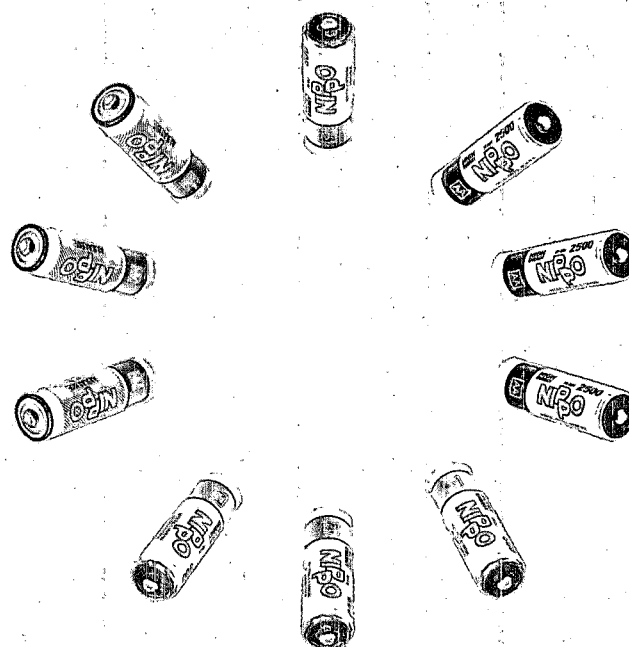


Nippo Batteries Co. Ltd



35th Annual Report 2007 - 08

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Nippo Batteries Co. Ltd

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Nippo Batteries Co. Ltd

BOARD OF DIRECTORS

Justice S. Natarajan
Chairman

P. Obul Reddy
Managing Director

S.R. Jiwarajka
Joint Managing Director

J. Goto

M. Watanabe

Y. Terao

H. Ozono

V.R. Gupte

Dr. S.A. Dave

J. Srinivasan

SECRETARY

AUDITORS

P. Srinivasan & Co.
18, Gopalakrishna Road, T. Nagar
Chennai - 600 017.

BANKERS

Canara Bank
The Bank of Tokyo - Mitsubishi UFJ Ltd.

REGISTERED AND ADMINISTRATIVE OFFICE

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

FACTORIES

Andhra Kesari Nagar
Nellore - 524 004.
(Andhra Pradesh)

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

Nippo Batteries Co. Ltd

NOTICE

NOTICE is hereby given that the THIRTY FIFTH ANNUAL GENERAL MEETING of NIPPO BATTERIES CO. LTD, will be held at Sri P. Obul Reddy Hall, Vani Mahal, No.103, G.N. Chetty Road, T. Nagar, Chennai - 600 017, on Wednesday, the 18th June, 2008 at 10.30 A.M. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Directors' Report, Audited Balance Sheet of the Company as at March 31, 2008 and the Profit and Loss Account for the year ended that date together with the report of the Auditors' thereon.
2. To declare a Dividend.
3. To appoint a Director in the place of Justice Mr. S. Natarajan, who retires by rotation under Article 147 of the Articles of Association of the Company and as per applicable provisions of the Companies Act 1956, and who, being eligible offers himself for re-appointment.
4. To appoint a Director in the place of Mr. V.R. Gupte, who retires by rotation under Article 147 of the Articles of Association of the Company and as per applicable provisions of the Companies Act 1956, and who, being eligible offers himself for re-appointment.
5. To appoint M/s. P. Srinivasan & Co., Chartered Accountants, Chennai as Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to authorize the Audit Committee and Board of Directors to fix their remuneration.

SPECIAL BUSINESS

6. To consider and if thought fit, to pass with or without modification, the following resolution as an ORDINARY RESOLUTION:

"Resolved that consent of the Company be and is hereby accorded under section 293 (1) (a) and other applicable provisions, if any, of the Companies Act, 1956 to create charge and / or mortgage by the Board of Directors of the Company of all or any of the movable and immovable properties of the wind power project of the Company including charge on wind turbine generator and mortgage of the land situated at Thiruvambalapuram Village, Radhapuram Taluk, Tirunelveli District, Tamil Nadu in favour of Bank of Tokyo - Mitsubishi UFJ, Ltd. Chennai (herein after called as lender) for securing Term Loan of Rs.6.50 Crores."

