



36th Annual Report 2008 - 09

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Nippo Batteries Co. Ltd

CONTENTS

Organisation	2
Notice of Annual General Meeting	3
Directors' Report	.....	10
Annexures to Directors' Report		
A. Conservation of energy, technology absorption, foreign exchange, etc u/s 217 (1) of the Companies Act, 1956	.....	13
B. Corporate Governance Report	.....	14
Auditors' Report	.....	23
Financial Highlights	.....	25
Balance Sheet	.....	26
Profit and Loss Account	.....	27
Schedules to Accounts	.....	28
Notes on Accounts	.....	32

Nippo Batteries Co. Ltd

BOARD OF DIRECTORS

Justice S. Natarajan
Chairman

P. Obul Reddy
Managing Director

S.R. Jiwarajka
Joint Managing Director

P. Dwarakanath Reddy

R.P. Khaitan

V.R. Gupte

Dr. S.A. Dave

J. Goto

H. Sugimura

M. Morikawa

H. Aota

SECRETARY

J. Srinivasan

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 SIXTH 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 Friday, the 11th September, 2009 at 10.15 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, 2009 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 Dr. S.A. Dave, 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. Junichi Goto, 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, Mr. H. Aota who was appointed as Additional Director of the Company with effect

from 29th May 2009 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."

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

"Resolved that, Mr. Hiroshi Sugimura who was appointed as Additional Director of the Company with effect from 22nd January 2009 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. M. Morikawa who was appointed as Director u/s.262 of the Companies Act, 1956, to fill the casual vacancy on the Board occasioned due to the resignation of Mr. Masaaki Watanabe, who ceases to hold office under the provisions of the said section and is eligible for reappointment and in respect of whom the Company has received a notice in writing u/s. 257 of the Companies Act, 1956, from a member signifying his intention to propose him as a candidate for the office of a Director of the Company, be liable to retire by rotation."

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

"RESOLVED THAT, Mr. P. Dwarakanath Reddy who was appointed as Additional Director of the Company with effect from 23rd July 2009 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 not be liable to retire by rotation."

Nippo Batteries Co. Ltd

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

"RESOLVED THAT, Mr. R. P. Khaitan who was appointed as Additional Director of the Company with effect from 23rd July 2009 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 not be liable to retire by rotation."

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

"RESOLVED THAT pursuant to Sections 198, 269, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII to the Act, Mr. P. Dwarakanath Reddy be and is hereby appointed as Managing Director of the Company with effect from October 1, 2009 to September 30, 2014 on the following terms and conditions be and is hereby approved.

Resolved further that Remuneration and other Perquisites payable to Mr. P. Dwarakanath Reddy, Managing Director of the Company be and is hereby approved for a period of three years with effect from October 1, 2009 to September 30, 2012.

Salary : Rs.4, 00,000 per month.

Commission : 1% of the net profits of the Company.

Perquisites:

Medical Reimbursement: Reimbursement of expenses actually incurred for self and family, subject to a ceiling of one month's salary in a year or three month's salary over a period of three years.

Leave Travel Concession: For self and family once in a year as per the rules of the Company.

Club Fees: Fees of clubs subject to a maximum of two clubs, admission and life membership not being allowed.

Personal accident insurance: Annual premium payable as per the policy of the Company.

Company's contribution towards Provident Fund: Not exceeding 12% of the salary as laid down under the Income Tax Rules, 1962.

Company's contribution to Superannuation / Annuity Fund: Not exceeding 15% of the salary as laid down under the Income Tax Rules, 1962.

Gratuity: One full month's salary for each completed year of service.

Encashment of leave at the end of tenure as per the rules of the Company.

Car: For use of Company's business. Use of car for private purposes shall be billed by the Company to Mr. P. Dwarakanath Reddy.

Telephone: Telephone facility at residence. Personal long distance calls shall be billed by the Company to Mr. P. Dwarakanath Reddy.

Resolved further that the above Remuneration and perquisites payable to Mr. P. Dwarakanath Reddy shall be revised subject to approval of Remuneration committee, Board and share holders at the general meeting of the Company.

