Annual Report 2001-2002



Batteries & Torches

Matsushita Lakhanpal Battery India Ltd.

30th ANNUAL REPORT

1st April 2001 to 31st March 2002

BOARD OF DIRECTORS	ARD OF DIRECTORS Ajai K. Lakhanpal			
	S. Onishi	Managing Director		
		(upto 14.5.2001)		
	K. Hokazono	Managing Director		
		(w, e, f, 15, 5, 2001)		

E. B. Desai

N. P. Punj (upto 30.1.2002)

P. P. Shah D. J. Thakkar

G. N. Punj (w.e.f. 30.1.2002)M. M. Sharma (upto 14.10.2001)

S. K. Khurana P. Singhal

V. Diddee (w.e.f. 12.5.2002) M. Sato

Y. Kajikawa (upto 30.1.2002) Y. Yokoe (w.e.f. 30.1.2002)

Dy. Gen. Manager-**Company Secretary**

Works

Ashwin Shah

Auditors R. M. Chokshi & Co.

Chartered Accountants

Mulla & Mulla and Craigie Blunt & Caroe **Solicitors**

Bankers State Bank of India The Bank of Tokyo-Mitsubishi Ltd.

Registered Office Makarpura Industrial Area, GIDC,

Vadodara-390010.

Makarpura Industrial Area, GIDC, Vadodara - 390 010.

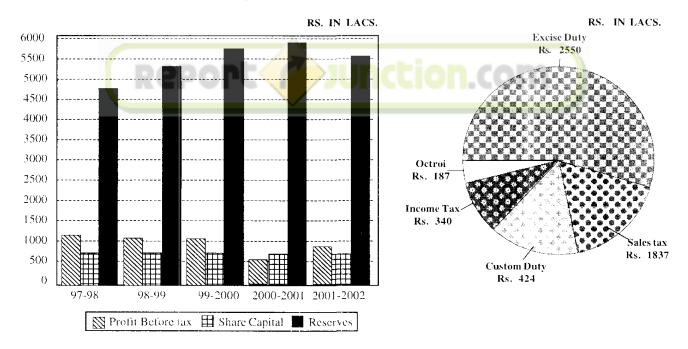
Plot No. 112, Sector III, Pithampur Industrial Area, Dist.: Dhar (M.P.).

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	2001-2002	2000-2001	1999-2000	1998-99	1997-98
OPERATING RESULTS:					
Turnover	1,71,67	1,76,14	1,92,97	1,82,84	1,87,96
Profit before Interest. Depreciation & Tax	15,15	11,83	17,23	18,11	18,64
Profit before tax	8,73	5,39	10,99	11,26	11,72
Profit after tax	5,89	3,89	7,13	8,50	8,52
Dividend	1,50	1,65	2,91	2.92	3,30
Retained Earnings	4,39	2.24	4.22	5,58	5.22
FIXED ASSETS:					
Gross	1.03,82	1.03,50	92,90	88,80	84,19
Net	44,05	51,14	47.49	50,08	51,78
SHAREHOLDERS' FUNDS:					
Share Capital	7,50	7,50	7,50	7.50	7,50
Reserves & Surplus	55,10	59.66	57,43	53,11	47.53
Net Worth	62,60	67,16	64,93	60,61	55,03
RATIO:					
Sales/Total Assets (No. of Times)	2.49	2.31	2.53	2.42	2.46
Operating Profit/Capital Employed (%)	21.94	15.54	22.56	23.95	24.31
Profit Before Tax/Sales (%)	5.09	3.06	5.70	6.16	6.24
Return on Net Worth (%)	9.41	5.79	10.98	14.02	15.48
Return on Invesment (%)	12.91	8.51	16.00	17.47	19.79
Net Worth per Equity Share (Rs.)	83.47	89.55	86.57	80.81	73,37
Debt Equity Ratio (On long term loans)	0.08:1	0.11:1	0.14;1	0.17:1	0.22:1
Earning Per Share (Rs.)	7.86	5.19	9.51	11.33	11.36