"Resolved further that the Board of Directors of the Company be and is hereby authorized to finalise with lenders the documents for creating the aforesaid mortgage and / or the charge and to do all such acts and things as may be necessary and to sub-delegate the powers as deem fit, for giving effect to the above resolution."

7. To consider and if thought fit, to pass with or without modification, the following resolution as an ORDINARY RESOLUTION:

"RESOLVED THAT Mr. Junichi Goto , who was appointed as Additional Director of the Company with effect from 18th July, 2007 under Section 260 of the Companies Act, 1956 and who holds office up to the date of this Annual General Meeting be and is hereby appointed as Director of the Company and shall be liable to retire by rotation.

8. To consider and if thought fit, to pass with or without modification, the following resolution as an ORDINARY RESOLUTION:

"RESOLVED THAT Mr. Masaaki Watanabe, who was appointed as Additional Director of the Company with effect from 18th July, 2007 under Section 260 of the Companies Act, 1956 and who holds office up to the date of this Annual General Meeting be and is hereby appointed as Director of the Company and shall be liable to retire by rotation.

9. To consider and if thought fit, to pass with or without modification, the following resolution as a SPECIAL RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Section 198, 309 and other applicable provisions, if any, of the Companies Act, 1956, an amount not exceeding 1% of the Net Profits of the Company for each financial year computed in the manner prescribed under Sections 349 and 350 of the Companies Act, 1956, be paid and distributed amongst the Non- Executive 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 2007-08, and that such payment will be made in addition to the sitting fees payable for attending meetings of the Board or Committee thereof."

For and on behalf of the Board of Directors
For Nippo Batteries Co. Ltd.

Place: Chennai
Date: 23rd April, 2008

Justice S. Natarajan
Chairman

Nippo Batteries Co. Ltd

NOTES:

1. Explanatory statement as per the provisions of Section 173(2) of the Companies Act, 1956, 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 office of the Company not less than FORTY-EIGHT HOURS before the commencement of the meeting.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from 10th June, 2008 to 18th June 2008, (both days inclusive).
4. The Dividend upon its declaration at the meeting will be paid to those members whose names stand in the Register of Members as on June 18, 2008. The said dividend will be paid on June 24, 2008. 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.
5. Members holding shares in physical form are requested to notify change of address immediately for the purpose of mailing Dividend Warrants.
6. As already informed 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).
7. 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 immediately.
8. Kindly mention your Folio Number / Client ID / DP ID Number (in case of shares held in electronic form) in all your correspondence to the Company or Share Transfer Agents and in the case of electronic form to the Depository Participant in order to reply to your queries promptly.
9. Pursuant to Section 205A of the Companies Act, 1956, an amount of Rs. 1,87,258/- remaining unclaimed out of the dividend for the year 1999-00 (declared on 26th May, 2000) was transferred to the Investor Education and Protection Fund established under Section 205C(1) of the Act on 15th July 2007. The unclaimed dividend, if any, for the year 2000-2001 will become transferable to the "Investor Education and Protection Fund" on or before 4th September 2008. It is hereby notified to the members that once the dividend amount is transferred to the Fund, as per Section 205A (5) of the Act, the same cannot be claimed by the members from the Fund established.
10. 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.

EXPLANATORY STATEMENT ANNEXED TO THE NOTICE OF THE THIRTY FIFTH ANNUAL GENERAL MEETING OF THE COMPANY AS REQUIRED UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956.

ITEM NO.6

The Company had commissioned 1.5 M.W Wind Mill (Suzlon Make) at Thiruvambalapuram Village, Radhapuram Taluk, Tirunelveli District, Tamil Nadu for generation and / or captive consumption, distribution or selling of wind power.

The total cost of the project being 9.26 Crores and to part finance of the project the company has availed Rs. 6.50 Crores as Term loan from Bank of Tokyo – Mitsubishi UFJ Limited., Chennai – 600 018 with a security on both movable and immovable properties of the said project as per the terms and conditions stipulated by the Bank.

The Company has to create a charge on both movable and immovable properties of the project in favour of Bank of Tokyo – Mitsubishi UFJ Limited., Chennai 600 018.

Creation of the above said charge and / or mortgage requires approval of the share holders under section 293 (1) (a) of the Companies Act, 1956, by an ordinary resolution:

The Board recommends the resolution for approval of the share holders.

None of the directors of the Company is in any way concerned or interested in the proposed resolution.

