

Panasonic Energy India Co. Ltd.

The **Only** Panasonic Battery Company in India


We are doing
our bit towards
Environment.
Are YOU ?



Panasonic Energy India Co. Ltd.

The **Only** manufacturer of 100% eco-friendly batteries in India

BOARD OF DIRECTORS

Chairman

Mr. A. K. Lakhanpal

Managing Director

Mr. S. K. Khurana

Directors

Mr. P. P. Shah

Mr. D. J. Thakkar

Mr. G. N. Punj

Mr. C. R. Amin

Mr. H. Aota

Mr. H. Sugimura

Company Secretary

Ms. Nisha Hindocha

AUDITORS

M/s. K. C. Mehta & Co.

Chartered Accountants, Vadodara

BANKERS

State Bank of India

The Bank of Tokyo-Mitshubishi UFJ Ltd.

REGISTRAR & SHARE TRANSFER AGENT

Link Intime India Pvt. Ltd.

B-102 & 103, Shangrila Complex, First Floor,

Opp. HDFC Bank, Near Radhakrishna Char Rasta,

Akota, Vadodara - 390 020, Gujarat - INDIA.

REGISTERED OFFICE

GIDC, Makarpura,

Vadodara - 390 010, Gujarat - INDIA.

WORKS

1. GIDC, Makarpura,

Vadodara - 390 010, Gujarat - INDIA.

2. Plot No. 112, Sector III,

Pithampur Industrial Area,

Dist. Dhar, Madhya Pradesh - INDIA.



40th Annual General Meeting of the Company is scheduled to be held on **Wednesday, 25th July, 2012 at 10:00 a.m. at C. C. Mehta Auditorium, M. S. University, Sayajigunj, Vadodara 390 002.**

As a measure of economy, copies of Annual Report will not be distributed at the Annual General Meeting. Shareholders are requested to kindly bring their copies to the meeting.

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Panasonic Energy India Co. Ltd.

NOTICE is hereby given that the **40TH ANNUAL GENERAL MEETING** of the members of Panasonic Energy India Co. Ltd. will be held at C. C. Mehta Auditorium, M. S. University, Sayajigunj, Vadodara – 390 002 on Wednesday, 25th July, 2012, at 10:00 a.m. to transact, with or without modifications, as may be permissible, the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March 2012, 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, 2012.
3. To appoint a Director in place of Mr. P. P. Shah who retires from office by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Aota who retires from office by rotation and being eligible, offers himself for re-appointment.
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.

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. Chirayu Amin who was appointed as Director under section 262 of the Companies Act, 1956, and Article 133 of the Articles of Association of the Company to fill in the casual vacancy on the Board occasioned due to the death of Late Mr. E. B. Desai, who ceases to hold office under the said section and Article, and is eligible for re-appointment 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 him as a candidate for the office of a Director of Company, be and is hereby appointed as Director of the Company liable to retire by rotation."

7. **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, 269, 309, 314, read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956, and subject to the approval of all concerned authorities, if any necessary, 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 from 6th January, 2012 to 30th June, 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.

"FURTHER RESOLVED 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."

8. **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, 269, 309, 310, and that of Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956, and subject to the approval of all concerned authorities, if any necessary, and subject to the relevant guidelines issued by Central Government from time to time approval of the Company be and hereby given to the re-appointment of Mr. S. K. Khurana as Managing Director of the Company for a further period of two years with effect from 1st October, 2011 upto 30th September, 2013 on the such terms and conditions including his remuneration as set out 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 purposes of identification and submitted to this meeting be and is hereby approved."

"FURTHER RESOLVED THAT the Directors be and are hereby authorized to revise the terms of his remuneration and in particular give annual increments in his monthly salary in such a amount as the Board thinks fit subject to upper limit of Rs. 30,000/- per increment with appropriate increase in the perquisites related to such 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. 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."

"FURTHER RESOLVED THAT the shareholders be and hereby approves, re-designation of Mr. S. K. Khurana as the Chairman & Managing Director of the Company, for the remaining tenure of his term i.e. from 1st July, 2012 to 30th September, 2013."

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 31 of the Companies Act, 1956, the Articles of Association of the Company be and are hereby altered in the following manner:

- a) Article no. 5(b) - Share Capital: This clause is to be deleted.
- b) Article no. 156 - Meeting of Directors: The existing article would be altered by inserting following para.
Directors of a Company may participate in a meeting of Board / Committee of Directors under the provisions of Companies Act, 1956 through electronic mode.
- c) Article no. 157 - When meetings to be convened and notice thereof: The words "said Lakhanpal" appearing in line no. 7 be replaced by the words "Chairman or Managing Director".
- d) Article no. 158 - Quorum for Board Meetings: The words "The quorum for a meeting of the Board of Directors of the Company or any Committee of the Board shall not be constituted unless at least four Directors are present" would be replaced by the words "The quorum for a meeting of Board of Directors of the Company shall not be constituted unless at least two Directors are present".
- e) Article no. 160 - Appointment of Chairman of the Board: The following lines would be deleted from the present Clause.
"The said Lakhanpal so long as he is a member of the Board shall be the Chairman of the Board of Directors of the Company. So long as the said Lakhanpal is the Chairman, he shall mainly advise the Managing Director on policy matters relating to the management of the Company. Subject as aforesaid, and in his absence, the Board may elect a Chairman of a meeting and the determine period for which he is to hold office, but"

AND

The last sentence "The Chairman shall not have a casting vote" would be replaced by the words "The Chairman shall have a casting vote."

"FURTHER RESOLVED THAT the Board of Directors be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary or expedient and to implement the aforesaid resolution without being required to seek any further consent or approval of the Company or otherwise, to this end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution."

**By Order of the Board
For Panasonic Energy India Co. Ltd.**

**Nisha Hindocha
Company Secretary & Manager (Legal)**

Mumbai, May 18, 2012

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 commencement of the meeting.
2. The Register of Members and Share Transfer Books of the Company will remain closed from Monday, 11th July, 2012 to Wednesday, 25th July, 2012 (both days inclusive) for the purpose of determining payment of dividend.
3. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of Item Nos. 6 to 9 of the accompanying Notice is annexed hereto.
4. Dividend on Equity Shares as recommended by the Directors, if declared at this Annual General Meeting, will be paid on 16th August, 2012 to those members whose names appear on the Company's Register of Members at the close of business on 25th July, 2012.
5. Dividend payment
 - a) Members holding shares in electronic mode may please note that the dividend payable to them would be paid through National Electronic Clearing Services (NECS) at the available RBI locations. The dividend would be credited to their bank account as per the mandate given by the members to their Depository Participants (DPs). In absence of availability of NECS facility, the dividend will be paid through warrants and the Bank details as furnished by the respective Depositories to the Company will be printed on their dividend warrants as per the applicable regulations.
 - b) In respect of shares held in physical form, members desirous of receiving dividends by way of direct credit to their bank accounts through NECS may authorize the Company with their NECS mandate. The shareholders desirous of obtaining the NECS mandate may download it from the website of the Company at www.panasonicenergy.in or may write to the Company Secretary at the Registered Office of the Company.
6.
 - a) All unclaimed dividends upto the financial year ended on 31st March, 1995 (paid in the year 1995) have been deposited with 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 to 2003-2004 have been transferred to the Investor Education and Protection Fund pursuant to Sections 205A and 205C of the Act. And that of 2004-2005 will be transferred in July, 2012.
 - c) Shareholders who have not en-cashed their dividend warrants for the year 2004-2005 are requested to claim the amount immediately from the Company before July, 2012 and for the years from 2005-2006 to 2010-11, are requested to claim the same at the earliest.
7. Members holding shares in physical form and wishing to avail of the nomination facility, are requested to send the duly filled in nomination in the prescribed form (form 2B) to Link Intime India Pvt. Ltd., Vadodara (Company's Registrar & Share Transfer Agent) or to the Company Secretary at the Registered Office of the Company.
8. Members are requested to notify immediately:
 - (a) any change in their residential address;
 - (b) Income-Tax permanent Account Number (PAN); and/or
 - (c) Bank details – Name and address of the Bank; A/c No.; type of A/c

9. Members holding shares in more than one folio in the same order of name(s) are requested to send the details of their folios alongwith the Share Certificates so as to enable the Company to consolidate their holdings into one folio.
10. Members are requested to bring their copies of the Annual Reports along with duly filled attendance slip to the meeting.
11. Members seeking any information or clarification with regard to the accounts, are requested to write to the Company at least TEN DAYS in advance of the meeting so that the information required can be made readily available at the Meeting.

ANNEXURE TO NOTICE

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

ITEM NO. 6

Pursuant to Section 262 of the Companies Act, 1956, read with Article 133 of the Articles of Association of the Company, at the meeting of Board of Directors held on 25th January, 2011, Mr. Chirayu Amin was appointed as an independent director to fill in the casual vacancy caused due to death of Late Mr. E. B. Desai.

Mr. Amin holds office of director upto the ensuing Annual General Meeting. The Company has received a 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. Amin as Director of the Company liable to retire by rotation.

Mr. Amin is the Chairman and Managing Director of Alembic Ltd. a century old group in India & pioneer in Health care/ Pharmaceutical Industry. Mr. Amin has vast experience in the overall business management.

The Board of Directors accordingly recommends the passing of the resolution at item no. 6 of the accompanying notice.

Mr. Amin is interested in passing of the resolution relating to his appointment.

None of the other Directors are in any way concerned or interested in the said resolution.

Pursuant to the requirement of the Listing Agreement on appointment of the Director, a statement containing briefly, the details of Mr. Amin are given in Report on Corporate Governance, forming part of Directors' Report.

ITEM NO. 7

The members at their 35th Annual General Meeting held on 12th July, 2007 had approved the re-appointment of Mr. Ajai K. Lakhanpal as Chairman and Whole-time Director of the Company, which expired on 5th January, 2012.

Mr. Lakhanpal and Panasonic Corporation have decided not to renew any further the Joint Venture Agreement amongst them. Further Mr. Lakhanpal, has tendered his resignation w.e.f. 30th June, 2012. Keeping in view these facts the Board of Directors at their meeting held on 21st October, 2011 had approved the re-appointment of Mr. Lakhanpal w.e.f. 6th January, 2012 to 30th June, 2012 on the following terms and conditions:

A. Salary

Rs.1,12,500/- (Rupees one lakh twelve thousand five hundred) per month with liberty to the Board to sanction annual increments in 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.1,15,000/- (Rupees one lakh fifteen thousand) 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 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.

D. Perquisites

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

- 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. For the purposes 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. Lakhanpal shall also be eligible for the following perquisites which shall not be included in computation of the ceiling on perquisites specified hereinabove.
 - i. 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;
 - ii. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service ; and
 - iii. 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.

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

E. 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 restriction 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.

Subject to the provisions of the Act, Mr. Lakhanpal shall not while he continues to hold office of the Chairman be subject to retirement by rotation of Directors and he shall not be reckoned as a Director for the purpose of determining the rotation or retirement of Director or in fixing the number of Directors to retire, but he shall ipso facto and immediately cease to be the Chairman if he ceases to hold office of Director for any cause.

Any member desirous of having inspection of the Agreement referred to in the resolution may do so on any working day during office hours upto the date of the ensuing Annual General Meeting of the Company.

Mr. Ajai K. Lakhanpal is interested in the resolution relating to him. Mr. G. N. Punj who is his nephew may also be deemed to be concerned with the resolution, although he is not deemed to be a relative within the meaning of section 6 of the Companies Act, 1956.

None of the other Directors are in any way concerned or interested in the said resolutions.