PROFIT BEFORE TAX, SHARE CAPITAL AND RESERVES

CONTRIBUTION TO EXCHEQUER RS. 5338 LACS



NOTICE

NOTICE is hereby given that the THIRTIETH Annual General Meeting of the members of Matsushita Lakhanpal Battery India Ltd. will be held at C.C. Mehta Auditorium, M.S. University of Baroda, Vadodara - 390 005, on Tuesday, 16th July, 2002 at 10:00 a.m. to transact, with or without modifications, as may be permissible, the following business:

- 1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2002, and the Profit and Loss Account for the year ended on that date together with the Reports of the Directors' and the Auditors' thereon.
- 2. To declare Dividend on Equity Shares for the year ended 31st March, 2002.
- 3. To appoint a Director in place of Mr. Dilip J. Thakkar, who retires from Office by rotation and being eligible, offers himself for re-appointment.
- 4. To appoint a Director in place of Mr. Gautam N. Punj, who was appointed by the Board under Section 262 of the Companies Act, 1956 and Article 133 of the Articles of Association of the Company as a Director to fill in the casual vacancy on the Board occasioned by the resignation of Mr. N.P. Punj and who holds office under the provisions of the said Article and the Section only upto the date of this Annual General Meeting and in respect of whom the Company has received a Notice in writing, along with a deposit of Rs.500/- under Section 257 of the Companies Act, 1956 from a member signifying his intention to propose Mr. Gautam N. Punj as a candidate for the office of Director and in that behalf to consider and if thought fit, to pass the following resolution which will be proposed as an Ordinary Resolution:
 - "RESOLVED THAT pursuant to the relevant provisions of the Articles of Association of the Company and of the Companies Act, 1956 Mr. Gautam N. Punj be and is hereby elected and appointed a Director of the Company liable to retire by rotation."
- 5. To appoint a Director in place of Mr. P. Singhal who retires from office by rotation and being eligible offers himself for reappointment as a retiring Director and incidental to his holding office as an Executive Director of the Company to consider and if thought fit, to pass the following resolution as an Ordinary Resolution:
 - "RESOLVED THAT pursuant to the relevant provisions of the Articles of Association of the Company and of the Companies Act, 1956 including Section 255, Mr. P. Singhal be and is hereby re-appointed a Director of the Company liable to retire by rotation and he do continue to hold office as an Executive Director of the Company as per his reappointment to be approved by the members at this meeting."
- To appoint Mr. Vimal Diddee (who was appointed as an Additional Director of the Company by the Board under Section 260 of the Companies Act, 1956 and Article 134

of the Articles of Association of the Company and who holds office under the provisions of the said Article and the section, only upto the date of this Annual General Meeting, and in respect of whom, the Company has received a Notice in writing, under Section 257 of the Companies Act, 1956 from a member signifying his intention to propose Mr. Vimal Diddee as a candidate for the office of a Director) as a Director of the Company and incidental to his holding office as Director-Marketing, to consider and, if thought fit, to pass the following resolution which will be proposed as an Ordinary Resolution:

"RESOLVED THAT pursuant to the relevant provisions of the Companies Act. 1956, including section 257, Mr. Vimal Diddee be and is hereby appointed as a Director of the Company liable to retire by rotation."

- 7. To appoint auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.
- 8. To consider, and if thought fit, to pass the following resolution which will be proposed as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 314 and all other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII thereof and subject to the approval of all concerned authorities, if any necessary, and subject to all applicable guidelines issued by the Central Government from time to time, approval of the Company be and is hereby given to the reappointment of Mr. Ajai K. Lakhanpal as Chairman and Whole-time Director, for a further period of five years with effect from 6th January, 2002 to 5th January, 2007, on the terms as to remuneration and otherwise as set out in the draft agreement expressed to be made between the Company of the one part and Mr. Lakhanpal of the other part, a copy of which draft Agreement initialled by the Managing Director for the purpose of identification and submitted to this meeting, be and is hereby approved.