ITEM NO.7

Mr. M. Shiga, who was nominated by our Collaborator, M/s. Matsushita Electric Industrial Co. Ltd., Japan, had resigned from the Board with effect from 23rd May 2007. Our

Nippo Batteries Co. Ltd

Collaborator had nominated Mr. Junichi Goto in the place of Mr. M. Shiga and accordingly Mr. Junichi Goto was appointed as Additional Director by the Board with effect from 18th July, 2007 and hence holds office only up to the date of this Annual General Meeting. A notice in writing from a member has been received u/s.257 of the Companies Act, 1956, along with a deposit of Rs.500/- recommending his appointment as Director of the Company. A brief resume of Mr. Junichi Goto as required in terms of Clause 49 of the Listing Agreement is enclosed with the notice. The Board recommends the resolution for approval of the share holders.

Mr. Junichi Goto is interested in the resolution to the extent of his appointment as Director. No other Director of the Company is in any way concerned or interested in the proposed resolution.

ITEM NO.8

Mr. Y. Yokoe, who was nominated by our Collaborator, M/s. Matsushita Electric Industrial Co. Ltd., Japan, had resigned from the Board with effect from 23rd May 2007. Our Collaborator had nominated Mr. Masaaki Watanabe in the place of Mr. Y. Yokoe and accordingly Mr. Masaaki Watanabe was appointed as Additional Director by the Board with effect from 18th July 2007 and hence holds office only up to the date of this Annual General Meeting. A notice in writing from a member has been received u/s.257 of the Companies Act, 1956, along with a deposit of Rs.500/- recommending his appointment as Director of the Company. A brief resume of Mr. Masaaki Watanabe as required in terms of Clause 49 of the Listing Agreement is enclosed with the notice. The Board recommends the resolution for approval of the share holders.

Mr. Masaaki Watanabe is interested in the resolution to the extent of his appointment as Director. No other Director of the Company is in any way concerned or interested in the proposed resolution.

ITEM NO.9

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, 2008 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 198(1), 309(4), 309 (7) and other applicable provisions of Companies Act, 1956.

All the Directors except Mr. P. Obul Reddy, Managing Director and Mr. S.R. Jiwarajka, Joint Managing Director are concerned or interested in this resolution to the extent of commission payable to / receivable by them.

INFORMATION ABOUT THE DIRECTORS PROPOSED TO BE APPOINTED / RE- APPOINTED

As required in terms of clause 49 of the Listing Agreement, the particulars of Directors who are proposed to be appointed / re-appointed are given below:

Justice Mr. S. Natarajan

Justice Mr. S. Natarajan is a B.A., B.L (Retd.), a successful Lawyer and also served as a Public Prosecutor. He was appointed District and Sessions Judge and then elevated as Judge of the Madras High Court. After serving for more than 13 years in Madras High Court he was appointed as Judge of Supreme Court and retired from service. He is a Non Executive Chairman of your Company since March 2002.

Other Directorship:

1. Lakshmi Machine Works Ltd
2. Panasonic Home Appliances India Co. Ltd

He is also a Chairman of Remuneration Committee and a Member of Audit Committee of your Company; Chairman of Audit Committee and Share Transfer and Grievance Committee of Panasonic Home Appliances India Co., Ltd and Chairman of Share Transfer and Investor Grievances Committee of Lakshmi Machine Works Ltd.

Share holding: NIL

Mr. V. R. Gupte

Mr. V. R. Gupte after completing his Master Degree in Law and passing the IRS and allied services examination of Union Public Service Commission joined Indian Revenue Service in 1954 and held several positions in Income Tax Department and was a Joint Secretary, Ministry of Finance, Banking Division. On voluntary retirement from Government Services in 1980, he worked as Finance Director, Spencer & co. Chennai till 1983 and since then he is practicing as an Advocate.

Nippo Batteries Co. Ltd

Other Directorship:

1. Panasonic Carbon India Co., Ltd.

He is also a Chairman of Audit committee / Shareholders/ Investors Grievance Committee of Panasonic Carbon India Co., Ltd. He is also a Chairman of Audit Committee & Shareholders/ Investors Grievances Committee and member of Remuneration committee of your company.

Share holding: NIL

Mr. Junichi Goto

Mr. Junichi Goto graduated from Kobe University in 1980, Faculty of Business Administration. Started his career at Matsushita at the overseas division of Matsushita Electric Industrial Co., Ltd (MEI), and then moved to Matsushita Battery Industrial Co., Ltd. (MBI) in the year of 1990, then to the accounting section of Dry Battery Business Unit in 1993.

