

**Panasonic**

**NOVINO**

**Annual Report**  
**2006 - 2007**

**Panasonic Battery India Company Limited**

# Panasonic Battery India Co. Ltd.

## 35<sup>th</sup> ANNUAL REPORT

1st April 2006 to 31st March 2007

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### BOARD OF DIRECTORS

Ajai K. Lakhanpal	
Chairman	
Y. Sato	(upto 30th September 2006)
Managing Director	
S. K. Khurana	(from 1st October 2006)
Managing Director	
E. B. Desai	
P. P. Shah	
D. J. Thakkar	
G. N. Punj	
T. Konda	(upto 18th July 2006)
H. Ozono	(upto 26th May 2007)
H. Ogami	(from 26th May 2007)
Y. Yokoe	(upto 26th May 2007)
M. Kurokawa	(from 26th May 2007)

Report Junction.com

**Auditors**  
K. C. Mehta & Co.  
Chartered Accountants

**Company Secretary**  
Ashwin C. Shah

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

### CORE MANAGEMENT TEAM

Ajai K. Lakhanpal  
S. K. Khurana  
K. Ishimoto  
P. Singhal  
K. Hashiguchi

**Bankers**  
State Bank of India  
The Bank of Tokyo-Mitsubishi UFJ, Ltd.

**Registered Office**  
GIDC, Makarpura,  
Vadodara - 390 010, Gujarat.

### Works

1. GIDC, Makarpura,  
Vadodara - 390 010, Gujarat.
2. Plot No. 112, Sector III,  
Pithampur Industrial Area,  
Dist. : Dhar (M.P.).

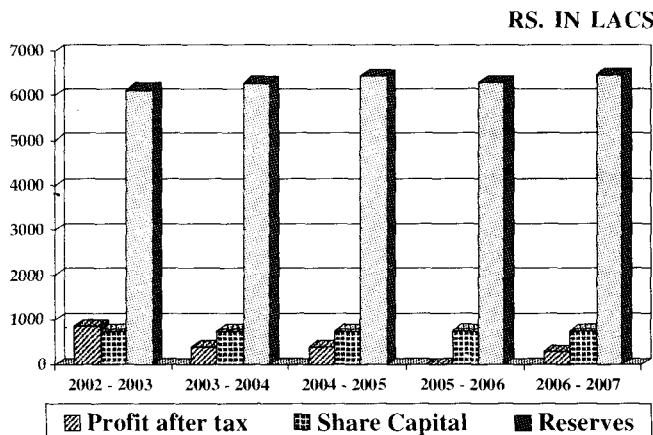
# Panasonic Battery India Co. Ltd.