RESOLVED FURTHER THAT the Directors be and are hereby authorised to revise the terms of his remuneration and in particular give annual increments in his monthly Salary in such amount as the Board thinks fit. subject to the upper limit of Rs.30,000/- per increment and appropriate increase in perquisites relatable to monthly salary, subject however to the limitations in that behalf as per the said Schedule XIII and as specified in the agreement and broad details of which are given in the Explanatory Statement in respect of this item of the Notice, and also to agree to the modifications, if any, to the above terms as may be suggested by any authority wherever applicable and as agreed to by the Board of Directors and Mr. Lakhanpal and that the Agreement in terms of the draft (with such modifications, if any, made therein as aforesaid) when finalised, be executed by the Company by affixing its Common Seal thereon in

accordance with the relevant provisions contained in the Articles of Association of the Company.

 To consider, and if thought fit, to pass the following resolution which will be proposed as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 198, 260, 269, 309 and all other applicable provisions, if any, of the Companies Act. 1956, read with Schedule XIII thereto, and subject to approvals of the concerned authorities, if any necessary, and subject to the relevant guidelines issued by the Central Government from time to time, approval of the Company be and is hereby given to the continuance of Mr. K. Hokazono as Managing Director of the Company for the remaining period of his term from 15th May, 2002, uptil 14th May, 2006, on the terms as to remuneration and otherwise as embodied in the draft agreement expressed to be made between the Company of the One Part and Mr. Hokazono of the Other Part, a copy of which draft agreement initialled by the Chairman for the purpose of identification is submitted to this meeting.

RESOLVED FURTHER THAT in accordance with the powers reserved under schedule XIII of the said Act, the Directors be and are hereby authorised to revise the terms of his remuneration and in particular give annual increments in his monthly salary in such amount as the Board thinks fit subject to the upper limit of Rs.30,000/- per annum with appropriate increase in the perquisites relatable to monthly salary, but subject again to the limitations in that behalf as per Schedule XIII of the said Act, and as specified in the said draft Agreement and broad details of which are given in the Explanatory Statement in respect of this item of Notice with liberty to agree to modifications, if any, to the above terms as may be suggested by any authority wherever applicable, and as agreed to by the Board of Directors and Mr. Hokazono and that the Agreement in terms of the draft (with such modifications, if any, made therein as aforesaid) when finalised, he executed by the Company by affixing its Common Scal thereon in accordance with the relevant provisions contained in the Articles of Association of the Company.

10. To consider, and if thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 314 and all other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII thereof and subject to the approval of all concerned authorities, if any necessary, and subject to all applicable guidelines issued by the Central Government from time to time, approval of the Company be and is hereby given to the reappointment of Mr. P. Singhal as Executive Director, for a further period of three years with effect from 1st July, 2002 to 30th June, 2005, on the terms as to remuneration and otherwise as set out in the draft Agreement expressed to be made

between the Company of the one part and Mr. Singhal of the other part, a copy of which draft Agreement initialled by the Chairman for the purpose of identification and submitted to this meeting, be and is hereby approved.

RESOLVED FURTHER THAT the Directors be and are hereby authorised to revise the terms of his remuneration and in particular give annual increments in his monthly Salary in such amount as the Board thinks fit, subject to the upper limit of Rs.15,000/- per increment and appropriate increase in perquisites relatable to monthly salary, subject however to the limitations in that behalf as per the said Schedule XIII and as specified in the agreement and broad details of which are given in the Explanatory Statement in respect of this item of Notice, and also to agree to the modifications, if any, to the above terms as may be suggested by any authority wherever applicable and as agreed to by the Board of Directors and Mr. Singhal and that the Agreement in terms of the draft (with such modifications, if any, made therein as aforesaid) when finalised, be executed by the Company by affixing its Common Seal thereon in accordance with the relevant provisions contained in the Articles of Association of the Company.