In 1996, he is transferred to Thailand, responsible for the field of accounting of Matsushita Battery Thailand for two years. In the year of 1998, he transferred to Philips Matsushita Battery in Belgium, and from 2000 until January 2007, continued being in Belgium as the head of Accounting and Finance at Panasonic Battery Sales Europe. He is currently the head of Accounting for the Primary Battery Company of MBI.

Other Directorship:

1. Panasonic Battery (Shanghai) Co., Ltd.
2. Panasonic Battery Sales Europe N.V
3. Panasonic Primary Battery Corporation of America.

He is not a member in any of the Committees of the Board.

Share holding: NIL

Mr.Masaaki Watanabe

Mr.Watanabe graduated from The University of Osaka Prefecture, Faculty of Economics, in the year of 1974. He started his career at Matsushita at the Cooking Equipment Division of Matsushita Electric Industrial Co., Ltd (MEI), and then moved to Matsushita Battery Industrial Co., Ltd (MBI) to the field of Dry Battery Business in the year of 1982.

From 1990 to 1995, he served as a President of Costa Rica Matsushita Electric, concurrent for Presidents of Guatemala and El Salvador Matsushita Electric respectively, as well as the head of Panasonic Central America Miami office.

After that, return to MBI to its Overseas Operations Dept of Dry Battery Business Unit.

He is currently the head of Overseas Operations Dept of Dry Battery Business Unit, MBI.

Other Directorship:

1. Panasonic Battery (Shanghai) Co., Ltd.
2. Panasonic Carbon India Co., Ltd.
3. PT. Panasonic Global Battery Indonesia.

He is not a member in any of the Committees of the Board.

Share holding: NIL

For and on behalf of the Board of Directors
For Nippo Batteries Co. Ltd.

Place: Chennai
Date: 23rd April, 2008

Justice S. Natarajan
Chairman

Nippo Batteries Co. Ltd

DIRECTORS' REPORT

Your Directors have pleasure in presenting the Thirty Fifth Annual Report of your Company together with the Audited Balance Sheet as at March 31, 2008, the Profit & Loss Account for the year ended that date and the Auditors' Report thereon.

REVIEW OF PERFORMANCE

Dry Cell Batteries

The Dry Cell Battery Industry production as a whole registered a de-growth rate of about 0.68% for the year 2007-08. Your Company's production had increased from 649 million pieces to 668 million pieces showing an increase of 2.93%. The sales had so increased from 652 million pieces to 670 million pieces. In terms of value, your Company had registered a turnover of Rs. 316 crores as against Rs.339 crores for the previous year with a de-growth rate of 6.78%.

Torch Lights

The sales volume of torchlights had increased from 8.20 lakh pieces to 13.64 lakh pieces as compared to the previous year.

FINANCIAL RESULTS

The profit before tax for the year under review is at Rs. 24.58 crores as against Rs.9.28 crores in the previous year. The profit had been increased due to decrease in the prices of raw materials like zinc, reduced overhead expenditure and improve the per employee productivity at the plants.

The financial results for the year 2007-08 as compared with the previous year are summarized as under:

| | 2007-08 (Rs. in crores) | 2006-07 (Rs. in crores) |
|---|----------------------------|----------------------------|
| Profit for the year | 29.86 | 15.92 |
| Less : Depreciation for the year | 5.20 | 6.65 |
| Profit after depreciation | 24.65 | 9.26 |
| Prior period adjustments etc. | 0.06 | 0.02 |
| Profit Before Tax | 24.59 | 9.28 |
| Provision for tax including Deferred tax | 8.58 | 3.27 |
| Profit after Tax | 16.01 | 6.01 |
| Surplus in P&L Account brought forward | 4.81 | 4.91 |
| Profit available for appropriation | 20.82 | 10.92 |

Your Directors recommend the following appropriations :

| | | |
|------------------------------------|-------|-------|
| General Reserve | 7.50 | 0.62 |
| Proposed Dividend | 7.50 | 4.69 |
| Tax on proposed dividend | 1.27 | 0.79 |
| Surplus in P&L A/c carried forward | 4.55 | 4.82 |
| Total | 20.82 | 10.92 |

DIVIDEND

Your Directors are happy to recommend a dividend of 200% for the year 2007-08. This Dividend, if approved, will be paid to the Shareholders whose names appear on the Register of Members as on 18th June, 2008. The Company intends to pay the dividend on 24th June, 2008 itself, instead of waiting for the statutory period of 30 days permitted by the provisions of the Companies Act, 1956.