## FINANCIAL HIGHLIGHTS

Rs. in Lacs

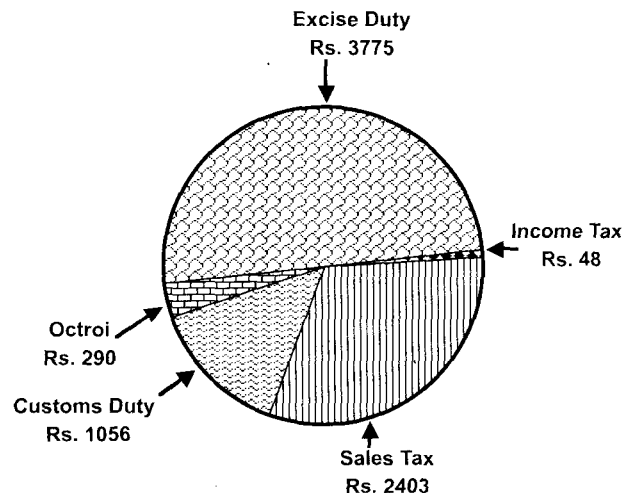
	2006 - 2007	2005 - 2006	2004 - 2005	2003 - 2004	2002 - 2003
<b>OPERATING RESULTS:</b>					
Turnover	2,29,01	2,03,60	1,95,33	1,56,05	1,83,94
Profit before Interest, Depreciation & Tax	6,55	4,74	10,41	8,73	17,99
Profit before tax	2,14	(90)	5,35	5,56	11,97
Profit after tax	3,01	11	4,04	3,96	8,66
Dividend	1,32	1,30	2,54	2,54	2,54
Retained Earnings	1,69	(1,19)	1,50	1,42	6,12
<b>FIXED ASSETS :</b>					
Gross	1,06,44	1,07,58	98,42	1,15,16	1,04,31
Net	33,29	35,81	32,06	43,67	37,93
<b>SHAREHOLDER'S FUND:</b>					
Share Capital	7,50	7,50	7,50	7,50	7,50
Reserves & Surplus	64,64	62,95	64,14	62,65	61,23
<b>Net Worth</b>	<b>72,14</b>	<b>70,45</b>	<b>71,64</b>	<b>70,15</b>	<b>68,73</b>
<b>RATIO :</b>					
Sales/Total Assets (No. of Times)	2.82	2.57	2.38	1.90	2.27
Operating Profit/Capital Employed	8.68	6.42	13.68	11.67	24.15
Profit Before Tax/Sales (%)	0.94	(0.44)	2.74	3.56	6.51
Return on Net Worth (%)	0.04	0.16	5.64	5.64	12.60
Return On Investment (%)	8.97	(1.21)	7.03	7.43	16.17
<b>Net Worth per Equity Share (Rs.)</b>	<b>96.18</b>	<b>93.93</b>	<b>95.52</b>	<b>93.53</b>	<b>91.64</b>
Debt Equity Ratio (On Long term loans)	0.05:1	0.05:1	0.06:1	0.07:1	0.08:1
Earning Per Share (Rs.)	4.01	0.15	5.39	5.28	11.55

### PROFIT AFTER TAX, SHARE CAPITAL AND RESERVES



### CONTRIBUTION TO EXCHEQUER RS. 7572 LACS

RS. IN LACS



## Panasonic Battery India Co. Ltd.

### NOTICE

NOTICE is hereby given that the THIRTY FIFTH Annual General Meeting of the members of Panasonic Battery India Co. Ltd. will be held at Mahatma Gandhi Nagargruh, Near Jubilee Baug, Raopura, Vadodara – 390 001 on Thursday, 12<sup>th</sup> July 2007 at 10:30 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 31<sup>st</sup> March 2007, 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 31<sup>st</sup> March, 2007.
3. To appoint Mr. H. Ogami as a Director in place of Mr. H. Ozono, who retires from office by rotation but does not seek reelection.
4. To appoint Mr. M. Kurokawa as a Director in place of Mr. Y. Yokoe, who retires from office by rotation but does not seek reelection.
5. 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.
6. To appoint Mr. S.K.Khurana (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 Section and the said Article 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. S.K.Khurana as a candidate for the office of a Director), as a Director of the Company incidental to his holding office as Managing Director, as proposed by a subsequent resolution at this

meeting and 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. S.K.Khurana be and is hereby appointed as a Director of the Company not liable to retire by rotation.”

7. 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 and all other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII thereto, and subject to the 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 appointment of Mr. S.K.Khurana as Managing Director of the Company for a period of five years w.e.f. 1<sup>st</sup> October, 2006 upto 30<sup>th</sup> September, 2011, 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. Khurana 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.30,000/- with appropriate increase in the perquisites relatable to monthly salary, but subject to the limitations in that behalf as per Schedule XIII of the said Act, and as specified in the said 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

## Panasonic Battery India Co. Ltd.

agreed to by the Board of Directors and Mr. Khurana 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.”

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

“RESOLVED THAT pursuant to the provisions of Sections 198, 260, 269, 309, 314 and all other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII thereto and subject to the approvals of all 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 reappointment of Mr. Ajai K. Lakhanpal as Chairman and Whole-time Director of the Company for a further period of five years with effect from 6<sup>th</sup> January, 2007 to 5th January, 2012, 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/- with appropriate increase in perquisites relatable to monthly salary, but subject to the limitations in that behalf as per the said Schedule XIII and as specified in the said 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. 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.”