Resolved further that pursuant to sub-section (4) of Section 198 of the Companies Act, 1956, the above remuneration and perquisites be paid to Mr. P. Dwarakanath Reddy, Managing Director as minimum remuneration in case of absence or inadequacy of profits in any financial year of the Company during his term of office.

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

"RESOLVED THAT pursuant to Sections 198, 269, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII to the Act, Mr. R. P. Khaitan be and is hereby

Nippo Batteries Co. Ltd

appointed as Joint Managing Director of the Company with effect from October 1, 2009 to September 30, 2014 on the following terms and conditions be and is hereby approved:

Resolved further that Remuneration and other Perquisites payable to Mr. R. P. Khaitan, Joint Managing Director of the Company be and is hereby approved for a period of three years with effect from October 1, 2009 to September 30, 2012.

Salary : Rs.4, 00,000 per month.

Commission : 1% of the net profits of the Company.

Perquisites:

Medical Reimbursement: Reimbursement of expenses actually incurred for self and family, subject to a ceiling of one month's salary in a year or three month's salary over a period of three years.

Leave Travel Concession: For self and family once in a year as per the rules of the Company.

Club Fees: Fees of clubs subject to a maximum of two clubs, admission and life membership not being allowed.

Personal accident insurance: Annual premium payable as per the policy of the Company.

Company's contribution towards Provident Fund: Not exceeding 12% of the salary as laid down under the Income Tax Rules, 1962.

Company's contribution to Superannuation / Annuity Fund: Not exceeding 15% of the salary as laid down under the Income Tax Rules, 1962.

Gratuity: One full month's salary for each completed year of service.

Encashment of leave at the end of tenure as per the rules of the Company.

Car: For use of Company's business. Use of car for private purposes shall be billed by the Company to Mr. R. P.Khaitan.

Telephone: Telephone facility at residence. Personal long distance calls shall be billed by the Company to Mr. R. P.Khaitan.

Resolved further that the above Remuneration and perquisites payable to Mr. R. P. Khaitan shall be revised subject to approval of Remuneration committee, Board and share holders at the general meeting of the Company.

Resolved further that pursuant to sub-section (4) of Section 198 of the Companies Act, 1956, the above remuneration and perquisites be paid to Mr. R. P.Khaitan, Joint Managing Director as minimum remuneration in case of absence or inadequacy of profits in any financial year of the Company during his term of office.

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

Place: Chennai
Date: 23rd July, 2009

Justice S. Natarajan
Chairman

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 07.09.2009 to 11.09.2009 (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 11th September, 2009. The said dividend will be paid on 18th September, 2009. 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. 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.
8. Kindly mention your Folio Number / PAN No./ 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. 2,05,730/- remaining unclaimed out of the dividend for the year 2000-01 (declared on 30th July, 2001) was transferred to the Investor Education and Protection Fund established under Section 205C(1) of the Act on 17th September, 2008. The unclaimed dividend, if any, for the year 2001-2002 will become transferable to the "Investor Education and Protection Fund" on or before 5th September, 2009. 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 SIXTH ANNUAL GENERAL MEETING OF THE COMPANY AS REQUIRED UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956.

ITEM NO.6

Mr. Mitsuru Kurokawa, who was nominated by our Collaborator, M/s. Panasonic Corporation (formerly known as Matsushita Electric Industrial Co. Ltd.,) Japan, had resigned from the Board with effect from 29th May 2009. Our Collaborator had nominated Mr. Aota in the place of Mr. Mitsuru Kurokawa and accordingly Mr. Aota was appointed as Additional Director by the Board with effect from 29th May 2009 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. Aota 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 shareholders.

Mr. Aota 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.7

Mr. H.Ogami who was nominated by our Collaborator, M/s. Panasonic Corporation (formerly known as M/s. Matsushita Electric Industrial Co. Ltd.,) Japan, had resigned from the Board with effect from 22nd January 2009. Our Collaborator had nominated Mr.