11. To consider, and it thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 260, 269, 309, 198, 314 and all other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII thereto and Article 134 of the Articles of Association of the Company and further subject to the approval of all concerned authorities, if any necessary, and subject to all applicable guidelines issued by the Central Government from time to time, approval of the Company be and is hereby given to the appointment of Mr. Vimal Diddee as Director - Marketing, for a period of three years with effect from 12th May, 2002 to 11th May, 2005, on the terms as to remuneration and otherwise as set out in the draft agreement expressed to be made between the Company of the one part and Mr. Diddee of the other part, a copy of which draft Agreement initialled by the Chairman for the purpose of identification and submitted to this meeting, be and is hereby

RESOLVED FURTHER THAT the Directors be and are hereby authorised to revise the terms of his remuneration and in particular give annual increments in his monthly Salary in such amount as the Board thinks fit, subject to the upper limit of Rs.15.000/- per increment and appropriate increase in perquisites relatable to monthly salary. subject however to the limitations in that behalf as per the said Schedule XIII and as specified in the agreement and broad details of which are given in the Explanatory Statement in respect of this item of Notice, and also to agree to the modifications, if any, to the above terms as may be suggested by any authority wherever applicable and as agreed to by the Board of

UIL BURNEY WISE Material Italian pal Battery India Ltd.

Directors and Mr. Diddee and that the Agreement in terms of the draft (with such modifications, if any, made therein as aforesaid) when finalised, be executed by the Company by affixing its Common Seal thereon in accordance with the relevant provisions contained in the Articles of Association of the Company."

By Order of the Board For Matsushita Lakhanpal Battery India Ltd. ASHWIN SHAH Dy.General Manager -Company Secretary

Registered Office: Makarpura Industrial Area, GIDC, VADODARA - 390 010. 10th May, 2002.

NOTES:

 A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.

The proxy in order to be effective should be lodged with the Company at its Registered Office atleast 48 hours before the time of the meeting.

- 2. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Item Nos. 4 to 6 and 8 to 11 of the accompanying Notice is annexed hereto.
- 3. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, 2nd July, 2002 to Tuesday, 16th July, 2002 (both days inclusive) for the purpose of determining payment of dividend.
- 4. Dividend on Equity Shares as recommended by the Directors, if declared at this Annual General Meeting, will be paid on or before 14th August, 2002 subject to deduction of tax at source at the applicable rate, if any, to those members whose names appear on the Company's Register of Members at the close of business on 16th July, 2002.
- Pursuant to Section 205A of the Companies Act, 1956, all unclaimed dividends upto the financial year ended on 31st March, 1995 (paid in 1995) have been transferred to the General Revenue Account of the Central Government.

As per Sections 205A and 205C of the amended Companies Act, 1956, the amount of Dividend for the Financial Year 1995-96 and subsequent years remaining unclaimed over a period of seven years from the date they became due for payment, shall be transferred to the "Investor Education and Protection Fund" established by the Government of India and that no claim shall lie against the Fund or the Company in respect of the amounts so transferred.

Those shareholders who have so far not claimed their dividend upto the financial year 1994-95 are requested to claim the dividend from the Registrar of Companies, Gujarat, by submitting an application in the prescribed form.

Such claims for the financial year 1995-96 and subsequent years should be sent to the Company before the expiry of seven years from the date when the respective amounts became due for payment as shown in the table below:

Dividend became	Due for Transfer to Investor
due for payment	Education & Protection Fund
* August, 1996	* August, 2003
* August, 1997	* August, 2004
* July, 1998	* July, 2005
July, 1999	July, 2006
July, 2000	July, 2007
July, 2001	July, 2008