**By Order of the Board**  
**For Panasonic Battery India Co. Ltd.,**  
**ASHWIN C. SHAH**  
**Company Secretary**

**Registered Office:**

**GIDC, Makarpura,**

**VADODARA – 390 010.**

**26<sup>th</sup> May, 2007**

### NOTES:

1. 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. 3, 4, 6, 7 & 8 of the accompanying Notice is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, 29<sup>th</sup> June 2007 to Thursday, 12<sup>th</sup> July, 2007 (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 10<sup>th</sup> August 2007 to those members whose names appear on the Company's Register of Members at the close of business on 12<sup>th</sup> July 2007.
5. a) All unclaimed dividends upto the financial year ended on 31<sup>st</sup> March, 1995 (paid in 1995) have been deposited with

## Panasonic Battery India Co. Ltd.

the General Revenue Account of the Central Government and shareholders may claim the same from the Registrar of Companies, Gujarat.

- b) Unclaimed dividends for the years 1995-96, 1996-97, 1997-98, 1998-99 and 1999-2000 have been transferred to the Investor Education and Protection Fund pursuant to Section 205A and 205C of the Act.
  - c) Shareholders who have not encashed their dividend warrants for the years from 2000-2001 to 2005-06, are requested to claim the amount from the Company immediately.
6. Members are requested to notify immediately:
- (a) any change in their residential address.
  - (b) Income-Tax permanent Account Number (PAN).
  - (c) Bank details – Name and address of the Bank; A/c No.; type of A/c.
7. **Members are requested to bring their copies of the Annual Reports along with duly filled attendance slip to the meeting.**
8. 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.
9. As required by the Listing Agreement with the Stock Exchange the relevant details in respect of the Directors proposed to be appointed/reappointed are set out in the Corporate Governance Report forming part of Directors' Report.

### ANNEXURE TO NOTICE:

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

#### ITEM NOS. 3 & 4

Mr. H. Ozono and Mr. Y. Yokoe retire from the Board by rotation but do not seek reelection. In terms of

section 256(3) of the Companies Act, 1956, Mr. H. Ogami and Mr. M. Kurokawa are proposed to be appointed in their respective places. Pursuant to the requirement of the SEBI Committee on Corporate Governance on reappointment of the retiring Directors, a statement containing briefly, the details of the concerned Directors is given in the Report on Corporate Governance, forming part of Directors' Report.

#### ITEM NOS. 6 & 7

In terms of the Collaboration Agreement with "Matsushita" Japan, they recommended the appointment of Mr. S.K.Khurana as the Managing Director of the Company w.e.f. 1<sup>st</sup> October 2006 in place of Mr. Y.Sato. Accordingly, the Board of Directors had co-opted him on the Board as an additional Director at their meeting held on 22<sup>nd</sup> September, 2006 and has designated him as Managing Director for a period of five years w.e.f. 1<sup>st</sup> October 2006 subject to all required approvals, if any. Mr. Khurana is a B.E. (Mechanical) F.I.E. Chartered Engineer. He has been working with the Company since 1<sup>st</sup> December, 1972 in different capacities, last being as Sr. Executive President – Technical & Manufacturing. He has acquired considerable experience in the Company's line of business and particularly in its manufacturing process. As an active member of the "Core Management Team" he has acquired deep knowledge and experience in formulating and implementing policies in administration, sales & marketing and value engineering. His presence on the Board is of considerable benefit to the Company, considering the relevant provisions of the Act and the Articles he will have to be appointed as Director not liable to retirement by rotation as per resolution under item No. 6 and a separate resolution is being proposed for his appointment as Managing Director of the Company as in item No. 7 of the accompanying Notice. The details of his remuneration are as follows:

- (A) **Salary:** Rs.82,500/- (Rupees eighty two thousand five hundred) per month with liberty to the Board to sanction annual increments in



## Panasonic Battery India Co. Ltd.

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

**(B) Special Allowance:** Rs.33,333/- (Rupees thirty three thousand three hundred thirty three) per month with liberty to the Board to sanction annual increment in his monthly Special Allowance in such amount as the Board think fit, from time to time.

