

Nippo Batteries Co. Ltd

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Nippo Batteries Co. Ltd

BOARD OF DIRECTORS

Justice S. Natarajan
Chairman

P. Dwarakanath Reddy
Managing Director

R.P. Khaitan
Joint Managing Director

V.R. Gupte

Dr. S.A. Dave

M. Morikawa

H. Aota

H. Sugimura

J. Goto

J. Srinivasan

SECRETARY

P. Srinivasan & Co.
New No.6 (Old No.24) Sambasivam St.
T. Nagar
Chennai - 600 017.

AUDITORS

BANKERS

Canara Bank
The Bank of Tokyo - Mitsubishi UFJ Ltd.

REGISTERED AND ADMINISTRATIVE OFFICE

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

FACTORIES

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

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

NOTICE

NOTICE is hereby given that the THIRTY SEVENTH ANNUAL GENERAL MEETING of NIPPO BATTERIES CO. LTD, will be held at Sri P. Obul Reddy Hall, Vani Mahal, No.103, G.N. Chetty Road, T. Nagar, Chennai - 600 017, on Friday, the 23rd July, 2010 at 10.15 A.M. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Directors' Report, Audited Balance Sheet of the Company as at March 31, 2010 and the Profit and Loss Account for the year ended that date together with the report of the Auditors' thereon.
2. To declare a Dividend.
3. To appoint a Director in the place of Justice S. Natarajan, who retires by rotation under Article 147 of the Articles of Association of the Company and as per applicable provisions of the Companies Act 1956, and who, being eligible offers himself for re-appointment.
4. To appoint a Director in the place of Mr. V.R. Gupte, who retires by rotation under Article 147 of the Articles of Association of the Company and as per applicable provisions of the Companies Act 1956, and who, being eligible offers himself for re-appointment.
5. To appoint M/s. P. Srinivasan & Co., Chartered Accountants, Chennai as Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to authorize the Audit Committee and Board of Directors to fix their remuneration.

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

Place: Chennai
Date: 23rd April, 2010

Justice S. Natarajan
Chairman

NOTES:

1. A member entitled to attend and vote at this Annual General Meeting may appoint a proxy to attend and vote on his behalf. Such a proxy need not be a member of the Company. Proxies, in order to be effective, must be received at the Registered office of the Company not less than FORTY-EIGHT HOURS before the commencement of the meeting.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from 19.07.2010 to 23.07.2010 (Both days inclusive).
3. The Dividend upon its declaration at the meeting will be paid to those members whose names stand in the Register of Members as on 23rd July, 2010. The said dividend will be paid on 30th July, 2010. In respect of shares held in electronic form, the dividend will be payable on the basis of beneficial ownership as per details furnished by NSDL and CDSL for this purpose.
4. Members holding shares in physical form are requested to notify change of address immediately for the purpose of mailing Dividend Warrants. As per SEBI circular, in case of transfer of physical shares, the Transfer Deed should contain PAN of both Transferor and Transferee. It is a mandatory requirement.
5. The shares of the company have been activated for dematerialisation with National Securities Depository Ltd (NSDL) and Central Depository Services (India) Ltd. (CDSL) vide ISIN INE567A01010. Members wishing to dematerialise their shares may approach any Depository Participant (DP).
6. Members who hold shares in demat form are requested to notify any change in their particulars like change in address, bank particulars etc. to their respective Depository Participants.
7. Kindly mention your Folio Number / PAN No./ Client ID / DP ID Number (in case of shares held in electronic form) in all your correspondence to the Company or Share Transfer Agents and in the case of electronic form to the Depository Participant in order to reply to your queries promptly.

8. Pursuant to Section 205A of the Companies Act, 1956, an amount of Rs. 1,53,070/- remaining unclaimed out of the dividend for the year 2001-02 (declared on 31st July, 2002) was transferred to the Investor Education and Protection Fund established under Section 205C(1) of the Act on 17th September, 2009. The unclaimed dividend, if any, for the year 2002-2003 will become transferable to the "Investor Education and Protection Fund" on or before 18th July, 2010. It is hereby notified to the members that once the dividend amount is transferred to the Fund, as per Section 205A (5) of the Act, the same cannot be claimed by the members from the Fund established.
9. 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 ABOUT THE DIRECTORS PROPOSED TO BE RE- APPOINTED:-

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

Justice Mr. S. Natarajan

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

Other Directorship:

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

He is also a Chairman of Remuneration Committee and a Member of Audit Committee of your Company;

Chairman of Audit Committee and Share Transfer and Grievance Committee of Panasonic Home Appliances India Co., Ltd and Chairman of Share Transfer and Investor Grievances Committee of Lakshmi Machine Works Ltd.

Share holding: NIL

Mr. V. R. Gupte

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

Other Directorship:

1. Panasonic Carbon India Co., Ltd.

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

Share holding: NIL

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

Place: Chennai
Date: 23rd April, 2010

Justice S. Natarajan
Chairman

DIRECTORS' REPORT

Your Directors have pleasure in presenting the Thirty Seventh Annual Report of your Company together with the Audited Balance Sheet as at March 31, 2010, the Profit & Loss Account for the year ended that date and the Auditors' Report thereon.

REVIEW OF PERFORMANCE

Dry Cell Batteries

The Dry Cell Battery Industry production as a whole increased about 14.56% for the year 2009-10. Your Company's production had also increased from 653 million pieces to 657 million pieces showing an increase of 0.61%. The sales had also increased from 642 million pieces to 660 million pieces. In terms of value, your Company had registered a turnover of Rs.337 crores as against Rs.308 crores for the previous year with an increase of 9.41%.

Torch and others

The sales volume of torchlights and other products had increased from 36.98 lakh pieces to 62.41 lakh pieces as compared to the previous year.

The Company has introduced new Emergency Power Backup Range (EPBR) products during the year and registered a turn over of Rs.26.03 cr.

FINANCIAL RESULTS

The profit before tax for the year under review is at Rs.25.04 Crores as against Rs.24.53 crores in the previous year. The financial results for the year 2009-10 as compared with the previous year are summarized as under.

	2009-10 (Rs. in crores)	2008-09 (Rs. in crores)
Profit for the year	30.85	30.27
Less : Depreciation for the year	5.83	5.63
Profit after depreciation	25.02	24.64
Prior period adjustments etc.	(0.02)	0.11
Profit Before Tax	25.04	24.53
Provision for tax including Deferred tax	8.52	8.50
Profit after Tax	16.52	16.03
Surplus in P&L Account brought forward	4.81	4.55
Profit available for appropriation	21.33	20.58

Your Directors recommend the following appropriations :

General Reserve	7.50	7.00
Proposed Dividend	7.50	7.50
Tax on proposed dividend	1.27	1.27
Surplus in P&L A/c carried forward	5.06	4.81
Total	21.33	20.58

DIVIDEND

Your Directors are happy to recommend a dividend of 200% for the year 2009-10. This Dividend, if approved, will be paid to the Shareholders whose names appear on the Register of Members as on 23rd July, 2010. The Company intends to pay the dividend on 30th July, 2010 itself, instead of waiting for the statutory period of 30 days permitted by the provisions of the Companies Act, 1956.

STATEMENT PURSUANT TO LISTING AGREEMENT

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

CORPORATE GOVERNANCE

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

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE, ETC.

Your Company has always been in the forefront of energy conservation. Several measures to conserve energy and to reduce the costs associated with it have been taken. The details regarding conservation of energy, foreign exchange, technology absorption including R & D efforts (as required under Section 217(1) (e) of the Companies Act, 1956) are given in Annexure "A" to this Report.

PERSONNEL

Your Directors wish to place on record their appreciation for the dedication and hard work put in by the employees at all levels for the overall growth of your Company. Relations with the employees at both the Factories and Head office and other Branches were cordial during the year.

As per section 219 (1) (b) (iv) of the Companies Act, 1956 any member interested in inspecting or obtaining copy of the statement of particulars of employees being forms part of the Report and as required to be annexed under Section 217(2A) of the Companies Act, 1956 may contact the Secretary at Registered Office during working hours.

DIRECTORS

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

Mr. S.R. Jiwarajka resigned from Board with effect from 1st October, 2009. Your directors wish to place on record their appreciation of services rendered by Mr. S.R. Jiwarajka.

Mr. P. Obul Reddy resigned from Board with effect from 23rd April, 2010. Your directors wish to place on record their appreciation of services rendered by Mr. P. Obul Reddy.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- a) in the preparation of statement of accounts, the applicable Accounting Standards have been followed;
- b) selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March, 2010 and of the Profit of the Company for that period;
- c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;
- d) The annual accounts are prepared on a going concern basis.

WIND MILL

During the year your company has commissioned one more Wind mill (1.5MW) at Tirunelveli District., Tamil Nadu at an investment of Rs.9.25 Crores. The units generated are being sold to Tamilnadu Electricity Board (TNEB) at applicable rates as notified by the Board. The Company is persuaded to get Carbon Credit also.

The emission reduction shall be real, measurable and give long term benefits to the mitigation of climate change and helps in reducing net global green house gas emissions at significantly lower international costs.

AUDITORS

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

ACKNOWLEDGEMENT

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

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

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

Place: Chennai
Date : 23rd April, 2010

Justice S. Natarajan
Chairman

Annexure "A" to Directors' Report

Information required under Section 217(1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended March 31, 2010

A. Conservation of Energy

Efforts are being made to control energy cost wherever possible even though energy cost forms only negligible proportion of total cost of manufacture of batteries. Energy conservation activities initiated earlier years based on Energy Audit has been continued during 2009-10. As a part of energy generation / distribution, during the year the Company has commissioned one more wind mill (1.5 M.W.).