STATEMENT PURSUANT TO LISTING AGREEMENT

The Company's Securities are listed at the Stock Exchanges of Mumbai, Chennai, and at the National Stock Exchange. The Company has paid the Annual Listing fee to all the Stock Exchanges.

CORPORATE GOVERNANCE

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

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 217(1) (e) of the Companies Act, 1956) are given in Annexure "A" to this Report.

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 both the Factories and Head office and other Branches were cordial during the year.

Particulars of employees as required under Section 217(2A) of the Companies Act, 1956 are set out in Annexure "B" to this report.

Nippo Batteries Co. Ltd

DIRECTORS

In accordance with the Articles of Association of the Company Justice Mr. S. Natarajan and Mr. V.R. Gupte retire by rotation at this ensuing Annual General Meeting. They being eligible, offer themselves for re-appointment.

Mr. Y.Yokoe, resigned from Board with effect from 23rd May 2007. Your directors wish to place on record their appreciation of services rendered by Mr. Y. Yokoe.

Mr. M.Shiga resigned from Board with effect from 23rd May 2007. Your directors wish to place on record their appreciation of services rendered by Mr. M. Shiga.

Your Collaborators M/s. Matsushita Electric Industrial Co. Ltd. nominated Mr. Masaaki Watanabe in place of Mr. Y. Yokoe and Mr. Maasaki Watanabe has been appointed as Additional Director of Board effective from 18th July 2007.

Mr. Masaaki Watanabe vacates office at the ensuing Annual General Meeting.

Your Collaborators M/s. Matsushita Electric Industrial Co. Ltd. nominated Mr. Junichi Goto in place of M.Shiga and Mr. Junichi Goto has been appointed as Additional Director of Board effective from 18th July 2007.

Mr. Junichi Goto vacates office at the ensuing Annual General Meeting.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, your Directors hereby confirm that:

- a) in the preparation of statement of accounts, the applicable Accounting Standards have been followed;
- b) selected such accounting policies and applied them consistently and made judgments 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 on 31st March, 2008 and of the Profit of the Company for that period;

c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;

d) The annual accounts are prepared on a going concern basis.

WIND MILL

During the year your company has commissioned 1.5MW Wind Mill at Tirunelveli District., Tamil Nadu at an investment of Rs.9.26 Crores. The units generated are being sold to Tamilnadu Electricity Board (TNEB) at applicable rates as notified by the Board. The Company is expected to get Carbon Credit also.

AUDITORS

M/s. P. Srinivasan & Co, Chartered Accountants, Statutory Auditors of the Company retire at the ensuing Annual General Meeting and are eligible for re-appointment. The Company has received a Certificate from them confirming that this appointment will be within the limits laid down under Section 224(1B) of the Companies Act, 1956.

ACKNOWLEDGEMENT

Your Directors thank the Central and State Governments and the Banks for their continued help and support. Your Directors also wish to record the appreciation for the guidance and co-operation received from the Foreign Collaborator M/s. Matsushita Electric Industrial Company Ltd., Japan.

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

For and on behalf of the Board of Directors
For Nippo Batteries Co. Ltd.

Place: Chennai
Date : 23rd April, 2008

Justice S. Natarajan
Chairman

Nippo Batteries Co. Ltd

Annexure "A" to Directors' Report

Information required under Section 217(1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended March 31, 2008.

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 2007-08. As a part of energy generation / distribution, during the year the Company has commissioned 1.5 M.W wind mill at Tirunelveli District, Tamilnadu.

Form "A" Specified in the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988 is not applicable.

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 | 26.69 |
| b) Total R & D expenditure as a percentage of total turnover | 0.08 |

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; initiatives taken to increase exports; development of new export markets for products and services; and export plans. 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 amounted to Rs.1,949.52 lakhs as against Rs.5058.42 lakhs for the previous year. Outgo on account of Dividend was Rs. 229.42 lakhs as against the same amount of Rs.187.50 lakhs in the previous year.

For and on behalf of the Board of Directors
For Nippo Batteries Co. Ltd.

Place: Chennai
Date : 23rd April, 2008

Justice S. Natarajan
Chairman