is given in the Annexure to this report.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and Articles of Association of the Company, Shri P. Lakshman Rao and Dr. Upendranath Nimmagadda retire by rotation and being eligible, offer themselves for reappointment.

AUDITORS

Messrs. E. Phalguna Kumar & Co., and Chevuturi Associates, the joint auditors of the Company retire at the ensuing Annual General Meeting and are eligible for reappointment.

**AMARA RAJA BATTERIES LTD****ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE**

Particulars required to be disclosed under the Companies (Disclosure of particulars in the Report of Board of Directors) Rules 1988 are annexed hereto

ACKNOWLEDGEMENTS

The Directors are thankful to the Financial Institutions and Bankers for their continued support during the year under review. The Directors acknowledge with gratitude the help extended by the Central Government and Government of Andhra Pradesh. Your Directors are equally grateful to the customers, suppliers and to you for the confidence reposed and valuable support.

for and on behalf of the Board

Sd/-

U.V.WARLU
Chairman

Place : Hyderabad

Date : 13.08.97

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