Nippo Batteries Co. Ltd

Hiroshi Sugimura in the place of Mr. H. Ogami and accordingly Mr. Hiroshi Sugimura was appointed as Additional Director by the Board with effect from 22nd January 2009 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. Hiroshi Sugimura 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. Hiroshi Sugimura 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. Masaaki Watanabe, who was nominated by our Collaborator, M/s. Panasonic Corporation (formerly known as M/s. Matsushita Electric Industrial Co. Ltd.,) Japan, had resigned from the Board with effect from 29th May 2009. Our Collaborator had nominated Mr. M. Morikawa in the place of Mr. Masaaki Watanabe and accordingly Mr. M. Morikawa was appointed as Director by the Board with effect from 29th May 2009 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 a Director. Accordingly, your directors recommend that the resolution for the appointment of Mr. M. Morikawa, as a Director be passed.

Mr. M. Morikawa 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

Mr. P.Dwarakanath Reddy was appointed as Additional Director by the Board with effect from 23rd July 2009 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 not liable to retire by rotation. A brief resume of Mr. P.Dwarakanath Reddy 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 shareholders.

None of the Directors of the Company except Mr. P. Obul Reddy and Mr. P.Dwarakanath Reddy is concerned or interested in the proposed resolution.

ITEM NO.10

Mr. R.P. Khaitan was appointed as Additional Director by the Board with effect from 23rd July 2009 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 not liable to retire by rotation. A brief resume of Mr. R. P.Khaitan 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 shareholders.

None of the Directors of the Company except Mr. R.P.Khaitan is concerned or interested in the proposed resolution.

ITEM NO.11

At the Board Meeting held on 23rd July 2009, Mr. P. Dwarakanath Reddy S/o Mr. P. Obul Reddy was appointed as Managing Director of the Company with effect from 1st October 2009 to 30th September 2014.

He has to his credit vast, rich and varied experience and cross functional experience in all fields and the Board recommended the appointment of Mr. P.Dwarakanath Reddy as Managing Director of the company with effect from 1st October 2009 to 30th September 2014.

The terms and conditions and remuneration as stipulated in the resolution which is in line with Schedule XIII of the Companies Act, 1956.

The proposed resolution is for obtaining the approval of shareholders.

None of the Directors of the Company except Mr. P. Obul Reddy and Mr. P.Dwarakanath Reddy is concerned or interested in the proposed resolution.

This explanatory statement with the accompanying notice should be treated as Memorandum of Interest under section 302 of the Companies Act, 1956.

ITEM NO.12

At the Board Meeting held on 23rd July 2009, Mr. R.P. Khaitan S/o. Late Mr. H. N. Khaitan was appointed as Joint Managing Director of the Company with effect from 1st October 2009 to 30th September 2014.

His contribution for the growth and development of the Company in all fields and mainly relating to sales and marketing etc the Board recommended the appointment of Mr. R.P.Khaitan as Joint Managing Director of the

Nippo Batteries Co. Ltd

company with effect from 1st October 2009 to 30th September 2014.

The terms and conditions and remuneration as stipulated in the resolution which is in line with Schedule XIII of the Companies Act, 1956.

The proposed resolution is for obtaining the approval of shareholders.

None of the Directors of the Company except Mr. R.P. Khaitan is concerned or interested in the proposed resolution.

This explanatory statement with the accompanying notice should be treated as Memorandum of Interest under section 302 of the Companies Act, 1956.

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:

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:

Dr. S.A. Dave

Dr. S. A. Dave after completing his Ph.D in Economics from University of Bombay and M.A in Economics from Rensselaer Polytechnic Institute, at USA, joined Reserve Bank of India in the year 1968 as Deputy Director in the Economics Department. He is the Chairman of centre for monitoring Indian Economy, Premier Economic Monitoring Institution of the Country. He was founder Chairman of SEBI and also Chairman of Unit Trust of India where he retired in 1996. He has been associated with various committees of Government of India dealings with reforms in the Capital Market, Mutual Fund, Insurance and Pension Sector.