**(C) Commission:** In addition to salary, commission payable 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.

**(D) Perquisites:**

(i) In addition to the salary and commission, Mr. Khurana shall be entitled to perquisites such as accommodation or house rent allowance in lieu thereof; furniture, furnishings, medical expenses for self and family including surgical and hospitalisation expenses, medical/ accident insurance, leave travel concession etc. in accordance with the Rules of the Company, if any, or as may be agreed to by the Directors and Mr. Khurana; the monetary value of such perquisites not to exceed Rupees Ten Lacs 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. Khurana 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 with effect from 1<sup>st</sup> July 1996 when new terms were agreed to between him and the Company on this issue.

(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) Reimbursement of entertainment, hotel and other expenses actually and properly incurred for the legitimate business of the Company.

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

**Minimum Remuneration:**

Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of Mr. Khurana, 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. Khurana shall not be paid any sitting fees for attending the meetings of the Board or any Committee thereof.

Either party has option to terminate this appointment by giving a Notice in writing to the other party atleast three months in advance.

## Panasonic Battery India Co. Ltd.

### Compensation for loss of office:

The Managing Director shall be entitled to compensation for loss of office or for early retirement from the office (except where he resigns on his own accord or at the option of Company, when it terminates his appointment) in accordance with the provisions of Section 318 of the Companies Act, 1956."

The Board noted with appreciation the gesture of Mr. Khurana in Voluntarily suggesting not to avail of Special Allowance of Rs.4 lacs per annum offered to him as Managing Director of the Company in view of the existing not too profitable position of the Company and decided to review the same when the position of the Company improves in future.

The Board considers that the remuneration including perquisites proposed to be paid to Mr. Khurana compares favourably with the remuneration paid to personnel in companies of similar size and magnitude in the country and is commensurate with his duties and responsibilities as the Managing Director. 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. S.K.Khurana is interested in this resolution as it relates to his appointment.

### Abstract:

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

Pursuant to the requirement of the SEBI Committee on Corporate Governance on appointment of the

Director, a statement containing briefly, the details of Mr. S.K.Khurana is given in Report on Corporate Governance, forming part of Directors' Report.

### ITEM NO. 8

At the 30<sup>th</sup> Annual General Meeting of the Company held on 16<sup>th</sup> July, 2002 the shareholders had approved the reappointment and remuneration payable to Mr. Ajai K. Lakhanpal as Chairman and Whole-time Director, for a further period of FIVE years w.e.f. 6<sup>th</sup> January, 2002 which expired on 5<sup>th</sup> January, 2007. 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 in the Company's interest. Accordingly, it is recommended that he be reappointed as Chairman and Whole-time Director for a further period of five years from 6<sup>th</sup> January, 2007 to 5<sup>th</sup> January, 2012, as already resolved by the Board.

The details of remuneration payable to Mr. Ajai K. Lakhanpal are as follows:

#### (A) Salary:

Rs.82,500/- (Rupees eighty 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/- with appropriate increase in perquisites related to such monthly salary.

#### (B) 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.

#### (C) Perquisites:

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



## Panasonic Battery India Co. Ltd.

- (i) Accommodation (furnished or otherwise) or house rent allowance in lieu thereof; house maintenance expenses, together with utilities therefore 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 Rules of the Company applicable to Senior Executives 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 annual salary (presently Rs.9,90,000/-).
- (ii) Use of Company's car and telephone at residence.
- (iii) 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.
- (iv) Gratuity payable at the rate not exceeding half a month's salary for each completed year of service.
- (v) 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.

### Minimum Remuneration:

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

Mr. Lakhanpal shall not be paid any sitting fees for attending the meeting of the Board or any committee thereof.