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

B. Technology Absorption

Research and Development (R & D)

- (1) Specific areas in which R & D activities are carried out by the Company:
 - a) New Products Development
 - b) Finding alternate source of materials
 - c) Import Substitution
 - d) Development of improved designs
 - e) Development of new products to suit consumer requirements.
- (2) Benefits derived as a result of the above R & D activities:
 - a) Efficiency in usage of raw materials
 - b) Cost Reduction
 - c) Improvement in product quality
 - d) Automatic and accurate testing of batteries
 - e) Foreign exchange savings due to indigenisation efforts
- (3) Future plan of action:

To continue indigenisation efforts and to further strengthen R & D activities for the purpose of cost reduction and quality improvements and for developing new products depending on market requirements.
- (4) Expenditure on R & D (Rs. in Lakhs)

a) Recurring	26.82
b) Total R & D expenditure as a percentage of total turnover	0.08

Technology absorption, adaptation, and innovation

1. Efforts in brief, made towards technology absorption, adaptation and innovation: Installation of sophisticated instrument for R & D, testing and process control measures. Technology has been fully absorbed and adapted for all types of Dry cell batteries.
2. Benefits derived as a result of the efforts, e.g: product improvement, cost reduction, product quality maintenance and import substitution, etc.,
 - (a) Improvement of designs.
 - (b) Import Substitution.
 - (c) Cost Reduction
 - (d) Product Quality Maintenance & Improvement.
 - (e) New products development.
3. Imported Technology: Not Applicable

(Imported during the last 5 years reckoned from the beginning of the financial year)

 - (a) Technology imported: —
 - (b) Year of Import: -
 - (c) Has Technology been fully absorbed: -

C. Foreign Exchange Earnings and Outgo:

- (1) Activities relating to Exports; initiatives taken to increase exports; development of new export markets for products and services; and export plans. At present no Exports are being made. However, continuous efforts are being made to procure Export orders.
- (2) Total Foreign Exchange used and earned:

Total expenditure on Foreign Currency on imports of raw materials, components, capital goods, spare parts, travel and others amounted to Rs. 6439.36 lakhs as against Rs. 3410.37 lakhs for the previous year. Outgo on account of Dividend was Rs. 229.42 lakhs as against the same amount of Rs. 229.42 lakhs in the previous year.

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

Place : Chennai
Date : 23rd April, 2010

Justice S. Natarajan
Chairman

ANNEXURE 'B' TO DIRECTORS' REPORT - CORPORATE GOVERNANCE

The Company is regular in complying with the mandatory requirements of the Corporate Governance Code. Given below is the report on Corporate Governance.

a) COMPANY'S PHILOSOPHY

Nippo Batteries has always believed that Good corporate Governance is more a way of business life than a mere legal compulsion. Corporate Governance enhances the trust and confidence of all the stakeholders. Good practice in corporate behaviour helps to enhance and maintain public trust in companies and stock market. It is the application of best management practices, Compliances of Law in true letter and spirit and adherence to ethical standards for effective management discharge of social responsibilities for sustainable development of all stakeholders. In this pursuit, your Company's philosophy on Corporate Governance is led by strong emphasis on transparency, fairness, independence, accountability and integrity. The Board of Directors of the Company is at the centre of the Governance system of the Company. Company is in full compliance of the Corporate Governance principles enuciated in clause 49 of the Listing Agreement, in terms of structure, composition of Board and its committees and other disclosure requirements.

b) BOARD OF DIRECTORS

The composition of Board of Directors of the Company meets the stipulated requirements. The Board of Directors comprises of Two executive directors, Four non-executive directors and Three independent / non - executive directors. The Chairman of the Board is an independent, non-executive director. To be in line with the company's philosophy on Corporate Governance, all statutory subjects are placed before the Board to discharge its responsibilities as trustees of the shareholders.

The composition and category of Directors is as follows:

Name	Category	Number of Directorships held in other Indian companies	Number of Board Committee memberships held in other companies	No. of Shares holding in the company
Justice Mr. S.Natarajan	Independent Director	2	3	-
Mr. P Obul Reddy*	Executive Director	2	1	45476
Mr. S R Jiwarajka*	Executive Director	3	2	44396
Mr. P. Dwarakanath Reddy*	Executive Director	2	None	147213
Mr. R.P. Khaitan*	Executive Director	1	None	51960
Mr. Junichi Goto	Non-Executive Director	None	None	-
Mr. Sugimura	Non-Executive Director	2	None	-
Mr. H. Aota	Non-Executive Director	2	None	-
Mr. Morikawa	Non-Executive Director	None	None	-
Mr. V R Gupte	Independent Director	1	1	-
Dr S.A. Dave	Independent Director	12	5	-

* Mr. P. Obul Reddy resigned from the Board with effect from 23rd April 2010.

* Mr. S.R. Jiwarajka resigned from the Board with effect from 1st October 2009.

*Mr. P. Dwarakanath Reddy has been appointed as Managing Director of the Company with effect from 1st October 2009

*Mr. R. P. Khaitan has been appointed as Joint Managing Director of the Company with effect from 1st October 2009

None of the Directors of the Company was a member of more than 10 committees of Board as stipulated under clause 49 of the Listing Agreement nor was the Chairman of more than 5 such committees across all companies in which he was a Director.

1. BOARD MEETINGS, ATTENDANCE OF EACH DIRECTOR AT THE BOARD MEETING AND THE LAST AGM:-

During the year under review Five Board Meetings were held and the gap between two Board meetings did not exceed four months. Among other things, key matters like periodic financial results, capital / operating budgets and risk management are brought to the Board.

2. DATE OF BOARD MEETINGS :

29th May, 2009, 23rd July, 2009, 11th September, 2009, 23rd October, 2009 and 28th January, 2010.

3. THE ATTENDANCE OF THE DIRECTORS AT THE BOARD MEETING / AGM HELD DURING THE YEAR ARE GIVEN BELOW:-

Name of Director	No. of Board Meetings Held	No. of Board Meetings Attended	Last AGM attendance (Yes/No)
Justice Mr. S Natarajan	5	5	Yes
Mr. P. Obul Reddy	5	2	No
Mr. P. Dwarakanath Reddy	4	4	Yes
Mr. S.R. Jiwarajka	3	-	No
Mr. R.P. Khaitan	4	4	Yes
Mr. Junichi Goto	5	1	No
Mr. H. Aota	5	-	No
Mr. M. Morikawa	5	2	No
Mr. H. Sugimura	5	-	No
Mr. V R Gupte	5	5	Yes
Dr. S.A. Dave	5	5	Yes

c) AUDIT COMMITTEE

As a measure of good Corporate Governance and to provide assistance to the Board of Directors in fulfilling the Board's oversight responsibilities, an Audit Committee has been constituted consisting of only Independent/ Non-Executive Directors. The functions of the Audit Committee include:

- Reviewing the adequacy of internal control systems and the internal audit reports, and their compliance thereof.
- Overview of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- Recommending the appointment of external auditors and fixation of their audit fee, and also approval for payment for any other services.
- Reviewing with Management the quarterly and annual financial statements for submission to the Board.

During the year, four meetings were held one of which was for finalisation of accounts. The said meetings were held on 29th may, 2009, 23rd July, 2009, 23rd October, 2009 and 28th January, 2010. The constitution of the Committee and the attendance of each member of the Committee as on March 31, 2010 are given below:

Name	Status	No. of meetings held	No. of meetings attended
Mr. V.R. Gupte	Chairman	4	4
Justice Mr. S. Natarajan	Member	4	4
Dr S.A. Dave	Member	4	4

The Company Secretary is the Compliance Officer of the Audit Committee.

d) INVESTORS GRIEVANCE AND SHARE TRANSFER COMMITTEE:

The Committee oversees share transfers and monitor investors' grievances such as complaints on transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends, etc. and redressal thereof., within

the purview of the guidelines set out in the listing agreement. The Committee also look in to the matters of issue of duplicate share certificates, approval / reject application for re-materialisation, subdivision, consolidation, transposition and thereupon issue of share certificates to the shareholders etc., No complaints of material nature were received during the year under review. Subsequent to resignation of Mr. P. Obul Reddy & Mr. S.R. Jiwarajka the committee has been re-constituted and at present the committee consists of the following directors:

1. Mr. V.R. Gupte, Chairman
2. Justice Mr. S. Natarajan, Member
3. Mr. P. Dwarakanath Reddy, Member
4. Mr. R.P. Khaitan, Member

The Company Secretary is the Compliance Officer of the Committee. The company has created separate e-mail id (jsrinivasan@nippobatteries.com) for grievance redressal.

e) REMUNERATION COMMITTEE:

The Committee has been formed specifically to determine the Company's policy on specific remuneration packages for Executive Directors and any compensation payments. The Committee consists of the following Directors:

1. Justice Mr. S. Natarajan, Chairman
2. Mr. V.R. Gupte, Member
3. Dr. S.A. Dave, Member

The details of remuneration paid to the Executive Directors for the financial year 2009-10 are given below:

(Rs. in lakhs)

Name & Designation	Salary	Perquisites	Total
Mr. P. Obul Reddy* Managing Director	24.00	28.04	52.04
Mr. S. R. Jiwarajka** Joint Managing Director	24.00	28.03	52.03
Mr. P. Dwarakanath Reddy Managing Director	24.00	46.66	70.66
Mr. R.P. Khaitan Joint Managing Director	24.00	25.76	49.76

* Mr. P. Obul Reddy holds office for a period of 6 months as Managing Director of the Company i.e., from 1st April 2009 to 30th September 2009.

** Mr. S.R. Jiwarajka holds office for a period of 6 months as Joint Managing Director of the Company i.e., from 1st April 2009 to 30th September 2009.