- Position not certain.
- 6. Members holding more than one share certificate in the same name or same order of names under different ledger folios, are requested to apply for consolidation of such folios to the Company together with share certificates in order to facilitate better service. The share certificates will be returned after making necessary endorsement in due course.
- 7. As per the provisions of the amended Companies Act, 1956, the facility for making nominations is available to the shareholders in respect of the equity shares held by them. Members who desire to avail of this facility may send Form 2B duly filled in and signed to the Company at its Registered Office or to the Registrars and Share Transfer Agents. The facility would be made available folio wise to individual shareholders including joint holders.
- 8. Equity Shares of the Company have been activated for dematerialisation with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) vide "ISIN INE795A01017". Members wishing to dematerialise their shares may approach any Depository Participant (DP).
- 9. Members are requested to:
 - (a) Notify immediately any change in their residential address.
 - (b) Notify Income-Tax permanent Account Number (PAN) or General Index Register Number (GIR No.): Ward/Range/District where assessed/assessable.
 - (c) Bring their copies of the Annual Reports along with duly filled attendance slip to the meeting.
- 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.

INFORMATION REQUIRED TO BE FURNISHED UNDER THE LISTING AGREEMENT.

As required under the listing agreement, the particulars of Directors who are proposed to be appointed/re-appointed

: Mr. Dilip J. Thakkar

Age : 65 Years

: B.Com., LL.B., FCA Qualifications

Functional area Finance, taxation & FEMA.

> Director of the Company since 5th February, 1994.

Other Directorships

Position Committee Member-No Company held ship Status

Omega Management Services Ltd. Director

Rajasvi Properties Holdings Pvt Ltd. Director

Kemlon Investments

Nandan Investments

Pvt. Ltd Director Monotona Exports Ltd. Director

Starrock Investments & Trading Pvt Ltd. Director

Matsushita Lakhanpal

8.

Battery India Ltd

Director Audit

Member Shareholders/ Chairman Investors

Grievances

Decean Florabase Ltd Director

Essar Investments Ltd. Director

Essar Oil Ltd. Director Audit

Chairman Investors Relations Member

India Consultancy Director Group Pyt. Ltd.

Golden Heer Importers Director

Pvt. Ltd.

Thirumalai Chemicals Director Audit

Chairman Share Transfer The Ruby Mills Ltd. Director Audit Member

Director

Premier Auto Electric Director Audit

Himatsingka Seide Ltd. Director Audit

Property Ventures India (Pvt.) Lid Director

Chrysanthemom

Investments Pvt. Ltd.

Blueberry Trading Company Pvt. Ltd.

Blueberry Real Estate

Developers Pvt. Ltd Director Name

Mr. Gautan N. Puni

28 Years Age

'A' level Oxtord & Cambridge Qualifications

Board, U.K., Law Graduate from the London School of Economics & Political Science,

U.K

Functional area

Marketing, sales and Finance.

Director of the Company

since 30th January, 2002.

Other Directorships

Sr. Name of the Company

Postion held

No

3.

1. Subhaavan Investments Pvt. Ltd.

Punjstar Industries Pvi. Ltd.

Director

2. Nitam Investment Director Director

4. Gaunil Holdings Pvt. Ltd.

Director

Cosmo Capital and Investments

Director

Nigit Holdings Pvt. Ltd.

Director

Punjstar Infotech Pvt. Ltd.

Director

Punjstar Properties Ltd.

Director

Committee Membership: NIL

Name

Mr. P. Singhal

Age

53 Years B. Tech.

Qualifications Functional area

Finance, Materials and

Personnel.

Director of the Company

since 1st July, 1997.

Other Directorships

Committee

Shareholders/Investors

Grievances

Membership

Member

Name

Age

54 Years

Oualifications

B.E. (Mech.)

Mr. Vimal Diddee

Functional area

Manufacturing and Marketing.

Appointed as Director-

Marketing w.e.f. 12th May, 2002.

Other Directorships

Committee Membership NIL

Chairman

Chairman

5. Name : Mr. Ajai K. Lakhanpal

Age : 59 Years

Qualification : Higher National Diploma

(Business Studies) from

London.

Functional area : Overall management of the

Business.

Director of the Company since 17th May, 1985.

Other Directorships

Sr. Name of the Company Postion held

No.

1. Lakhanpal Pvt. Ltd.: Chairman

2. Lakhanpal Holdings

Pvt. Ltd. : Chairman

Committee Membership: NIL

6. Name : Mr. K. Hokazono

Age: : 54 Years

Oualification : Graduate from Oita

National College of Technology, Japan.