The Board considers that the remuneration including perquisites proposed to be paid to Mr. Lakhanpal compares favourably 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 reappointment.

### Abstract:

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

Pursuant to the requirement of the SEBI Committee on Corporate Governance on appointment of the Director, a statement containing briefly, the details of Mr. Ajai K. Lakhanpal is given in Report on Corporate Governance, forming part of Directors' Report.

**By Order of the Board**  
**For Panasonic Battery India Co. Ltd.,**  
**ASHWIN C. SHAH**  
**Company Secretary**

**Registered Office:**  
**GIDC, Makarpura,**  
**VADODARA – 390 010.**  
**26<sup>th</sup> May, 2007.**

# Panasonic Battery India Co. Ltd.

## REPORT OF THE DIRECTORS FOR THE YEAR ENDED ON 31<sup>ST</sup> MARCH, 2007 TO THE MEMBERS OF PANASONIC BATTERY INDIA CO. LTD.

The Directors have pleasure in presenting their Thirty Fifth Annual Report together with the Audited Accounts of the Company for the year ended 31<sup>st</sup> March 2007.

### 2. FINANCIAL RESULTS:

	RUPEES '000s	
	As at 31 <sup>st</sup> March, 2007	As at 31 <sup>st</sup> March, 2006
Sales Turnover	<u>2,29,00,96</u>	<u>2,03,60,47</u>
Operating Profit	<u>6,54,73</u>	<u>4,74,03</u>
(before interest, depreciation & tax)		
Profit/(Loss) before Tax	2,14,15	(90,19)
Less:		
Provision for Taxation (Net of Deferred Tax)	83,35	9,42
Add/(Less):		
Provision for taxation of earlier Years (Net of refund/Demand)	<u>1,69,74</u>	<u>1,10,75</u>
Profit after Tax	<u>3,00,54</u>	<u>11,14</u>
Add:		
Profit brought forward from previous year	37,29	67,58
Amount withdrawn from General Reserve No. 2	—	90,00
Net available surplus for appropriation	<u>3,37,83</u>	<u>1,68,72</u>
<b>APPROPRIATIONS</b>		
a) Proposed Dividend	1,12,50	1,12,50
b) Corporate Tax on Proposed Dividend	19,12	15,78
c) Short provision of Corporate Dividend Tax of earlier years	—	2,15
d) General Reserve No.1 (Statutory)	25,00	1,00
e) General Reserve No.2	1,70,00	—
f) Surplus carried to Balance Sheet	<u>11,21</u>	<u>37,29</u>
	<u>3,37,83</u>	<u>1,68,72</u>

### 3. DIVIDEND :

The Directors recommend declaration of dividend at Rs.1.50 per Equity Share (previous year Rs.1.50 per Equity Share) on 75,00,000 Equity Shares for the year ended 31<sup>st</sup> March, 2007. The dividend, when approved, will entail payment to shareholders of Rs.112.50 lacs. It will be tax free in the hands of recipients and the Company will have to pay Corporate tax thereon in the sum of Rs.19.12 lacs.

### 4. MANAGEMENT DISCUSSION AND ANALYSIS:

#### A. Business Overview:

The Company's turnover for the year at Rs.229.01 crores has grown over 12% as compared to the previous year. Profit before tax for the year, after absorbing Rs.154 lacs towards Voluntary

Retirement Schemes was in the sum of Rs.214.15 lacs as against loss of Rs.(90.19) lacs during the previous year.

There was unprecedented increase in zinc price which resulted in substantial increase in input costs. However, the Company took major initiatives in the areas of manpower rationalisation, productivity improvement, reduction in fixed and variable cost in all the areas of operations. Additional measures such as tighter controls on asset utilization and working capital management also helped to make a turn around in the performance of the Company.

During the year sales quantity of Dry Cells has increased by about 2.5% to 458 million pieces. Production quantity was 473 million pieces which is 47 million pieces more than in the previous year.