The Board of Directors shall decide the remuneration of Non-Executive/Independent Directors. The Non-Executive/Independent Directors are paid sitting fees of Rs.10,000/- each per meeting of the Board / Committee attended by them. Further commission upto one percent of net profits of the Company in each Financial year for a period of three financial years commencing from the financial year ending March 31, 2008 is being paid to them in such a manner as determined by the Board of Directors of the Company. The Commission payable to each Non – Executive / Independent Directors for the financial year ending March 31, 2010 amounted to Rs.3,00,000/-. The sitting fees of Rs.1.80 lakhs for attending Board Meeting and Rs.1.20 Lakhs for attending Audit committee meeting paid to Non-Executive/Independent Directors held during the financial year 2009-2010. The Company has not granted any Stock Option to Non-Executive/Independent Directors. There is no differential Accounting Treatment followed in the Company during the Financial Year 2009-2010. There is no

pecuniary relationship or transactions of Non-Executive / Independent Directors in the Company. The Non-Executive / Independent Directors are not holding any shares in the Company.

f) DETAILS OF ANNUAL GENERAL MEETINGS: Location and time of the last three AGMs

AGM	YEAR	VENUE	DATE	TIME
34 th	2006 - 2007	The Aruna Chennai, 144-145, Sterling Road, Chennai – 600 034	14-06-2007	10.30 a.m.
35 th	2007 - 2008	Sri Obul Reddy Hall Vani Mahal, No.103, G.N. Chetty Road, Chennai - 600 017	18-06-2008	10.30 a.m.
36 th	2008 - 2009	Sri Obul Reddy Hall Vani Mahal, No.103, G.N. Chetty Road, Chennai - 600 017	11-09-2009	10.15 a.m.

Three Special Resolutions were passed in the last three Annual General Meetings as under:

Sl. No.	Subject	Annual General Meeting held on	For the Financial year ended
1.	NIL	14th June, 2007	31st March, 2007
2.	Payment of Commission to Independent / Non - Executive Directors	18th June, 2008	31st March, 2008
3.	Appointment of Managing Director	11th September, 2009	31st March, 2009
4.	Appointment of Joint Managing Director	11th September, 2009	31st March, 2009

No Special Resolution was put through postal ballot and the Company does not propose to pass any Special Resolution through postal ballot process this year.

g) DISCLOSURES:

- Related Party Transactions: The Company has not entered into any transactions of a material nature with the Promoters, the Directors or the Management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large.
- Compliances by the Company: The Company has complied with the requirements of the Stock Exchanges, SEBI and other Statutory Authorities on all matters related to capital markets during the last three years. No penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority.
- Whistle Blower Policy: The Company is yet to establish a mechanism for Whistle Blower Policy which is a non-mandatory requirement.
- We affirmed that no personnel have been denied access to the audit committee.
- Compliance with mandatory requirements: The Company has complied with all Mandatory requirements as mentioned in clause 49(VI) (i) of the Listing Agreement.
- Adoption of Non- Mandatory requirements: The Company is in the process of adopting other non – mandatory requirements in future as mentioned in clause 49 (VII) (ii) of the Listing Agreement.
- The Chief Executive Officer and the Chief Financial Officer have issued the necessary certificate to the Board of Directors in compliance with clause 49 of the Listing Agreement.

h) MEANS OF COMMUNICATION:

The Board of Directors of the Company approves and takes on record the financial results in the proforma prescribed by the Stock Exchanges within the statutory period and announces forthwith the results to all the stock exchanges where the shares of the company are listed and also publishes the financial results in The Business Line and Makkal Kural newspapers.

These results are promptly submitted to the Stock Exchanges to enable them display the same on their website. The financial results are also made available at the website of the Company www.nippobatteries.com. In compliance with SEBI's circular under "Electronic Data Information Filing and Retrieval (EDIFAR)" scheme, the Company is filing the specific documents/statements/information in electronic form within the assigned time. SEBI has discontinued the EDIFAR system w.e.f 1st April, 2010.

i) MANAGEMENT DISCUSSION AND ANALYSIS

Appended to this Report.

j) GENERAL SHAREHOLDERS' INFORMATION:

- 1. AGM date, time and venue** : 23rd July, 2010; Friday, at 10.15 a.m. at Sri P. Obul Reddy Hall, Vani Mahal, No.103, G.N. Chetty Road, T. Nagar, Chennai - 600 017.
- 2. Dates of Book Closure** : Monday, July 19, 2010 to Friday, July 23, 2010 (both days inclusive)
- 3. Financial Year** : 01-04-2009 to 31-03-2010
- 4. Annual Results** : 23rd April, 2010
- 5. Posting of Annual Reports** : 30th June, 2010
- 6. Last date of receipt of proxy Forms** : 48 hrs. before AGM
- 7. Dividend payment date** : 30th July, 2010
- 8. Listing Fees** : Paid for all the above stock exchanges for the year 2009-10.
- 9. Address of Registered Office** : No.77,Nungambakkam High Road, IV Floor, "Pottipati Plaza", Chennai – 600 034. Tamil Nadu, India.
- 10. Plant locations** : (i) Andhra Kesari Nagar, Nellore (A.P)
(ii) Tada Kandriga Village, Nellore . (A.P)

11. Listing on Stock Exchanges

- (i) Madras Stock Exchange Limited
Exchange Building, Post Box No.183
11, Second Line Beach Road, Chennai - 600 001.
Tel : 91-44-25224382, 25224392
Fax: 91-44-25244897. Email:mseed@md3.vsnl.net.in
- (ii) Bombay Stock Exchange Ltd.
Phiroze Jheejheebhoy Towers
Dalal Street, Mumbai - 400 001
Tel : 91-22-22721234, 22721233
Fax: 91-22-22722082 / 3132

(iii) National Stock Exchange of India Ltd.
Exchange Plaza, Bandra-Kurla Complex
Bandra (E); Mumbai – 400 051
Tel: 91-22-26598100-14,
Fax: 91-22-26598237

12. Stock Code :

Bombay Stock Exchange Ltd.	504058
National Stock Exchange of India Ltd	NIPPOBATRY
Madras Stock Exchange Limited	INDONAT

13. Monthly share price quotation at BSE & NSE during 2009-10 are:

MONTH	BSE			NSE		
	HIGH (Rs.)	LOW (Rs.)	NO. OF SHARES TRADED	HIGH (Rs.)	LOW (Rs.)	NO. OF SHARES TRADED
APRIL – 09	311.90	287.50	8402	319.50	290.00	2197
MAY – 09	380.00	301.00	142761	379.80	300.00	26185
JUNE – 09	445.10	360.00	107341	442.00	351.00	83918
JULY -09	390.00	330.25	48664	400.00	335.00	38660
AUGUST -09	440.00	360.50	129692	424.00	360.00	144949
SEPTEMBER – 09	439.00	368.00	63460	430.00	370.05	78451
OCTOBER -09	401.80	363.05	44782	399.95	370.40	39266
NOVEMBER -09	424.00	356.25	33820	422.00	365.25	29992
DECEMBER -09	428.50	402.00	27833	423.90	404.00	15925
JANUARY – 10	470.00	395.00	84287	471.00	382.40	79840
FEBRUARY -10	434.00	387.00	23995	433.90	414.50	17904
MARCH – 10	433.00	397.55	23618	447.00	394.50	19360

14. Registrar & Share Transfer Agents :

The address of the Registrar & Share Transfer Agents is as under:

M/s. Cameo Corporate Services Ltd.
Subramanian Building
No.1, Club House Road
Chennai – 600 002

Name of Contact person:
Mr. R.D. Ramasamy, Director
Phone No.: 044-28460390 (5 lines)
Fax No.: 044-28460129
Email : cameo@cameoindia.com

15. Share Transfer System:

Applications for transfer of shares held in physical form are received by the Company and all valid transfers are processed and effected within 15 days from the date of receipt. Shares held in the dematerialized form are electronically traded in the Depository and the Registrars and Share Transfer Agents of the Company periodically receive from the Depository the beneficiary holdings so as to enable them to update their records and to send all corporate communications, dividend warrants, etc.

Physical shares received for dematerialisation are processed and completed within a period of 15 days from the date of receipt, provided they are in order in every respect. Bad deliveries are immediately returned to Depository Participants under advice to the shareholders. However, the request for share transfers etc. will continue to be considered and approved by the share transfer committee. The Share Transfer Committee generally meets once a month. There are no pending share transfers as on 31st March, 2010.

16. Dematerialisation of shares:

The Company's shares are available for trading in the depository systems of both the National Securities Depository Limited and the Central Depository Services (India) Limited. The International Securities Identification Number (ISIN) allotted to the Company is INE567A01010. As on 31st March, 2010, 84.0554% of the Company's total shares representing 31,52,081 shares are in dematerialized form.

17. Outstanding GDR/ADR/Warrants or any convertible instruments:

The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments.

18. Distribution of shareholding as on 31st March, 2010:

Number of shares	Number of shareholders	Percentage of shareholders	Number of shares held	Percentage of shareholding
1 - 500	5397	93.63	444777	11.86
501 - 1000	217	3.76	161048	4.29
1001 - 2000	78	1.35	110196	2.94
2001 - 3000	15	0.26	38857	1.04
3001 - 4000	10	0.17	36126	0.96
4001 - 5000	4	0.07	17504	0.47
5001 - 10000	14	0.24	90128	2.40
10001 & above	29	0.52	2851364	76.04
TOTAL	5764	100.00	3750000	100.00

19. Categories of Shareholders as on 31st March, 2010:

Category	No. of shares held	% of shareholding
Foreign Collaborator	1147125	30.590
Indian Promoters	1661795	44.314
Resident Indians	777252	20.727
Non-Resident Indians	50611	1.350
Foreign Institutional Investors	25675	0.685
Domestic Companies	87542	2.334
Banks/Insurance Companies	-	-
TOTAL	3750000	100.000

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE :

During the financial year 2009-10, the Dry Cell Battery Industry as a whole had registered a growth of 7.73%. The sale of dry cell batteries in the industry had increased from 20.97 billion pieces to 22.59 billion pieces.