Other Directorship:

1. Anand Rathi Securities Ltd
2. Center for monitoring Indian Economy
3. Escorts Ltd
4. HDFC Ltd
5. Mudra Life Style Ltd
6. Nitin Fire Protection Industries Ltd
7. Phoenix Township Ltd

8. Quantum Financial Services Ltd
9. SBI DFHI Ltd
10. Shrenij & Co.Ltd
11. Jayabharat Textiles and Real Estate Ltd
12. KSL and Industries Ltd

Committee Member:

1. Escorts Ltd
2. HDFC Ltd
3. Mudra Life Style Ltd
4. Phoenix Township Ltd
5. Shrenij & Co. Ltd

Share holding: NIL

Mr. Junichi Goto

Mr. Junichi Goto graduated from Kobe University in 1980, Faculty of Business Administration. Started his career at M/s. Panasonic Corporation (formerly known as M/s. Matsushita Electric Industrial Co. Ltd.) at the overseas division of Panasonic, 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 working as 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. H. Aota

Mr. Aota graduated from Kwansei Gakuin University, Faculty of Economics and started his career at M/s. Panasonic Corporation (formerly known as M/s. Matsushita Electric Industrial Co. Ltd.) in the year 1983 and in the year 2003 he becomes General Manager, Information Equipment Motor Business Unit and he is currently working as Director, Dry Battery Business Unit, Energy Company Panasonic Corporation.

Nippo Batteries Co. Ltd

Other Directorship:

1. Panasonic Energy India Co.Ltd
2. Panasonic Energy Belgium N.V
3. Panasonic Energy Poland S.A
4. Panasonic Energy Thanzania Company Ltd
5. Panasonic Gobal Energy Indonesia
6. Panasonic Energy Taiwan Co. Ltd
7. Panasonic Energy (Shanghai) Co.Ltd
8. Panasonic Carbon (Anyang) Co.Ltd

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

Share holding: NIL

Mr. Hiroshi Sugimura

Mr. Hiroshi Sugimura graduated from Yamaguchi University in the year 1981, Faculty of Economics and started his career at M/s. Panasonic Corporation (formerly known as M/s. Matsushita Electric Industrial Co. Ltd.,) in the year 1981 and in the year 2006 he become Group Manager, Planning Group, Motor Company and he is currently working as Councilor attached to Director, Panasonic Asia Pacific Co., Ltd.

Other Directorship:

1. Panasonic Asia Pacific Pte.Ltd.
2. Panasonic Industrial Asia Pte. Ltd
3. Panasonic Thailand Co., Ltd
4. Panasonic Energy India Co.Ltd

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

Share holding: NIL

Mr. M. Morikawa

Mr. M. Morikawa graduated from Waseda University in the year 1986, Faculty of Industrial Engineering. Started his career at M/s. Panasonic Corporation (formerly known as M/s. Matsushita Electric Industrial Co. Ltd.,) in the year 1986 and in the year 2006 he become Manager, Planning & Overseas Operation Group and he is currently working as General Manager, Global Business Group, Energy Company, Panasonic Corporation.

Other Directorship:

1. P.T. Panasonic Global Energy Indonesia.
2. Panasonic Energy Taiwan Company Limited
3. Panasonic Carbon (Anyang) Co.Ltd

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

Share holding: NIL

Mr. P.Dwarakanath Reddy

Mr. P. Dwarakanath Reddy S/o Mr. P. Obul Reddy aged 56 years is a holder of degree in Commerce from Madras University and he is serving in the Company since inception and designated as Manager (Special Operations) from 01-07-1982 onwards.

During the period he contributed for the growth and development of the Company in all fields and mainly relating to production, sales and marketing etc.

He has to his credit vast, rich and varied experience and cross functional experience in all fields.

Other Directorship:

1. Vasumathi Spinning Mills Limited.
2. Emedlife Insurance Broking Services Limited.

The above list does not include private limited companies of which he is a director.

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

Share holding (No. of shares): 147213

Mr. R. P. Khaitan

Mr. R. P. Khaitan S/o Late Mr. H.N. Khaitan aged 61 years is a holder of degree in Commerce (Hons) from St. Xavier's – Kolkata and he is serving in the Company since 1982 onwards.

His contribution for the growth and development of the Company in all fields and mainly relating to sales and marketing etc.

Other Directorship:

1. Radiohms Agencies Limited

The above list does not include private limited companies of which he is a director.

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

Share holding (No. of shares): 51960.

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

Place: Chennai
Date: 23rd July, 2009

Justice S. Natarajan
Chairman