Functional area : Overall Management of the

Business.

He is Managing Director of

the Company since 15th May, 2001.

Other Directorships : NIL
Committee Membership : NIL

ANNEXURE TO NOTICE:

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

ITEM NO. 4

Mr. Gautam N. Punj was appointed as a Director on the Board to fill in the casual vacancy occasioned by the resignation of Mr. N.P. Punj. Under Article 133 of the Company's Articles of Association and pursuant to Section 262 of the Companies Act, 1956, he holds office only upto the date upto which Mr. N.P. Punj, in whose place he was appointed, would have held office i.e. upto the date of the ensuing Annual General Meeting. The Company has received Notice in writing from a member under Section 257 of the Companies Act, 1956 along with a deposit of Rs.500/- signifying his intention to propose the appointment of Mr. Gautam N. Punj at this AGM as Director of the Company liable to retire by rotation. Mr. Punj has obtained 'A' level from the Oxford and Cambridge Board U.K.. He has also qualified as a Law Graduate from the London School of Economics and Political Science U.K.. He is extensively involved in his family businesses through various Companies set up in India and in

the Middle East as a Board Member and has obtained considerable experience in Marketing, Sales and Finance. His association as Director will accordingly be of considerable benefit and advantage to the Company. Accordingly, the Directors recommend the resolution in this item of the notice for your acceptance.

Mr. Gautam N. Punj is interested in the resolution pertaining to his appointment. Mr. Ajai K. Lakhanpal may also be deemed to be interested as he is related to him.

ITEM NO.5

There are in all ten Directors of the Company at present, out of which, one-third can be non-retiring in view of the provisions contained in Section 255 of the Companies Act, 1956. Since quite a few of the Directors of the Company are whole-time Directors of the Company, appointed for a fixed period of years, to comply with the provisions of Section 255, some of them have to formally retire by rotation at the Annual General Meeting and Mr. Singhal is one of them in whose respect this resolution is being proposed. Mr.Singhal's resolution for reappointment as a whole-time Director is also coming up at this meeting as per one of the items mentioned in the Notice and members' attention is invited in this behalf to the relevant details given in the Explanatory Statement relating to him. The resolution in which Mr. Singhal is deemed to be interested is accordingly commended for acceptance.

ITEM NO. 6

Incidental to the appointment of Mr. Vimal Diddee as Director Marketing, of the Company, as per Item No. 11 of the Notice and pursuant to the provisions of Section 260 of the Companies Act, 1956 and Article 134 of the Company's Articles of Association, the Board of Directors co-opted Mr. Vimal Diddee as an additional Director w.e.f. 12th May, 2002. As per the provisions of the Act and the Company's Articles of Association, he holds office as director only upto the date of this Annual General Meeting.

Mr. Diddee is B.E (Mech). He has been working with the Company for last 29 years and has acquired considerable experience in the Company's line of business and particularly in marketing management. His knowledge and experience will be of immense benefit to the Company.

Accordingly, the Board recommends his appointment on the Board for your approval. Considering the relevent provisions of the Act including Section 255 he will be a Director liable to retire by rotation.

Mr. Diddee is deemed to be interested in this resolution pertaining to his appointment.

ITEM NO.8

At the 24th Annual General Meeting of the Company held on 5th August, 1996 the shareholders had approved the re-appointment and remuneration payable to Mr. Ajai K. Lakhanpal as Chairman and Whole-time Director, for a period of FIVE years w.e.f. 6th January, 1997 which expired on 5th January, 2002. Considering his long association with the Company as a Promoter and the resultant experience, his continuance on the Board as Chairman and Whole-

time Director is a matter of necessity and Control of the second est. Accordingly, it is recommended to the control of as Chairman and Whole-time Director of a to the specific five years from 6th January, 2002 to 5th Johanny, 2007 as resolved by the Board.