OUTLOOK ON OPPORTUNITIES, THREATS, RISK AND CONCERNS:

The Dry cell battery industry is witnessing intense competition among the players and maintaining the existing market share itself is becoming more and more difficult due to difficult market conditions. To overcome the difficult market conditions your company is undertaking various measures like productivity improvements, cost reduction activities, reduction of defectives, intensifying sales promotion activities, giving thrust to improving sales in the rural markets through better distribution, etc. Apart from the above, your company is planning to introduce new varieties of battery appliances to enhance volume and market share.

INTERNAL CONTROL SYSTEMS AND ADEQUACY:

The Company has adequate Internal Control procedures commensurate with its size and nature of the business. These business control procedures ensure efficient use and protection of the resources and compliance with the policies, procedures and statutes. The Internal Control system provide for well-documented policies, guidelines, authorizations and approval procedures. The Internal Auditors M/s. R.V. Chander & Associates, Chartered Accountants had carried Audit extensively throughout the year. The prime objective of such Audits is to test the adequacy and effectiveness of all Internal Controls laid down by the management and to suggest improvements, wherever necessary.

FINANCIAL PERFORMANCE:

The total turnover of the Company for the year under review was Rs.337.52 crores as compared to Rs.307.34 crores in the previous year. The profit before depreciation is at Rs.30.85 crores as against Rs.30.27 crores in 2008-09 and the depreciation is at Rs.5.83 crores as against Rs.5.63 crores in the previous year. The profit before tax is at Rs. 25.04 crores as against Rs.24.53 crores in the previous year.

HUMAN RESOURCES:

The Company regards its human resources amongst its most valuable assets and proactively reviews and evolves policies and processes to attract and retain requisite skill-sets covering technical and managerial functions through a work environment that encourages initiative, provides challenges and opportunities and recognizes the performance and potential of its people. As of March 31, 2010, the number of employees stood at 486 covering all locations compared to 497 as of March 31, 2009.

DECLARATION

TO THE MEMBERS OF NIPPO BATTERIES CO. LTD.

This is to declare that the Code of Conduct envisaged by the Company for members of the Board and the Senior Management Personnel have been complied with by all the members of the Board and the Senior Management Personnel of the Company respectively.

For NIPPO BATTERIES CO. LTD.

P. DWARAKANATH REDDY
MANAGING DIRECTOR & CEO

Place : Chennai

Date : 23rd April, 2010

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

TO THE MEMBERS OF NIPPO BATTERIES CO. LTD.

We have examined the compliance of conditions of corporate governance by Nippo Batteries Co. Ltd., for the year ended on 31.03.2010 as stipulated in clause 49 of the Listing Agreement of the said company with stock exchange(s).

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that no investor grievance(s) is pending for a period exceeding one month against the company as per the records maintained by the Shareholders/ Investors Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

For P. SRINIVASAN & CO.
Chartered Accountants
Firm No.004054S

Place: Chennai

Date : 23rd April, 2010

P. SRINIVASAN
Partner
Membership No.: 2090

REPORT OF THE AUDITORS

1. We have audited the attached Balance Sheet of M/s. Nippo Batteries Co. Ltd., as at 31st March, 2010 and the Profit and Loss Account and also the Cash Flow statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Department of Company Affairs in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order to the extent applicable to the Company.
4. Further to our comments in the Annexure referred to in the paragraph 3 above, we report that:
 - a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of those books.
 - c. The Balance Sheet, the Profit and Loss account and the Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - d. In our opinion, the Balance Sheet and Profit and Loss account and Cash Flow Statement dealt with by this report comply with Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956, as they apply to the Company.
 - e. On the basis of written representations received from the directors as at 31st March, 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

- f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010;
 - ii) in the case of Profit and Loss Account, of the profit of the Company for the year ended on that date; and
 - iii) in the case of the Cash Flow statement, of the cash flows for the year ended on that date.

For P. SRINIVASAN & CO.
Chartered Accountants
Firm No.004054S

Place: Chennai
Date: 23rd April, 2010

(P. SRINIVASAN)
Partner
Membership No:2090

Annexure referred to in paragraph 3 of our report of even date:

- i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) These fixed assets have been physically verified by the management at the end of the financial year which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- c) As per the records and as explained to us, the Company has not disposed off any substantial or major part of fixed assets during the year.
- ii) a) As explained to us, inventories held by the Company were physically verified during the year at reasonable intervals by the management.
- b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- iii) a) The company has not granted any loans, secured or unsecured to companies; firms or other parties covered in the register maintained u/s 301 of the Companies Act, 1956.

- (b) The company has not taken any loans, secured or unsecured to companies, firms or other parties covered in the register maintained u/s.301 of the Companies Act, 1956.
- iv) a) In our opinion and according to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the Company and nature of its business with regard to the purchases of inventories, fixed assets and for the sale of goods and services.
- b) In our opinion and according to the information and explanations given to us, there is no continuing failure to correct major weaknesses in internal control system of the Company.
- v) a) In our opinion, on the basis of the audit procedures applied by us and according to the information and explanation given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section.
- b) In our opinion, on the basis of the audit procedures applied by us and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956, have been made at prices which are reasonable having regard to prevailing market prices for such goods, materials or services at the relevant time.
- vi) The Company has not accepted any deposits from the public during the year to which the directives issued by the Reserve Bank of India and the provisions of sections 58A and 58AA and any other relevant provision of the Act and the rules framed there under are applicable.
- vii) In our opinion, the company has an internal audit system commensurate with its size and the nature of its business.
- viii) According to the records produced and the information given to us, the cost records prescribed by the Central Government under Sec.209(1)(d) of the Companies Act 1956 (1 of 1956) are being made and maintained by the Company. No examination of such records has been carried out by us.
- ix) (a) According to the records of the Company, the Company is regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Wealth Tax, Service Tax, Sales Tax, Customs Duty, Excise Duty, Cess and any other statutory dues applicable to it, with the appropriate authorities during the year.
- (b) According to the records of the company, there are no dues of income tax, wealth tax, customs duty service tax, excise duty and cess which have not been deposited on account of any dispute except:
 - i) disputed Madhya Pradesh Sales Tax of Rs.2.15 lacs pending before the First Sales Tax Appellate Authority and
 - ii) disputed Income Tax of Rs.10.91 Lakhs pending before the First Appellate Authority.
- x) As at the end of the financial year, the Company does not have accumulated losses. It has not incurred cash losses during the financial year or in the immediately proceeding financial year.
- xi) On the basis of records and as explained to us, working capital facilities have been availed by the company as per the limits sanctioned by the bankers. The Company has not availed borrowing facilities from financial institutions and debenture holders.
- xii) As per the records maintained by the Company, no loans or advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) The clause regarding special statutes is not applicable to the Company.
- xiv) As per the records maintained, the Company does not deal or trade in shares, securities, debentures and other investments.
- xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions during the year.
- xvi) The company has not raised any term loans during the year.
- xvii) As per records maintained and information given to us, the Company has not raised funds either on short term or long term basis during the year.
- xviii) The company has not made any preferential allotment of shares during the year.
- xix) The company has not issued any debentures during the year.
- xx) The company has not raised any money by public issues during the year.
- xxi) On the basis of the audit procedures carried out by us and information and explanation given by the management, we state that no fraud on or by the Company has been noticed or reported during the course of our audit.

For P. SRINIVASAN & CO.
Chartered Accountants
Firm No.004054S

(P. SRINIVASAN)

Partner

Membership No:2090

Place: Chennai
Date: 23rd April, 2010

FINANCIAL HIGHLIGHTS

(Rs. in '000s)

YEAR ENDED

PARTICULARS	31.03.2010	31.03.2009	31.03.2008	31.03.2007	31.03.2006
Income	3459888	3155213	3241496	3448687	3240769
Expenses	3151344	2852470	2942854	3289457	3014502
EBDT	308544	302743	298642	159230	226267
Depreciation	58319	56329	52081	66598	73870
Profit before Tax	250416	245337	245892	92874	154703
Tax	85200	85000	85800	32700	52200
Profit after Tax	165216	160337	160092	60174	102503
Earnings per share in Rs.	44.06	42.68	42.69	16.05	27.33
Book value per share in Rs.	360.37	339.71	320.35	301.06	299.64
Dividend %	200	200	200	125	200
Net profit ratio %	4.89	5.21	4.94	1.74	3.16
Rate of return on investment %	12.23	12.59	13.33	5.33	8.92
Current Ratio (Times)	2.58	2.54	2.90	1.8	1.78
Price earnings ratio (Times)	9.55	6.77	9.27	19.9	15.29

Balance Sheet as at March 31, 2010

	Schedule	Rupees '000s	As at Mar.31, 2010 Rupees '000s	Rupees '000s	As at Mar.31, 2009 Rupees '000s
Sources of Funds					
Shareholders' Funds					
Capital	1	3,75,00		3,75,00	
Reserves and Surplus	2	1,31,38,88		1,23,64,18	
			1,35,13,88		1,27,39,18
Loan Funds					
Secured Loans	3		1,90,00		1,80,00
			1,37,03,88		1,29,19,18
Application of Funds					
Fixed Assets					
Gross Block	4	1,56,25,27		1,46,38,18	
Depreciation to-date		1,04,26,91		98,60,02	
Net Block		51,98,36		47,78,16	
Capital work-in-progress		18,82		46,72	
			52,17,18		48,24,88
Current Assets, Loans & Advances					
Inventories	5	32,30,77		25,43,71	
Sundry Debtors		55,05,46		65,29,31	
Cash and Bank Balances		29,56,49		24,26,13	
Loans and Advances		21,60,71		18,52,40	
		1,38,53,43		1,33,51,55	
Current Liabilities & Provisions					
Liabilities	6	26,96,55		26,31,78	
Provisions		26,70,18		26,25,47	
		53,66,73		52,57,25	
Net Current Assets					
			84,86,70		80,94,30
			1,37,03,88		1,29,19,18
Significant Accounting Policies and Notes on accounts	11				

JUSTICE S. NATARAJAN
Chairman

P. DWARAKANATH REDDY
Managing Director

R.P. KHAITAN
Joint Managing
Director

As per our Report attached
for **P. SRINIVASAN & Co.**
Chartered Accountants

J. SRINIVASAN
Secretary
Chennai, April 23, 2010

P. SRINIVASAN
Partner

Profit and Loss Account for the year ended March 31, 2010

	Schedule	2009 - 2010		2008 - 2009
		Rupees '000s	Rupees '000s	Rupees '000s
Income				
Sales		3,37,52,20		3,07,34,40
Other Income	7	8,46,68		8,01,37
		3,45,98,88		3,15,35,77
Expenditure				
Materials consumed	8	1,60,76,80		1,59,39,58
Central Excise Duty		26,66,41		42,44,88
Purchases of Goods		73,69,46		35,81,28
Other Expenses	9	58,04,54		52,93,07
Increase / Decrease in Stock of Finished goods	10	(4,03,77)		(5,50,47)
		3,15,13,44		2,85,08,34
Profit before Depreciation		30,85,44		30,27,43
Depreciation		5,83,19		5,63,29
Net profit for the year		25,02,25		24,64,14
Prior Year Adjustments		(1,91)		10,77
Profit Before Tax		25,04,16		24,53,37
Provision for Tax				
Current Tax		5,31,00	5,31,10	
Deferred Tax		3,21,00	3,18,90	
		8,52,00		8,50,00
Resultant Profit		16,52,16		16,03,37
Surplus brought forward		4,81,36		4,55,45
		21,33,52		20,58,82
Appropriations				
Proposed Dividends		7,50,00	7,50,00	
Tax on Proposed Dividends		1,27,46	1,27,46	
Transfer to General Reserve		7,50,00	7,00,00	
		16,27,46		15,77,46
Surplus carried to Balance Sheet		5,06,06		4,81,36
Significant Accounting Policies and Notes on Accounts	11			

JUSTICE S. NATARAJAN
Chairman

P. DWARAKANATH REDDY
Managing Director

R.P. KHAITAN
Joint Managing
Director

As per our Report attached
for **P. SRINIVASAN & Co.**
Chartered Accountants

J. SRINIVASAN
Secretary
Chennai, April 23, 2010

P. SRINIVASAN
Partner

SCHEDULES TO ACCOUNTS

	As at Mar. 31, 2010 Rupees '000s	As at Mar.31, 2009 Rupees '000s
1. SHARE CAPITAL		
Authorised		
50,00,000 Equity Shares of Rs.10/- each	<u>5,00,00</u>	<u>5,00,00</u>
Issued and Paid-up		
37,50,000 Equity Shares of Rs.10/- each fully paid up	<u>3,75,00</u>	<u>3,75,00</u>
Of the above		
(a) 25,000 Equity Shares of Rs.10/- each have been allotted as fully paid up for consideration other than cash to the Foreign Collaborators.		
(b) 28,12,500 Equity Shares of Rs.10/- each were allotted as fully paid-up bonus shares by capitalisation of General Reserve.		
2. RESERVES AND SURPLUS		
General Reserve		
As per last Balance Sheet	<u>1,18,82,82</u>	<u>1,11,82,82</u>
Transfer from Profit and Loss Account	<u>7,50,00</u>	<u>7,00,00</u>
	<u>1,26,32,82</u>	<u>1,18,82,82</u>
Surplus Balance in Profit and Loss Account	<u>5,06,06</u>	<u>4,81,36</u>
	<u>1,31,38,88</u>	<u>1,23,64,18</u>
3. SECURED LOANS		
Short Term Loans :		
Canara Bank (against Fixed Deposits)	<u>1,90,00</u>	<u>1,80,00</u>
	<u>1,90,00</u>	<u>1,80,00</u>

4. FIXED ASSETS		Rupees '000s									
Sl. No.	DESCRIPTION OF ASSET	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As at 1st April 2009	Additions/Transfers	Deletions/Transfers	As at 31st March 2010	Upto 31st March 2009	For the Year	With drawn	Upto 31st March 2010	As at 31st March 2010	As at 31st March 2009
1.	Land	51,18	19,11	-	70,29	-	-	-	-	70,29	51,18
2.	Buildings	17,00,68	-	-	17,00,68	8,94,93	68,38	-	9,63,31	7,37,37	8,05,75
3.	Plant and Machinery	1,11,65,93	9,42,66	-	1,21,08,59	78,11,06	4,19,90	-	82,30,96	38,77,63	33,54,87
4.	Electrical Installations	3,72,95	14,69	-	3,87,64	2,37,48	19,62	-	2,57,10	1,30,54	1,35,47
5.	Airconditioners & Refrigerators	2,08,82	7,42	55	2,15,69	1,25,06	12,47	38	1,37,15	78,54	83,76
6.	Furniture & Fixtures	1,25,82	3,27	-	1,29,09	93,04	6,33	-	99,37	29,72	32,78
7.	Vehicles & Delivery Equipments	2,03,68	19,43	26,99	1,96,12	1,23,69	20,44	15,92	1,28,21	67,91	79,99
8.	Office & General Equipments	1,26,18	1,06	-	1,27,24	86,33	5,69	-	92,02	35,22	39,85
9.	Computer Systems	2,87,94	6,99	-	2,94,93	2,62,16	12,18	-	2,74,34	20,59	25,78
10.	Research and Development-										
	a. Buildings	49,21	-	-	49,21	22,92	2,63	-	25,55	23,66	26,29
	b. Plant & Machinery	3,28,40	-	-	3,28,40	1,86,39	15,39	-	2,01,78	1,26,62	1,42,01
	c. Computer Equipments	17,39	-	-	17,39	16,96	16	-	17,12	27	43
	Sub-Total	1,46,38,18	10,14,63	27,54	1,56,25,27	98,60,02	5,83,19	16,30	1,04,26,91	51,98,36	47,78,16
11.	Capital Work in Progress	46,72	-	27,90	18,82	-	-	-	-	18,82	46,72
	Grand Total	1,46,84,90	10,14,63	55,44	1,56,44,09	98,60,02	5,83,19	16,30	1,04,26,91	52,17,18	48,24,88
	Previous Year's Total	1,35,68,93	12,26,38	1,10,41	1,46,84,90	93,25,46	5,63,29	28,72	98,60,02	48,24,88	42,43,47

	As at Mar. 31, 2010 Rupees '000s	As at Mar.31, 2009 Rupees '000s
5. CURRENT ASSETS, LOANS & ADVANCES		
A. CURRENT ASSETS		
a. Inventories		
Stores and Spare Parts	1,53,88	1,58,39
Raw Materials	11,52,27	9,27,96
Packing Materials	80,77	60,68
Goods in Process	2,45,96	2,02,56
Finished Goods	15,97,89	11,94,12
Total	<u>32,30,77</u>	<u>25,43,71</u>
b. Sundry Debtors (Unsecured and Considered Good)		
Debts outstanding for a period exceeding six months	75,63	19,12,77
Other Debts	54,29,83	46,16,54
Total	<u>55,05,46</u>	<u>65,29,31</u>
i. Due by Directors or other officers of the Company or any of them either severally or jointly with any other person	-	-
ii. Due by firms or private companies in which any Director is a Partner or a Director or a Member	-	-
iii. Due from companies under the same management	-	-
iv. Maximum amount due by Directors or other officers of the Company at any time during the year.	-	-
c. Cash and Bank Balances		
a. Cash and Cheques on hand and in transit	6,64,14	5,39,58
b. With Scheduled Banks		
i. Current Accounts [Includes unclaimed Dividends Rs.39,04 (29,43)]	3,03,58	3,15,96
ii. Deposit Accounts	19,88,77	15,70,59
Total	<u>29,56,49</u>	<u>24,26,13</u>
d. Loans and Advances (Unsecured and considered good)		
Advances recoverable in cash or in kind or for value to be received	11,84,88	9,49,54
Balances with Central Excise Department	1,75,79	1,26,82
Deferred Tax Asset	8,00,04	7,76,04
Total	<u>21,60,71</u>	<u>18,52,40</u>
i. Due by Directors or other officers of the Company or any of them either severally or jointly with any other person	-	-
ii. Due by firms or private companies in which any Director is a Partner or a Director or a Member	-	-
iii. Due from companies under the same management	-	-
iv. Maximum amount due by Directors or other officers of the Company at any time during the year	-	-

	Rupees '000s	As at Mar.31, 2010 Rupees '000s	Rupees '000s	As at Mar.31, 2009 Rupees '000s
6. CURRENT LIABILITIES AND PROVISIONS				
a . Current Liabilities				
Sundry Creditors				
i. Dues to Micro, Small and Medium Enterprises		61,51		65,79
ii. Other than Micro, Small and Medium Enterprises		17,12,11		17,68,68
Investor Education and Protection Fund				
- Unclaimed Dividends		39,04		29,43
Other Liabilities		8,83,47		7,63,71
[Due to Directors Rs.70,81 (65,68)]				
Interest accrued but not due on Loan		42		4,17
Total		<u>26,96,55</u>		<u>26,31,78</u>
b . Provisions				
Taxation		82,08		19,80
Deferred Tax Liability		17,67,83		14,22,83
Proposed Dividends		7,50,00		7,50,00
Retirement benefits		70,27		4,32,84
Total		<u>26,70,18</u>		<u>26,25,47</u>
	Rupees '000s	2009 - 2010 Rupees '000s	Rupees '000s	2008 - 2009 Rupees '000s
7. OTHER INCOME				
Interest Received				
Banks		1,59,43		2,08,77
Others		6,27,49		5,31,47
Profit on sale of Fixed Assets		10		1
Miscellaneous Income		59,66		61,12
Total		<u>8,46,68</u>		<u>8,01,37</u>
8. MATERIALS CONSUMED				
a. Raw Materials & Components				
Opening Stock :				
On Hand	9,27,96	9,27,96	10,57,29	10,57,29
Add : Purchases		1,51,54,70		1,46,36,50
		1,60,82,66		1,56,93,79
Deduct :				
Closing Stock :				
On Hand	11,52,27	11,52,27	9,27,96	9,27,96
		<u>1,49,30,39</u>		<u>1,47,65,83</u>

Nippo Batteries Co. Ltd

	Rupees '000s	2009 - 2010 Rupees '000s	Rupees '000s	2008 - 2009 Rupees '000s
b. (Increase) / Decrease in Goods in Process				
Opening Stock	2,02,56		1,97,16	
Closing Stock	2,45,96		2,02,56	
		(43,40)		(5,40)
c. Packing Materials Consumed		7,37,78		7,85,00
d. Carriage Inwards		4,48,84		3,90,02
e. Inward Transit Insurance		3,19		4,13
Total		1,60,76,80		1,59,39,58
9. OTHER EXPENSES				
Employee Costs :				
Salaries, Wages, Bonus and Allowances	10,05,19		9,01,10	
Contributions to :				
Employees' Provident Fund	73,23		70,82	
Employees' State Insurance	17,15		20,04	
Gratuity	62,64		1,54,78	
Superannuation	33,64		28,67	
Welfare Expenses	5,59,73		4,88,78	
		17,51,58		16,64,19
Remuneration to Directors		2,33,49		2,10,99
Power, Gas and Water Charges		2,55,47		2,60,25
Stores and Spares consumed		3,90,15		3,90,80
Repairs to :				
Building	72,30		89,49	
Plant and Machinery	16,60		13,82	
Other Assets	3,92,52		3,96,50	
		4,81,42		4,99,81
Insurance		19,55		20,27
Research & Development Expenses		26,82		31,89
Rent		1,41,39		1,33,95
Travelling & Conveyance		1,62,18		1,55,30
Communication Expenses		42,35		43,55
Printing and Stationery		11,74		14,18
Carriage Outwards		9,48,30		8,85,12
Advertisement		6,40,86		3,28,98
Selling and Distribution Expenses		3,27,55		3,12,29
Vehicle Maintenance		38,50		38,63
Auditors' Remuneration		5,50		5,50
Professional Charges		1,67,82		1,26,16
Additional Sales Tax. etc.		31,53		26,10
Rates and Taxes		66,61		85,49
Loss on Sale of Fixed Assets		39		83
Miscellaneous Expenses		61,34		58,79
Total		58,04,54		52,93,07

	Rupees '000s	2009 - 2010 Rupees '000s	Rupees '000s	2008 - 2009 Rupees '000s
10.DECREASE / (INCREASE) IN STOCK OF FINISHED GOODS				
Opening Stock				
Batteries	10,74,65		6,03,07	
Torch and others	1,19,47		40,58	
		11,94,12		6,43,65
Closing Stock				
Batteries	9,44,92		10,74,65	
Torch and others	6,52,97		1,19,47	
		15,97,89		11,94,12
DECREASE / (INCREASE)		(4,03,77)		(5,50,47)

11.SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

A) SIGNIFICANT ACCOUNTING POLICIES :

a) The financial accounts are prepared under the historical cost convention and accounted on accrual basis.

b) INVENTORIES

Raw materials including components, finished goods, goods in process, materials in transit, packing materials and stores & spares have been valued at lower of cost and estimated net realisable value. Cost is computed under the FIFO method.

c) DEPRECIATION

Depreciation has been charged :

- i) at 10% under straight line method on machinery imported Body maker and Bag openers and other projects having regard to the expected useful life and residual value of the machinery and
- ii) at the rates and in the manner prescribed under Schedule XIV of the Companies Act, 1956.
 - a) on assets relating to 3D Project (I Line) and assets related to Wind Mill under straight line method.
 - b) on all the other assets under written down value method.

d) REVENUE RECOGNITION

- i) Sales exclude Discounts, Sales Tax recoveries and include Excise Duty.
- ii) Interest is recognised on the time basis determined by the amount outstanding and the rate applicable.

e) FIXED ASSETS

Fixed Assets are stated at cost less depreciation except land which is stated at cost. Cost comprises purchase price and attributable costs (including financing costs).

f) FOREIGN CURRENCY TRANSLATION

Net gain or loss on conversion at year end of current assets and current liabilities other than transactions relating to fixed assets is recognised in the Profit & Loss Account. In respect of liabilities incurred in foreign currencies for acquisition of fixed assets, variations in exchange rates at the time of repayment of loan instalments are adjusted to the value of fixed assets.

g) EMPLOYEE BENEFITS

- 1) Short term employee benefits are recognised as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.
- 2) Post employment and other long term employee benefits recognised as expense in the profit and loss account of the year in which the employee has rendered services:
 - i) Employees Provident Fund, Employees State Insurance and Superannuation are defined contribution plans. The contributions under these plans are charged to revenue.
 - ii) a) Gratuity is a defined benefit plan funded with the L.I.C. The contributions actuarially assessed by the L.I.C and paid under the plan are charged to revenue.
b) Actuarial gains and losses are charged to revenue.
 - iii) In respect of those not covered by L.I.C., schemes necessary provisions has been made as applicable.
 - iv) Future liability on leave encashment to employees has been provided as per Company's Policy.
- 3) Termination benefits: Payments made under employees ' Early Separation Scheme' are amortised over a period of five years from the date upto which the scheme was in operation.

h) EARNINGS PER SHARE

The Company's share capital consists only of Equity Shares. The basic earning per share is calculated and disclosed.

i) ACCOUNTING FOR TAXES ON INCOME

Tax expense for the current year comprises current tax and deferred tax. Deferred tax is recognised for all timing differences subject to consideration of prudence. Deferred tax in respect of the accumulated balance as on 31-03-2001 has been recognised in the accounts as deferred tax, asset / liabilities with a corresponding charge of net amount to the general reserve.

j) RELATED PARTY DISCLOSURES have been made as per Accounting Standard 18

k) RESEARCH AND DEVELOPMENT

Revenue expenditure on Research and Development is charged to Profit and Loss Account as and when incurred. Expenditure on assets acquired are capitalised.

l) INTANGIBLE ASSETS

There are no other intangible assets except those disclosed in the accounts separately for Cost of acquired computer software

m) IMPAIRMENT OF ASSETS

There being no indication of impairment of assets, no loss has been recognised on impairment of assets.

B) NOTES ON ACCOUNTS AND QUANTITATIVE INFORMATION :

- 1) Fixed Deposits Rs.19,88,77 (Rs.15,70,59) with Scheduled Banks include those pledged to Sales Tax Department Rs.3,82 (Rs.3,28).
- 2) National Savings Certificates included under Loans & Advances (Schedule 5d) have been lodged as under Central Excise Department Rs.1 (Rs.1), Sales Tax Department Rs.7 (Rs.7) and Transport Authorities Rs.11 (Rs.11).
- 3) Tax deducted at source on interest Rs. 1,19,87 (1,68,43)
- 4) Interest received from Banks (under other income) is net of Interest paid Rs. 1,07 (Rs.14,65)
- 5) The aggregate working capital limit of Rs.11,00,00 (Rs.11,00,00) sanctioned by Banks are secured by hypothecation of imported and indigenous Raw Materials, Components, Spares, Goods in process and Finished Goods.

	2009 - 2010 Rupees '000s	2008 - 2009 Rupees '000s
6. a) Managerial Remuneration (Minimum)		
a) Salary	96,00	96,00
b) Commission	67,00	65,68
c) Contribution to Provident fund and Retirement Benefit	59,30	33,92
d) Other perquisites	11,19	15,39
Total	<u>2,33,49</u>	<u>2,10,99</u>
b) Computation of Commission Payable to Directors		
Profit before tax as per Profit and Loss Account	25,04,16	24,53,37
Add : Depreciation charged in the accounts	5,83,19	5,63,29
Cess for earlier years	-	13,26
Income Tax Provision for earlier years	10,00	-
Loss on Sale of fixed assets	39	83
Early Separation Scheme amortised	1,53,09	1,53,14
Directors' sitting fees	3,00	2,40
Managerial remuneration	<u>2,33,49</u>	<u>2,10,99</u>
	<u>34,87,32</u>	<u>33,97,28</u>
Less : Depreciation u/s. 350 of the Companies Act, 1956	5,83,19	5,63,29
Profit on sale of fixed assets	10	1
Net profit pursuant to Section 349 of the Companies Act, 1956 for the purpose of Commission to Directors	<u>29,04,03</u>	<u>28,33,98</u>
Commission at 1% thereof to Other Directors	<u>29,04</u>	<u>28,34</u>
Commission due to :		
Wholetime Directors	58,00	56,68
Independent Directors	9,00	9,00
Total Commission for the year	<u>67,00</u>	<u>65,68</u>
Managerial Remuneration provided	<u>2,33,49</u>	<u>2,10,99</u>

7. There are no outstanding dues to Micro, Small and Medium Enterprises as per the information contained in the vendor list maintained by the Company and to whom the Company had no outstanding dues exceeding forty five days as on 31st March 2010.

The disclosure pursuant to the said Act is as under	Rs.
(i) Principal amount and the interest thereon	--
(ii) Interest paid (along with payment made to suppliers) beyond the appointed day during the year	--
(iii) Interest due and payable for delay in making the payment	--
(iv) Interest accrued and remaining unpaid at the end of the year	--
(v) Further investment remaining due and payable in succeeding years	--

8. Defined Benefit Plan:

Defined benefit plan as per actuarial valuation as on 31st March, 2010 and recognised in the financial statements in respect of Employee Benefit Scheme: (AS - 15)

	Gratuity (funded) (Rs.'000s)	
	2009 - 2010	2008 - 2009
(i) Component of Employee Cost		
a) Interest Cost	3211	2659
b) Current Service Cost	4180	1625
c) Expected return on Plan Assets	3731	2794
d) Actuarial loss	5609	6438
e) Net Liability recognised in the profit and loss a/c.	9270	7928
(ii) Net Asset/(Liability) recognised in Balance Sheet		
a) Present value of obligation	51613	41155
b) Fair value of Plan Assets	54510	41994
c) Asset / (Liability) to be recognised in the Balance Sheet	2897	839
(iii) Changes in defined benefit obligation		
a) Present value at the beginning	41156	35265
b) Current Service Cost	4180	1625
c) Interest Cost	3211	2659
d) Benefits paid	2036	4047
e) Actuarial loss	5102	5655
f) Present value at the end	51613	41156
(iv) Changes in fair value of Plan assets		
a) Present value at the beginning	41995	29874
b) Expected actual return on Plan Assets	3731	2794
c) Contributions	11327	14157
d) Benefit paid	2036	4047
e) Actuarial gain / loss	507	783
f) Fair value at the end	54510	41995
(v) Actuarial Assumptions	%	%
a) Discount rate (per annum)	8.00	8.00
b) Expected rate of return on assets	8.00	8.00
c) Salary escalation rate	8.00	8.00
d) Attrition rate	1-3	1-3
9. a. Miscellaneous expenses include :	2009 - 2010	2008 - 2009
(i) Interest on loans to Bank	10,78	10,94
(ii) Interest on purchase bills and other bank charges	1,85	8,38
(iii) Sitting fees to Directors	3,00	2,40
(iv) Donations	1,19	57
b. Auditors' Remuneration		
a. Statutory Audit	2,50	2,50
b. Taxation and Certification	1,25	1,25
c. Tax Audit	1,25	1,25
d. Out of pocket expenses	50	50
	<u>5,50</u>	<u>5,50</u>

10.a) Disclosures of intangible Assets

i) Gross Carrying amount	Cost of Acquired Software (Rs.)
Beginning of the year	51
End of the year	0
ii) Reconciliation of Carrying Amount	
Beginning of the year	51
Addition	-
	51
Less : Amortisation	51
End of the year	0

b) Derivative Instrument and Unhedged Foreign Currency Exposure:

S.No	Purpose	As at 31.03.10	As at 31.03.09
1.	Forward Currency Swap Outstanding	Nil	Nil
2.	Unhedged Foreign Currency Exposure		
a).	Outstanding creditors for Purchase of materials and merchandise	US \$ 233617.50 & JPY 3254343 Rs.12,122	Nil Nil
b)	Outstanding Debtors	Nil	Nil

11. The Company received Show Cause Notices in the year 1996 from the Commissioner of Commercial Taxes for the Years from 1978-79 to 1985-86 and 1987-88 seeking to revise the orders of Sales Tax Appellate Tribunal / Appellate Deputy Commissioner, allowing exemption on stock transfers made to the Depots for the above years in the appeals filed by the Company. The Sales Tax Department also filed Tax Revision Cases for the years from 1978-79 to 1980-81, which were set-aside by the High Court.

For the years 1981-82 to 1985-86 and 1987-88 however, on a reference on the question of Revisional Jurisdiction, to a larger Bench of A.P. High Court, order was passed in October 2001 in favour of the Company, quashing the Revisional Notices issued by the Commissioner of Commercial Taxes.

Against this, A.P. Salestax Authorities have filed Special Leave Petitions before the Supreme Court for the above years, which have been admitted. The Apex Court however did not grant the department's request for stay of operation of High Court's order.

The disputed sales tax liability in respect of these years viz. from 1981-82 to 1985-86 and 1987-88 is Rs.20.62 Crores which remains to be provided for.

In respect of the completed assessments for the subsequent years viz., 1988-89 to 2007-08 no such liability arose as the Assessing Authority himself has allowed exemption of sales-tax on the stock transfers made by the company.

12. No Provision has been made for

a) Differential Sales Tax of Rs.62.68 Lakhs levied by APGST authorities for the period from April 2001 to September 2002, based on sales turnover of Company's Authorised Wholesale Dealer, treating them as related persons under the amended provisions of the Sales Tax Act. The collection of tax has been stayed by the High Court of Andhra Pradesh on a Writ Petition filed by the Company. The company has so far paid Rs.75.59 lakhs, as per the directions of the High Court "under protest".

b) Part of Gratuity to Managing Director pending approval by LIC Group Gratuity Scheme estimated at Rs.60 Lakhs.

13. Provision of current Tax includes Provision for Fringe benefit Tax of Rs. Nil (Rs.14,00).

14. Related party disclosures : Are disclosed as per Accounting Standards 18

- Associates under Common Control:
- a) Panasonic Corporation
 - b) Panasonic Asia Pacific Pte Ltd
 - c) Panasonic Carbon India Co. Ltd
 - d) Panasonic Home Appliances India Co. Ltd
 - e) Sindoori Travels
 - f) Apollo Hospitals & Enterprises Ltd
 - g) Zodiac Travels Pvt. Ltd
 - h) Salora International Ltd
 - i) Essjay Ericsson P. Ltd
 - j) Sindhya Aqua Minerale Private Limited
 - k) Keesara Plastics Pvt. Ltd
 - l) Safe Corrugated Containers Pvt. Ltd
 - m) Associated Electrical Agencies - Chennai and Branches
 - n) Apex Agencies
 - o) Kalpatharu Enterprises Pvt. Ltd
 - p) R. P. Electronics
 - q) JSK Marketing Pvt. Ltd
 - r) Sab Electronics Pvt. Ltd
 - s) Radiohms Agencies
 - t) Radiohms Agencies Ltd
 - u) P. Obul Reddy & Sons
 - v) Radiohms Properties Pvt. Ltd
 - w) PPN Power Generating Co. Ltd
 - x) Altosys Software Technologies Ltd

Key Managerial Personnel Mr. P. Dwarakanath Reddy / Mr. P. Obul Reddy
Mr. R.P. Khaitan / Mr. S.R. Jiwarajka

Relatives of Key Managerial Mr. K.K.Jiwarajka, S/o. Mr. S. R. Jiwarajka

(Rs. in 000's)

Nature of Transaction	Associates	Key Managerial Personnel	Relatives of key Managerial Personnel	Total
Sale of Goods	2,94,26,97	-	-	2,94,26,97
Purchase of Goods	49,47,79	-	-	49,47,79
Receiving of Services	5,75,64	-	-	5,75,64
Rendering of Services	7,71,44	-	-	7,71,44
Remuneration	-	2,24,49	86	2,25,35
Due from as on 31st March, 2010	46,48,05	-	-	46,48,05
Due to as on 31st March, 2010	2,22,92	-	-	2,22,92

		As at Mar.31, 2010 Rupees '000s	As at Mar.31, 2009 Rupees '000s
15. A) Deferred Tax for Current Year			
a) Details of Deferred Tax Asset:			
i) Employees retirement and other benefits	2,43	15,19	
ii) Early Separation Scheme for Employees	21,57	18,06	
(a)	<u>24,00</u>	<u>33,25</u>	
b) Details of Deferred Tax Liability :			
i) Depreciation	2,24,00	3,22,40	
ii) Employees Retirement Benefit	1,21,00	-	
iii) Cess, Leave Encashment Scheme, etc.	-	29,75	
(b)	<u>3,45,00</u>	<u>3,52,15</u>	
c) Net Deferred Tax Liability for the year is (b minus a)	<u>3,21,00</u>	<u>3,18,90</u>	
B) Total Accumulated Deferred Tax Liability			
Accumulated Deferred Tax Liability for earlier years			
i) Depreciation	5,59,55	5,59,55	
ii) Accrued Taxes, Payments to employees, etc.	47,51	47,51	
Net provision for opening differences charged to General Reserve	<u>5,12,04</u>	<u>5,12,04</u>	
Deferred Tax Liability / (Asset)			
Current Year (2009-2010)	3,21,00		
Previous Years	<u>1,34,76</u>		
(e)	4,55,76	1,34,76	
Total Accumulated Deferred Tax Liability	(d) + (e)	<u>9,67,80</u>	<u>6,46,80</u>
16. Computation of earnings per share			
Net profit for the year	16,52,16	16,03,37	
Total number of Equity Shares	37,50	37,50	
Earnings per share (Rs.)	44.06	42.76	
Nominal Value per share	10	10	
17. Other Contingent Liabilities			
a) Estimated amount of contracts remaining to be executed on Capital Account and not provided for (Net of Advances)	24,00	24,36	
b) Letters of Credit	1,82	-	
c) Bills Discounted With the Bankers and others	11,48,53	12,68,45	
d) Sales Tax disputed in Appeals	2,15	2,15	
e) Income Tax disputed in Appeals	10,91	29,91	
18. Sales			
Batteries	2,71,91,64	2,80,24,58	
Torch and others	62,56,73	25,94,02	
Power (Wind)	3,03,83	1,32,16	
Gross Sales	<u>3,37,52,20</u>	<u>3,07,50,76</u>	
Less : Excise Duty collections	26,66,41	42,44,88	
Net Sales	<u>3,10,85,79</u>	<u>2,65,05,88</u>	
19. Purchases			
Torch and others	61,11,02	24,72,57	
Dry Cell Battery	12,58,44	11,08,71	
	<u>73,69,46</u>	<u>35,81,28</u>	

2009- 2010 2008 - 2009
Nos. '000s Nos. '000s

20. Quantitative and other Information

1) Manufacturing Capacity, Production, Stocks & Sales

i) Class of Goods Manufactured	Dry Cell Battery	
ii) Installed Capacity (1)	78,50,00	78,50,00
iii) Opening Stock	2,29,85	1,25,27
iv) Production	65,79,43	65,32,11
v) Sales	66,02,58	64,24,15
vi) Self-consumption, Lab Test & Damages	8,16	3,38
vii) Closing Stock	1,98,54	2,29,85

2) Trading

a) Purchases, Stocks and Sales

i) Class of Goods Traded	Torch and others	
ii) Opening Stock	1,72	75
iii) Purchases	67,99	38,07
iv) Sales	62,40	36,98
v) Self-consumption & Damages	6	12
vi) Closing Stock	7,25	1,72

b) Purchases, Stocks and Sales

i) Class of Goods Traded	Dry Cell Battery	
ii) Opening Stock	35,33	58,53
iii) Purchases	4,32,15	2,57,37
iv) Sales	4,39,60	2,80,51
v) Self-consumption & Damages	27	6
vi) Closing Stock	27,61	35,33

3) Wind Mill

	Units '000s	Units '000s
i) Production	95,64	45,57
ii) Supplies	95,64	45,57

Note : 1. Installed Capacity is as certified by the Management and not verified by the auditors, this being a technical matter.

21. a) Raw Materials Consumed

	Unit	2009 - 2010		2008 - 2009	
		Quantity '000s	Value Rs.'000s	Quantity '000s	Value Rs.'000s
Zinc	Kg.	38,87	38,12,27	41,95	35,76,42
Electrolytic Manganese Dioxide	Kg.	20,94	17,45,67	20,08	14,93,73
Other materials (None of which is 10% or more of the total value of raw materials consumed)			93,72,45		96,95,68
			<u>1,49,30,39</u>		<u>1,47,65,83</u>

	2009 - 2010		2008 - 2009	
	Value Rs.'000s	% of Total Consumption	Value Rs.'000s	% of Total Consumption
b) Value of Materials consumed and its percentage to total consumption				
I) Raw Materials				
i) Imported	29,09,38	19.5	27,03,75	18.3
ii) Indigenous	1,20,21,01	80.5	1,20,62,08	81.7
	<u>1,49,30,39</u>	<u>100.0</u>	<u>1,47,65,83</u>	<u>100.0</u>
II) Stores and Spares				
i) Imported	1,24	0.3	9,37	2.4
ii) Indigenous	3,88,91	99.7	3,81,43	97.6
	<u>3,90,15</u>	<u>100.0</u>	<u>3,90,80</u>	<u>100.0</u>
			2009- 2010	2008 - 2009
			Rupees '000s	Rupees '000s
22. CIF Value of Imports				
i) Raw Materials & Components			28,71,63	25,58,84
ii) Stores & Spares			32	-
iii) Capital Goods			-	8,82
iv) Traded Goods			35,56,07	8,40,15
23. Expenditure in Foreign Currency on Account of :				
i) Foreign Travel			8,30	2,56
ii) Other matters			3,04	-
24. Remittance in Foreign Currency to Non-Resident Shareholders				
Dividends			2,29,43	2,29,43
Number of Shareholders			ONE	ONE
Number of Shares held			1,14,71,25	1,14,71,25
Year to which Dividends relate			2008-2009	2007-2008
25. BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE				
I Registration Details				
Registration No.	6196			18
Balance Sheet Date	31-03-2010			
II. Capital Raised during the year (Amount in Rs. Thousands)				
			As at March 31, 2010	As at March 31, 2009
Public Issue			NIL	NIL
Rights Issue			NIL	NIL
Bonus Issue			NIL	NIL
Private Placement			NIL	NIL

As at
March 31, 2010 As at
March 31, 2009

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities	1,90,70,61	1,81,76,43
Total Assets	1,90,70,61	1,81,76,43
Sources of Funds		
Paid-up Capital	3,75,00	3,75,00
Reserves & Surplus	1,31,38,88	1,23,64,18
Secured Loans	1,90,00	1,80,00
Unsecured Loans	NIL	NIL

Application of Funds

Net Fixed Assets	52,17,18	48,24,88
Investment	NIL	NIL
Net Current Asset	84,86,70	80,94,30
Misc. Expenditure	NIL	NIL
Accumulated Loss	NIL	NIL

IV. Performance of Company (Amount in Rs. Thousands)

Turnover	3,37,52,20	3,07,34,40
Total Expenditure	3,12,48,04	2,82,81,03
Profit Before Tax	25,04,16	24,53,37
Profit After Tax	16,52,16	16,03,37
Earnings per Share (Rs.)	44.06	42.76
Dividend Proposed (%)	200	200

V. Generic Names of Three Principal Products / Services of Company (as per Monetary terms)

Item No. (ITC Code)	850611.00
Product Description	Dry Battery
Item No. (ITC Code)	851310.05
Product Description	Torch Light

26. Confirmation of Balances in respect of Debtors, Loans and Advances, Creditors etc., remains to be received in some cases.
27. Figures has been given in Thousands of Rupees.
28. Figures in brackets in the Notes on Accounts refer to those of the previous year.
29. Figures for the previous year have been regrouped wherever necessary to conform to those of the Current Year.
30. Schedules 1 to 11 form an integral part of the Accounts and have been duly authenticated.

Signature to Schedules 1 to 11

JUSTICE S. NATARAJAN
Chairman

P. DWARAKANATH REDDY
Managing Director

R.P. KHAITAN
Joint Managing
Director

As per our Report attached
for **P. SRINIVASAN & Co.**
Chartered Accountants

J. SRINIVASAN
Secretary
Chennai, April 23, 2010

P. SRINIVASAN
Partner

CASH FLOW STATEMENT FOR THE YEAR ENDED 31-03-2010

	31.03.2010	31.03.2009
	Rupees '000s	Rupees '000s
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and extraordinary items	25,04,16	24,53,37
Add :		
Loss on sale of Fixed Assets	39	83
Depreciation	5,83,19	5,63,29
Less :		
Profit on sale of Fixed Assets	(10)	(1)
	<u>5,83,48</u>	<u>5,64,11</u>
Operating Profit before working capital changes	30,87,64	30,17,48
Adjustments for :		
Trade receivables	10,23,85	(25,14,43)
Inventories	(6,87,06)	(4,23,97)
Trade payables	(60,85)	5,53,09
Other current liabilities	(2,36,95)	1,08,20
Short term loan	10,00	(1,70,00)
Loans and advances	(2,84,31)	3,44,72
Cash generated from operations	<u>28,52,32</u>	<u>9,15,09</u>
Less :		
Direct taxes paid	5,96,18	6,91,96
Cash Flow before extraordinary items	<u>22,56,14</u>	<u>2,23,13</u>
Net cash from operating activities - A	<u>22,56,14</u>	<u>2,23,13</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(9,86,73)	(11,53,65)
Sale of fixed assets	10,95	8,13
	<u>(9,75,78)</u>	<u>(11,45,52)</u>
Net cash used in investing activities - B	<u>(9,75,78)</u>	<u>(11,45,52)</u>

31.03.2010
Rupees '000s Rupees '000s

31.03.2009
Rupees '000s Rupees '000s

C. CASH FLOW FROM FINANCING ACTIVITIES

Dividends paid		(7,50,00)	(7,50,00)
Net cash used in finance activities - C		<u>(7,50,00)</u>	<u>(7,50,00)</u>
Net Increase / (Decrease) in cash			
and cash equivalents (A+B+C)		5,30,36	(16,72,39)
Opening cash and cash equivalents		24,26,13	40,98,52
Closing cash and cash equivalents		29,56,49	24,26,13

JUSTICE S. NATARAJAN
Chairman

P. DWARAKANATH REDDY
Managing Director

R.P. KHAITAN
Joint Managing
Director

As per our Report attached
for **P. SRINIVASAN & Co.**
Chartered Accountants

J. SRINIVASAN
Secretary
Chennai, April 23, 2010

P. SRINIVASAN
Partner

Nippo Batteries Co. Ltd

Registered Office : 'Pottipati Plaza, No.77, Nungambakkam High Road,
IV Floor, Nungambakkam, Chennai - 600 034.

ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER
AT THE ENTRANCE OF MEETING HALL

Folio No. : D.P. ID : Client ID :

Name in full :

I Certify that I am a Shareholder of the Company and hold shares. I hereby record my presence of the Thirty Seventh Annual General Meeting of the Company held at Sri P. Obul Reddy Hall, Vani Mahal, No.103, G.N. Chetty Road, T. Nagar, Chennai - 600 017, on Friday, the 23rd July, 2010 at 10.15 A.M

* Please indicate whether Member or Proxy

Signature of the Member or Proxy *

Nippo Batteries Co. Ltd

Registered Office : 'Pottipati Plaza, No.77, Nungambakkam High Road,
IV Floor, Nungambakkam, Chennai - 600 034.

PROXY FORM

Folio No. : D.P. ID : Client ID :

I / We of
in the District of being a
Member(s) of the above named Company hereby appoint Mr. / Ms.
of in the District of or failing
him Mr. / Ms. of in the
District of as my / our
Proxy to attend and vote for me / us on my / our behalf at the Thirty Seventh Annual General
Meeting of the Company to be held on Friday, the 23rd July, 2010 at 10.15 A.M and at every
adjournment thereof.

Affix
1 Rupee
Revenue
Stamp

Signed this day of 2010

Note : Any member entitled to attend and vote at the Meeting is entitled to appoint a Proxy to attend and vote instead of himself and the Proxy need not be a member. The form duly completed must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the meeting.