The aforesaid Explanatory Statement concerning Mr. Ajai K. Lakhanpal setting out the terms of remuneration may also be treated as an abstract required to be circulated to the members under Section 302 of the Companies Act, 1956.

Pursuant to the requirement of the Listing Agreement on appointment of the Director, a statement containing briefly, the details of Mr. Lakhanpal are given in Report on Corporate Governance, forming part of Directors' Report.

ITEM NO. 8

The members at their 35th Annual General Meeting held on 12th July, 2007 had approved the appointment of Mr. S. K. Khurana as the Managing Director of the Company for a period of five years with effect from 1st October, 2006 to 30th September, 2011. Considering Mr. Khurana's current contribution to the Company and future challenges, Panasonic Corporation, Japan had proposed to re-appoint him for a further period of 2 years.

The Board of Directors at their meeting held on 25th July, 2011 had approved the appointment of Mr. Khurana as Managing Director for the a period for further period of 2 years i.e. from 1st October, 2011 to 30th September, 2013, on the following terms and conditions:

A. Salary:

Rs.1,41,500/- (Rupees one lac fourty one thousand five hundred) per month with liberty to the Board to sanction annual increments in 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.48,300/- (Rupees forty eight 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:

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

- I. 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 will be restricted to the maximum amount of annual salary. For the purposes 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.
 - i) 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;
 - ii) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service with effect from 1st July, 1996 when new terms were agreed to between him and the Company on this issue;
 - iii) 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; and
 - iv) 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.

E. 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.

F. Notice for termination of agreement:

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

G. Compensation for loss of office:

Mr. Khurana shall be entitled to compensation for loss of office or for early retirement from the office (except where he himself terminates the Agreement on his own accord) in accordance with the provisions of Section 318 of the Companies Act, 1956.

H. Sitting fees:

Mr. Khurana shall not be paid any sitting fees for attending the meeting of the Board of Directors or Committee thereof from the date of his appointment.

Subject to the provisions of the Act, Mr. Khurana shall not while he continues to hold office of the Managing Director be subject to retirement by rotation of Directors and he shall not be reckoned as a Director for the purpose of determining the rotation or retirement of Director or in fixing the number of Directors to retire, but he shall ipso facto and immediately cease to be the Managing Director if he ceases to hold office of Director for any cause.

Any member desirous of having inspection of the Agreement referred to in the resolution may do so on any working day during office hours upto the date of the ensuing Annual General Meeting of the Company.

Further, keeping in view the current contribution of Mr. Khurana to the Company, the Board of Directors at their meeting held on 18th May, 2012, re-designated Mr. Khurana as the Chairman & Managing Director of the Company with effect from 1st July, 2012 to 30th Sept., 2013. Mr. Khurana is being proposed to be appointed as Chairman in place of Mr. Lakhanpal who would be relinquishing his office at the end of office hours on 30th June, 2012. However rest of the terms and conditions relating to Mr. Khurana's appointment shall continue to remain the same.

Mr. S. K. Khurana is interested in the resolution relating to him.

None of the other Directors are in any way concerned or interested in the said resolutions.

The aforesaid Explanatory Statement concerning Mr. S.K. Khurana setting out the terms of remuneration may also be treated as an abstracts required to be circulated to the members under Section 302 of the Companies Act, 1956.

Pursuant to the requirement of the Listing Agreement, 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. 9

The clause wise reasoning for the alteration of various clauses of the Articles of Association have been detailed below:

Article No.	Reasons for proposed Alteration
5(b)	The objective of inserting this clause at that point in time was to reflect the fact that there exists a Joint Venture Agreement among Panasonic (then MEI & MBI) and Mr. Lakhanpal. With the termination of the Joint Venture Agreement, among Panasonic Corporation and Mr. Lakhanpal, this clause has become redundant and hence needs to be deleted.
156	Recently the Ministry of Company Affairs has introduced the concept of Board meeting through video conferencing. With insertion of this clause related to having Board Meeting via video conferencing, the Company may if need be, conduct its Board meetings through video conferencing.
157	With the termination of the Joint Venture Agreement, among Panasonic Corporation and Mr. Lakhanpal, the words "Said Lakhanpal" have to be replaced by "Chairman or Managing Director".
158	For the administrative convenience we are proposing to reduce the quorum for Board Meeting from 4 directors to 2 directors. Further the word committee is being excluded, as the functioning of each committee is regulated on the terms and conditions of its individual constitution.
160	With the termination of Joint Venture the name of Mr. Lakhanpal needs to be deleted. In order to bring the Articles of Association of the Company in line with the Companies Act, 1956, it is proposed to empower the Chairman with a casting vote.

By Order of the Board
For Panasonic Energy India Co. Ltd.

Nisha Hindocha
Company Secretary & Manager (Legal)

Mumbai, May 18, 2012

To,

The Members of PANASONIC ENERGY INDIA CO. LTD.,

The Directors have pleasure in presenting their 40th Annual Report together with the Audited Annual Accounts of the Company for the year ended 31st March, 2012.

1. FINANCIAL RESULTS

(₹ in lacs)

Particulars	As at 31-March-12	As at 31-March-11
Sales Turnover	21058	19828
Profit/(Loss) before Tax	406	781
Less: Provision for Taxation (Net of Deferred Tax)	125	223
Less: Provision for taxation of earlier years (Net of refund/demand)	100	8
Profit/(Loss) after Tax	181	550
Add: Profit brought forward from previous year	150	100
Net available surplus for appropriation	331	650
APPROPRIATIONS		
Proposed Dividend	150	150
Dividend Distribution Tax	24	24
General Reserve No.1 (Statutory)	14	59
General Reserve No. 2	-	267
Surplus carried to Balance Sheet	143	150
	331	650

2. OPERATIONAL REVIEW

The Profit Before Tax (PBT) of the Company decreased by 52% and it stands at ₹ 406 lacs as compared to the previous year of ₹ 781 lacs. The Company's turnover for the year stood at ₹ 21058 lacs, which has increased by 6% as compared to the previous year. The sales quantity has increased by 6% as compared to previous year. The major factors that contributed to the reduction of profits of the Company are increased cost of procurement, rupee devaluation, etc.

During the year under review, your Company focused its efforts to sell and create awareness in the market about its improvised eco friendly products in the market. Various marketing activities of the Company were focused towards brand unification. These activities mainly includes Display In Shop Activities (DISHA) & District Development Plan (DDP). Your Company also focused on high potential urban markets under its Key Town Development Plan (KTDP). Also various awareness programs were organized by the Company for its sales force in order to make them aware about the new improved eco friendly products of the Company, their importance in protecting our environment and in turn to the society as a whole. With the help of these activities, under a highly competitive market your Company has been able to increase its market share as compared to last year. We take lot of pride in these improvised batteries as we are the only manufacturer in India making full range of eco friendly dry cells.

It gives us immense pleasure in informing you that a new milestone was achieved by your Company. In the history of the Company for the first time, we reached mark of over 540 million pieces of dry battery sales.

During the year, your Company has satisfied its charge with State Bank of India & Madhya Pradesh State Industrial Corporation, M.P and hence, now your Company is technically speaking a debt free Company.

3. DIVIDEND

Your Directors are happy to recommend dividend at ₹ 2 per equity share (previous year ₹ 2 per equity share) on 75,00,000 Equity Shares for the year ended 31st March, 2012. The dividend, when approved, will entail payment to shareholders of ₹ 150 lacs. It will be tax free income in the hands of recipients and the Company will have to pay dividend distribution tax thereon in the sum of ₹ 24 lacs.

4. MANAGEMENT DISCUSSION AND ANALYSIS

A. Business Overview

Zinc carbon batteries

This year the dry cell industry showed a negligible growth of just around 1% as compared to the previous year.

In order to sustain in stagnant and price sensitive market, your Company continued to focus on improved outlet penetration and brand building activities.

During the year, your Company has carried out various brand building activities like organized dealer Meets, DISHA activity, dealer boards, wall paintings etc. to create its brand awareness in high potential area.

Your Company would continue its efforts towards improving its outlet coverage and it would be focusing its resources to reach to the desired levels of outlet coverage. The benefits of these efforts would accrue to the Company in the coming years.

Alkaline Batteries

During the year your Company had improved its presence in alkaline range of batteries. However your Company intends to further improve its presence in this sector.

Flashlights

Keeping in view your Company's commitment towards the environment, during the year it has introduced new models of eco friendly torches along with its existing range of torches. Your Company intends to focus in this area as it's a growing segment and has immense potential.

CFL lamps

During the year your Company has also started trading of CFL lamps of "Anchor" make, being manufactured by Panasonic Group Company. The revenues that were generated from this during the year are still in its primitive stage. However your Company intends to focus on increasing its revenues from this product by utilizing its existing sales network.

B. Industry Structure and Development

As mentioned earlier, during the year, Industry was more or less stagnant. The growth rate was at a negligible rate of just around 1%.

R20 segment continued to de-grow due to change in consumer usage pattern. During the year the rate of de-growth had been around 13% as compared to previous year. R6 segment showed some positive trend and it registered a growth at around 4% as compared to previous year. R03 segment also showed a positive trend and it registered a growth at around 14% as compared to previous year. However the concern for R03 segment is that economy product market grew at a higher rate than the premium product market. The whole Indian dry battery market seems to be moving towards economy range of batteries.

C. Opportunities and Threats

Opportunities

The low per capita consumption of batteries in India indicates inherent potential of the battery market to grow. The changed usage pattern of the gadgets also provides potential for R6, R03 and Alkaline products.

Threats

There is import of huge quantity of low performance cheap Chinese AAA batteries which poses a big threat to the organized sector of the Industry.

D. Risks & concerns

The possibility of increase in input costs is a matter of concern as this would directly impact the profit margins of your Company. The devaluation of rupee to dollar is also a matter of major concern for your Company. In the coming years the usage pattern of appliances would be a determining factor for the growth of the dry battery industry. Changing consumer behavior towards dry battery operated appliances would also play a crucial role.

E. Outlook

Penetration of increased battery operated appliances should improve the dry battery consumption. The concept of compactness with portable energy need, should help more battery appliances to emerge.

F. Internal Control System

Your Company maintains an adequate and effective internal control system commensurate with its size and complexity. We believe that these internal control systems provide, among other things a reasonable assurance that the transactions are executed with management authorizations and they are recorded in material respects to permit preparation of the financial statements in conformity with established accounting principles and that the assets of the Company are adequately safeguarded against any significant misuse or loss. The Internal audit is done by an independent firm of Chartered Accountants. Internal audit and other controls are reviewed periodically by the Audit Committee and have been found to be adequate.

G. Developments in human resources and industrial relations

Directors wish to place on record their appreciation to all its employees for their sustained efforts and valuable contribution. The total employee strength of the Company as on 31st March, 2012 stood at 837.

None of the employees of the Company draw a remuneration of ₹ 5 lacs or more (where appointed for a part of the year) or ₹ 60 lacs or more (where appointed for the whole year). Hence no information is provided pursuant to Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

H. Research & Development

In line with the vision of our foreign collaborators to make our products eco friendly, during the year under review your Company continued manufacturing full range of eco friendly dry batteries. You would appreciate the fact that yours is the only manufacturing Company with complete range of eco friendly batteries. Over and above these activities, efforts have also been made to successfully to reduce hazardous elements from raw materials in line with RoHS guidelines.

As a part of continual improvement process of products and processes various activities were undertaken. These were done by using important and effective Q. C. techniques like small improvement in process through Q. C. Circle and Kaizen activities. These activities were implemented through the involvement of grass root level employees. This had resulted in increasing the confidence level of employees for quality improvement and reduction of rejection during manufacturing process.

During the year, your Company has introduced new models of LED torches which are not only high quality products but are eco friendly too. Your Company is always making efforts in ensuring optimal energy utilization and thereby reducing CO₂ emission, to re-use effluent water after treatment for plantation of tree and recycling of most of the waste generated during manufacturing activities.

I. Exports

Continuous efforts are being made to boost exports, particularly in the areas of machinery spare parts and battery components. During the current financial year the Company has earned foreign exchange to the tune of ₹ 159 lacs (previous year ₹ 125 lacs). Pricing continues to be the key factor. The Company intends to further improve its exports.

5. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors state that:

- a. in the preparation of the annual accounts, all applicable accounting standards have been followed;
- b. accounting policies as listed out in Note no. 1 to the Financial Statements have been selected and applied consistently and are reasonable and prudent judgments and estimates have been made so as to give a true and fair view of the state of affairs of the Company as on 31st March, 2012 and of the profit of the Company for the year ended on that day;
- c. proper and sufficient care for maintenance of adequate accounting records has been taken in accordance with the provisions of the Act, so as to safeguard the assets of the Company and to prevent and detect fraud and other irregularities; and
- d. the annual accounts have been prepared on a going concern basis.

6. CORPORATE GOVERNANCE

Your Company recognizes the importance and need of good corporate governance as an important step in creating shareholders confidence and thereby enhancing the long term enterprise value.

Pursuant to clause 49 of the listing agreement with stock exchange the Corporate Governance Report along with Auditors certificate regarding compliance of the conditions of corporate governance are given as part of this Annual Report.

7. STATEMENT PURSUANT TO LISTING AGREEMENT

Equity shares of the Company are listed at Bombay Stock Exchange Ltd. (BSE). The Company has already paid annual listing fee for the year 2012-13 to the stock exchange.

8. DIRECTORS

In view of termination of Joint Venture Agreement with Panasonic Corporation, Mr. Lakhanpal has tendered his resignation and he would be relinquishing the office of Chairman at the end of office hours on 30th June, 2012. In view of this development, the re-appointment of Mr. Lakhanpal was approved by the Board of Directors for the remaining period of Joint Venture Agreement i.e. from 6th January, 2012 to 30th June, 2012.

The Board of Directors do hereby place on record its sincere appreciation to Mr. Lakhanpal who has made immense contribution to your Company.

During the year under review, Mr. S. K. Khurana was reappointed as Managing Director of the Company for a further period of two years w.e.f. 1st October, 2011 to 30th September, 2013. In place of Mr. Lakhanpal the Board of Directors have decided to appoint Mr. Khurana as Chairman w.e.f. 1st July, 2012.

Mr. C. R. Amin was appointed to fill in the casual vacancy caused due to the death of Late Mr. E. B. Desai, and who ceases to hold office at the ensuing Annual General Meeting. His appointment is being proposed at the ensuing Annual General Meeting as a Director liable to retire by rotation.

Mr. P. P. Shah and Mr. H. Aota, retire by rotation and, being eligible, offer themselves for reappointment.

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 the Directors Report.

The Directors recommend all the resolutions placed before the members relating to Directors for their approval.

9. AUDITORS

M/s. K. C. Mehta & Co., Chartered Accountants, Vadodara retire, and being eligible, offer themselves for reappointment.

10. ACKNOWLEDGEMENTS

Your Directors wish to place on record their appreciation to Panasonic Corporation, Japan for their valuable support and co-operation. We also wish to thank the State and Central Govt. authorities, suppliers and bankers for their continuous co-operation. We also value the support that we received from our stockiest, wholesale dealers, retailers and consumers.

The Directors also wish to place on record their sincere thanks to the Shareholders for the confidence reposed by them in the Company.

For and on behalf of the Board

S. K. Khurana
Managing Director

D. J. Thakkar
Director

Mumbai, May 18, 2012