The details of remuneration payable to Modai K. Lakhanpat are as follows:

 Salary: Rs.75.000/- (Rupees seventy five thousand) per month.

With liberty to the Board to sanction annual increments in his monthly salary in such amount as the Board thinks fit subject to the upper limit of Rs.30,000/- per increment with appropriate increase in perquisites related to such monthly salary.

2. Commission:

In addition to the above salary, commission payable to Mr. Lakhanpal shall be an amount subject to the upper limit of 1% of the net profits of the Company in a particular financial year as may be determined by the Board of Directors every year.

3. Perquisites:

In addition to the salary and commission, Mr. Lakhanpal shall be entitled to the following perquisites:

- (a) Accommodation (furnished or otherwise) or house rent allowance in lieu thereof; house maintenance expenses, together with utilities therefor such as gas, electricity, water, furniture, furnishings, repairs, servants' salaries and property tax; medical reimbursement including surgical and hospitalization expenses, medical/accident insurance, club fees, leave travel concession, etc. in accordance with the Pules of the Company applicable to him or in a manner and to the extent determined by the Board of Directors from time to time provided that the aggregate monetary value of such perquisites will be restricted to a maximum amount of the annual salary for the time being (presently Rs.9,00,000/-).
- (b) Use of Company's car and telephone at residence.
- (c) Contribution to Provident Fund, Superannuation Fund or Annuity Fund as per the Rules of the Company to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- (d) Gratuity payable at the rate not exceeding half a month's salary for each completed year of service.
- (e) Leave: One month's leave with full pay and allowances for every eleven months of service. No encashment of leave shall be permitted at the end of the tenure.

4. Minimum Remuneration:

Notwithstanding anything hereinabove contained, where in any particular financial year during the tenure of see it is a same is appearable to the company best of rot in an appearable are an appearable the company shell pay to may of obid numbers as ration the countries as specified above subject to the restrictions set roth in Section II of Pacifi of the amended Schedule KIII of the Companies Act 1956.

Mr. Lakhanpal shall no, be paid any sitting fees for attending the meetings of the Board or any committee thereof.

The Board considers that the remaneration including perquisites proposed to be paid to Mr. Lakhanpal compares tavourably with the remuneration paid to such personnel in companies of similar size and magnitude in the country and is commensurate with his duties and responsibilities. The Board accordingly recommends this Resolution for your acceptance.

Inspection

Draft of the Agreement referred to in the resolution is open for inspection at the Registered Office of the Company between the hours of 3.30 p.m. and 5.30 p.m. on all working days except weekly and other holidays upto and inclusive of the date of this Annual General Meeting or any adjournment thereof

Memorandum of interest:

Mr. Ajai K. Lakhanpal is interested in this resolution as it relates to his re-appointment. Mr. Gautam N. Punj may also be deemed to be interested as he is related to him.

Abstract

The aforesaid Explanatory Statement setting out the terms of re-appointment of Mr. Lakhanpal may be treated as an Abstract circulated to the members under Section 302 of the Companies Act, 1956.

ITEM NO.9

At the 29th Annual General Meeting held on 16th July, 2001, shareholders had approved the appointment of Mr. K. Hokazono as Managing Director of the Company for a period of five years effective from 15th May, 2001, on the terms as to remuneration and otherwise as set out in the Explanatory Statement annexed to the Notice of the said Annual General Meeting. Since he is a Japanese National, in terms of the relevent provision of Schedule XIII to the Companies Act, the Company had applied to the Government of India seeking approval for appointment of and payment of remuneration to Mr. Hokazono as Managing Director under the relevant provisions of the Act. The Government of India approved the appointment and remuneration of Mr. Hokazono vide its letter No. 1/186/ 2001CL.VII dated 2nd November, 2001, upon the same terms as approved by the shareholders at the above referred Annual General Meeting of the Company. Mr. Hokazono has now completed his stay in India for a continuous period of twelve months and payment to him of the remuneration will be governed by the relevant provisions of Schedule XIII of the Act in this behalf.

The remuneration approved by the Members of the said Annual General Meeting held on 16th July, 2001 did not provided for Annual increments in his Salary, which is the

上記 《中部 文字中的语**经知识的证据的证明证明证明证明的证明的**是attery India Ltd.

normal feature in respect of such appointments and which is also availed of by the other wholetime Directors of the Company. It is therefore just, fair and reasonable that Mr. Hokazono should also enjoy the benefit of such annual increments. This is also permissible under the relevant provisions of Schedule XIII of the Act under which the directors are empowered to fix such remuneration within the limitations in that behalf contained in the said schedule.

The details of the remuneration payable to Mr. K. Hokazono are as follows:

- (1) Salary: Rs.1,22,500/- (Rupees one lac twenty two thousand five hundred) per month.
 - With liberty to the Board to sanction annual increment in his monthly salary in such amount as the Board thinks fit subject to the upper limit of Rs.30,000/- per increment with appropriate increase in perquisites related to such monthly salary.
- (2) Commission: In addition to above salary, commission payable to Mr. Hokazono shall be an amount subject to the upper limit of 1% of the net profits of the Company in a particular financial year as may be determined by the Board of Directors every year.

(3) Perquisites:

- In addition to the salary and commission, Mr. Hokazono shall be entitled to perquisites such as accommodation (furnished or otherwise) or house rent allowance in lieu thereof; house maintenance expenses, together with utilities therefor such as gas, electricity, water, furniture, furnishings, repairs, servants' salaries and property tax; medical expenses for self and family including surgical and hospitalisation expenses, medical/accident insurance, club fees, leave travel concession etc. in accordance with the Rules of the Company applicable to him, if any, or as may be agreed to by the Directors and Mr. Hokazono; the monetary value of such perquisites not to exceed the amount equal to one year's annual salary (presently Rupees Fourteen lacs seventy thousand per annum). For the purpose of calculating the above ceiling, perquisites shall be evaluated as per Income-Tax Rules, wherever applicable and in the absence of any such Rules, the same shall be evaluated at actual cost.
- (ii) Use of Company's car and telephone at residence.
- (iii) Mr. Hokazono shall also be eligible for the following perquisites which shall not be included in computation of the ceiling on perquisites specified hereinabove.
 - (a) Contribution to Provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income-Tax Act, 1961;
 - (b) Gratuity payable at a rate not exceeding half a month's salary for each completed year of

service;

- (c) Leave: One month's leave on full pay and allowances for every eleven months of service. However, no encashment of leave shall be permitted at the end of the tenure.
- (d) Children's education allowance: In case of children studying in or outside India, an allowance limited to a maximum of Rs.5,000/- per month per child or actual expenses incurred, whichever is less, such allowance being admissible upto a maximum of two children.
- (e) Holiday passage for children studying outside India/family staying abroad by way of return holiday passage once in a year by economy class or once in two years by business class to children and to the members of the family from the place of their study or stay abroad to India, if they are not residing in India with Mr. Hokazono; and
- (f) Leave travel concession: As per the Rules of the company applicable to him.
- (g) Passage benefits: Passage both ways to and from India for self and family by air.
- (h) Reimbursement of actual expenses incurred in packing, forwarding, loading/unloading as well as freight, insurance, duty, clearing charges, transportation, installation etc. expenses in connection with the moving of the personal effects as well as unaccompanied baggage for self and family.
- (i) Reimbursement of entertainment, hotel and other expenses actually and properly incurred for the legitimate business of the Company.

Perquisites at (g) and (h) hereinabove shall be for joining duty in India and also on leaving the employment of the Company.

EXPLANATION: "Family" means the spouse, dependent children and dependent parents of the managerial person.

4. Minimum Remuneration:

Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of Mr. Hokazono, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary and perquisites as specified above subject to the restrictions set forth in Section II of Part II of Schedule XIII of the Companies Act, 1956.

Mr. Hokazono shall not be paid any sitting fees for attending the meetings of the Board or any Committee thereof.

Compensation for loss of office: