CHAPTER-I

Introduction

1.1. Introduction to Indian Battery Industry

1.2. Concept of Marketing and Marketing-Mix

1.3. Profile of Selected Companies of Battery Industry
1. INTRODUCTION TO INDIAN BATTERY INDUSTRY:

A very significant share of the Company's business comes from the domestic market - hence it is influenced by the health of the Indian economy. According to reports, the country's GDP growth was estimated at 6.5 percent during the year under review. This was inferior to the growth recorded in the previous year. The year was also marked by high inflationary trends - especially in food prices, leading to a squeeze on people's spending abilities.

The country is facing the challenges of down turn like the rest of the world and the process of recovery is still quite slow. Moreover, the near certainty of a double-dip recession in some European countries will have long-term adverse impact on the global economy - and consequently India. A fast depreciating currency is already taking its toll on the Indian economy. Similarly an inflationary cost push is eating into the profitability of enterprises. The obvious advantages in India's favor are a strong domestic demand and a relatively lower dependence on exports. Given the usual positives and negatives - in the overall - it is hoped that the economy will prove itself to be resilient. While the economic scenario is somewhat grim, India continues to be a significant emerging economic power house. Due to the sheer size of the economy, most Indians will continue to experience an increasingly higher income level and affluence. The Government is giving specific attention on the economic development of the rural and poorer sections of the economy. Spurred by these, India stands on the anvil of becoming a 'middle income' economy. This transition is expected to ignite consumerism. The consumer goods sector, in which EIIL is engaged, will be able to take full advantage of this.

Consumer Goods Industry in India

The consumer goods sector had mixed experience in the recent past on account of multiplicity of factors - volatility in agricultural incomes, increased competition, price discounts, newer technologies, etc. Also, with growing affordability and aspirational lifestyle, the bias has shifted to luxury and semi-luxury goods. This has led to concerns on retaining the share of consumer wallet for routine and day to day functional products. However, with a big population as the consumer base and a sizeable percentage being new consumers, the sectoral outlook continues to be positive. This is further helped by the increase in per capita income levels. It is believed that the resilience and health of the economy will finally have a
positive impact on per capita consumption pattern - lifting from the present low levels to something closer to average levels experienced elsewhere in the world. This may translate to a growth trend sustainable over the coming years.

**Batteries Industry size and structure**

The overall battery industry can be classified into two segments — primary and secondary. Primary batteries are typically non-rechargeable. Dry cell batteries fit into this category. Secondary batteries can be recharged. They are of the conventional lead acid battery or the more advanced valve regulated lead acid types. These are typically used in automobiles, telecom equipment and UPS.

The batteries used in the latest electronic gadgets, including laptop computers and cellular phones, also fall in the secondary battery segment. These gadgets use special batteries powered by nickel-cadmium or lithium-ion. They can be recharged and reused for relatively long periods.

After recording a robust growth until 1999-2000, the demand for batteries slowed down in 2000-01. Apart from the economic slowdown, the subdued realizations in the agricultural sector led to a drop in the demand for batteries. Industry sources indicate that the total battery production dropped to 1,858 million units in 2000-01 from 2,003 million units in the previous year.

Domestic producers have confined themselves to primary batteries. Eveready Industries (Eveready brand), Indo National, (Nippo), Matsushita Lakhanpal (Novino), and Shervani Industrial Estate (formerly Geep Industrial Syndicate) are the top battery makers. The consumer durables major BPL is the latest entrant into the market. Gillette India (formerly Indian Shaving Products), which acquired Shervani Industrial Estate's production facilities, has a relatively insignificant presence.

The product portfolio of domestic producers include the three major battery sizes — UM1 (large sized), UM2 (medium) and UM3 (pencil). Overall, Eveready is the top player followed by Indo National and Matsushita Lakhanpal. Though Eveready is a strong player, Indo National has a prominent presence in the South. Similarly, Matsushita Lakhanpal is a strong player in certain pockets of the North. BPL, which is trying to establish its presence,
has gained a firm grip on the alkaline battery market and is gradually making inroads into the traditional zinc battery market.

The UM1 of batteries is mainly used in transistor radios and flashlights. Considering that these gadgets are used predominantly in the rural areas, the demand for UM1 batteries is considerably influenced by monsoons and agricultural production. The thrust towards the electrification of villages, coupled with the launch of smaller-sized torches and flashlights, has tended to retard the growth of the UM1 battery demand. As a result, the weightage of these batteries in total battery production has declined from 87 per cent in 1996-97 to 59 per cent. Though the UM1 segment is losing ground, it is still huge in terms of market size. Domestic producers cannot afford to ignore this segment, though the real growth potential lies in the UM3 segment.

**Small batteries**

While the growth rate for UM1 slowed down, that for the UM3 (pencil) was robust in the recent past. This is another key reason for the declining weightage of UM1 sized batteries. The steady reduction in import duty on jumbo film rolls and photographic products has bolstered the demand for cameras. This apart, the rising popularity of television sets powered by remote control, quartz wall and alarm clocks have also driven up the demand for UM3 batteries.

As a result, the share of UM3 batteries has grown from about 4 per cent of the total battery production in 1996-97 to about 38 per cent now. Considering the nature of products that use UM3 batteries, the demand for these batteries is driven more by the urban population.

The Indian market for dry cell batteries is now estimated at 2.5 billion pieces by volume and over 1600 crores by value. The battery market has only a few players, out of which EILIL has a market share of 50 per cent between Eveready and Powercell brands *(Source: Company estimate)*, and the next player lags by more than 20 percentage points. The battery market saw all the players passing on significant price increases to offset material cost push in the recent past. Cumulative price increases for the various battery types ranged between 20 per cent and 50 per cent.
This met with stiff consumer resistance and demand started slowing down. Unfortunately, the price increases had to be persisted with due to input costs continuing to prevail at high levels. The market started recovering over the last 2 years - albeit at a very slow pace. The trend of decline in demand has been arrested. During the last year and the one under review, the market remained flat. Latest trends indicate that the market is now poised to stabilize at the current level and grow reasonably there from. The segment pattern within the market underwent change during the recent past as consumers shifted from the more expensive 'D' size batteries to 'AA' size. The share of the principal battery categories ended at the year-end as per the table below (Company estimate).

Table 1.1: Battery Categories

<table>
<thead>
<tr>
<th>Battery Category</th>
<th>Percentage of Market</th>
</tr>
</thead>
<tbody>
<tr>
<td>D</td>
<td>17.4</td>
</tr>
<tr>
<td>C</td>
<td>0.4</td>
</tr>
<tr>
<td>AA</td>
<td>73.4</td>
</tr>
<tr>
<td>AAA</td>
<td>8.8</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
</tr>
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</table>

The above is quite similar to the pattern seen globally. To that extent it may be said that the recent phenomenon has resulted in the Indian market in aligning itself to the global trend as far as segment share is concerned. The split of technology within the dry batteries market remained constant with past trends - with zinc carbon batteries virtually accounting for almost the entire market with 97 per cent share. The alkaline batteries have minimal share of the market at less than 2 per cent. Rechargeable batteries, which have the balance 1 per cent of the market seems to have made its mark on a loyal customer base, but remaining stagnant.

Consumption of batteries is driven by gadgets which require battery power. Thus, growth in batteries is a function of increase in devices which need portable power and also consumer behavior on their propensity to use such devices. Since many of these applications address everyday use, batteries should enjoy non-cyclical demand. However, Indian consumers being somewhat conservative in their consuming habits, there remains a strong price to demand elasticity. The phenomenon of consumption reducing on account of
increases in the recent past is thus understandable - more so on account of the significant pricing impacts involved. However, latest trends seem to indicate that the market is on the way back to its usual growth path.

Performance review

Volume in the battery market in India was stagnant during the current year. Sales volume of EIIL also remained flat during the year. As a result, the market share pattern remained by and large consistent with the previous year. EIIL's product mix is quite similar to that of the market. In the year under review, 'D' size had a share of 20 per cent, and 'AA' at 72 per cent, 'AAA' at 7 per cent and 'C' at 1 per cent.

Marketing and distribution

The Company continued to put emphasis in strengthening its distribution network. Of the total FMCG universe of 7.3 million outlets, penetration of batteries stocking universe was at 65 per cent. Eveready batteries were stocked in 66 per cent of such outlets, higher than any other battery brand by a wide margin. Eveready's brand campaign featuring batteries and flashlights continued to add positive qualities to its brand value. EIIL will persist with these efforts to further strengthen its brand salience.

India has a low per capita consumption across a number of product groups, batteries included, indicating an inherent potential for growth. Since dry cell batteries represent the cheapest source of portable power, consumption is expected to increase over time. Besides, growing income levels, changing lifestyles and an increased need for convenience have resulted in proliferation of gadgets (remote controls, torches, toys, cameras, FM radio sets and portable music systems) run by batteries.

The 'D' segment batteries are driven primarily by flashlights and radio (in rural India). The proven durability and quality assurance of the Company's brand will continue to capitalize on this longstanding opportunity. Growth in the 'AA' segment will continue to be fuelled by proliferation of remote control devices, toys, clock and growth of newer devices like the new generation 'LED' flashlights across both rural and urban India. The new 'AAA' segment will take higher share of the battery market, with introduction of smaller size devices. Besides, the introduction of high drain equipment (digital cameras, toys) is expected to enhance the demand for more powerful rechargeable batteries. The Company made its
presence felt in this segment by becoming the first organized entrant. Rechargeable batteries continue to be a potential for future revenues and profitability.

Batteries do not face any serious threat because they are items of recurring use, providing portable energy at an affordable cost. EIIL is adequately protected from competition due to its enduring brand equity, tangible quality and ease of availability due to its deep distribution. Cheap imports have also not proved to be a threat because of their inherently poor quality. Initially - about 10 years back - these low cost products did invite first-time use on the basis of the price differential but could not garner repeat consumption on account of poor quality. Also, support was given by the Government through imposition of an anti-dumping duty. Alkaline batteries, popular in the West, yet do not pose as a serious alternative to carbon zinc batteries due to the price-sensitive nature of the Indian consumer leading to a mere 2 per cent share of the market despite being present for over 15 years. In any case, EIIL has presence in this segment and will be able to participate if the market provides indication of an opportunity.

The overall scenario, thus, appears to be positive. However, there may be a tangible threat to battery consumption. If the current cost push continues or there is no near-term reversal of the same, further price increases will become necessary - which may adversely affect volumes in this category.

Risks and concerns

Presently, the biggest area of concern is the depreciating rupee. Since much of the battery making chemicals are imported or dollar-determined, margins have been impacted very significantly. The product category has limited capability in passing this unprecedented adverse impact without risking hit in consumption pattern. Beside this, raw material prices have also been showing tendency of hardening. Also, the overall inflationary trends have been putting pressure on other operating costs. While all these represent areas of concern, these are not limited to EIIL alone. Also, the demand drivers continue to be the same and the Indian market continues to offer major potential for growth being a consumer of perhaps the lowest number of batteries in the world.

The flashlight market is shaped by EIIL because of its dominant market share position at over 76 per cent (Source: Company estimate) in the organized segment. The segments in
the flashlights market were traditionally determined by the material used for manufacturing the flashlight viz., Brass, Plastic, and Aluminum. Historically, the 'brass' segment was the most popular among consumers - especially in the rural areas. However, in the recent past, prices of brass flashlights had to be increased manifold on account of the cost push of the underlying base metals - zinc and copper. This was thoroughly resisted by the consumers and brass flashlights volumes started de-growing significantly over the last 5 years.

As a mitigation measure and with a view to giving consumers a value-for-money option, the Company introduced the new generation 'LED' flashlights, so named popularly due to usage of LED bulbs being used as the light source. EIIL has been at the forefront of introduction of this new segment and has encouraged consumers to take to it due to the advantage of lower battery consumption in these flashlights.

This development breathed new life to this business with volumes making major strides both in number and growth over the initial 2 years. This in turn led to an enhanced user-ship. Also, the in-use period of these flashlights (mostly plastic) being considerably lower than the traditional metal flashlights replacements are expected to be more frequent. These factors should also provide boost to battery demand. After the robust growth of the initial 2 years, the last year and the year under review saw a quiet period in volumes for the organized players. This trend could be attributed to the sudden increase in user-ship and higher penetration over the stated 2 years. The base having suddenly doubled, there is a resultant slack. However, it is expected that once the market settles down to this new base, the normal growth pattern will resume. LED flashlights now occupy more than 95 per cent of the total volume sold by EIIL. The incandescent bulb flashlights across all segments - brass, aluminum and plastics - account for the balance. As mentioned earlier, the industry is dominated by EIIL. There are a few other players, none of whom have any significant position.

However, there is a trend to note - that of the grey market operation with copy-cat products. This is operated by unorganized and unscrupulous players, who violate brand and design rights without any compunction - and more often than not, do not pay duties and taxes. These grey market products confuse consumers. It is quite hurtful to organized players such as EIIL. Actions keep getting taken - but these are quite inadequate in a market of the size of our country. It appears that one has to live with this phenomenon.
Opportunities and threats

But for a flattish performance during the year (on account of reasons already explained), India's flashlights market is expected to grow at a steady pace. A vast dormant population (almost 45 million rural households) of non-users represents a large opportunity for flashlights, which the Company expects to tap into, over the foreseeable future. Growth in urban areas - where flashlight ownership is less common - is the other opportunity area. Vast parts of urban areas now face frequent power cuts and flashlights provide a lighting solution in those times. The threat remains that of the market being susceptible to grey operations of unorganized players bringing copy-cat models to the market - usually without payment of taxes and duties. The current year saw significant impact from this phenomenon. The only way to sidestep this problem is to keep bringing new models which are creative and innovative. This is a continuous process and hopefully efforts in this regard will mitigate this undesirable market phenomenon to some extent.

Risks and concerns

Volumes which grew at a significant pace over the initial 2 years after the launch of LED torches (as explained earlier), created a large base of users and thus saturating penetration. There is thus a concern of the market not being able to keep repeating such growth trend. The current year saw only a modest increase in volumes. However, current trends seem to indicate that the market is once again ready to resume normal growth pattern. There remains a vast potential in terms of a significant part of the population who do not yet own flashlights. This non-consuming base needs to be tapped into, with innovative marketing.

2. INTRODUCTION TO MARKETING CONCEPT

The term marketing mix was coined in an article written by Neil Borden called “The Concept of the Marketing Mix.” He started teaching the term after he had learned about it from an associate, James Culliton, who in 1948 described the role of the marketing manager as a "mixer of ingredients"; one who sometimes follows recipes prepared by others, sometimes prepares his own recipe as he goes along, sometimes adopts a recipe from immediately available ingredients, and at other times invents new ingredients no one else has tried.
Four Ps: the producer-oriented model

The marketer E. Jerome McCarthy proposed a four Ps classification in 1960, which has since been used by marketers throughout the world.

Product - A product is seen as an item that satisfies what a consumer needs or wants. It is a tangible good or an intangible service. Intangible products are service based like the tourism industry, the hotel industry and the financial industry. Tangible products are those that have an independent physical existence. Typical examples of mass-produced, tangible objects are the motor car and the disposable razor. A less obvious but ubiquitous mass produced service is a computer operating system.

Every product is subject to a life-cycle including a growth phase followed by a maturity phase and finally an eventual period of decline as sales falls. Marketers must do careful research on how long the life cycle of the product they are marketing is likely to be and focus their attention on different challenges that arise as the product moves through each stage.

The marketer must also consider the product mix. Marketers can expand the current product mix by increasing a certain product line's depth or by increasing the number of product lines. Marketers should consider how to position the product, how to exploit the brand, how to exploit the company's resources and how to configure the product mix so that each product complements the other. The marketer must also consider product development strategies.

Price – The price is the amount a customer pays for the product. The price is very important as it determines the company's profit and hence, survival. Adjusting the price has a profound impact on the marketing strategy, and depending on the price elasticity of the product, often it will affect the demand and sales as well. The marketer should set a price that complements the other elements of the marketing mix.

When setting a price, the marketer must be aware of the customer perceived value for the product. Three basic pricing strategies are: market skimming pricing, market penetration pricing and neutral pricing. The 'reference value' (where the consumer refers to the prices of competing products) and the 'differential value' (the consumer's view of this product's attributes versus the attributes of other products) must be taken into account.
**Promotion** - It represents all of the methods of communication that a marketer may use to provide information to different parties about the product. Promotion comprises elements such as: advertising, public relations, personal selling and sales promotion.

Advertising covers any communication that is paid for, from cinema commercials, radio and Internet advertisements through print media and billboards. Public relations is where the communication is not directly paid for and includes press releases, sponsorship deals, exhibitions, conferences, seminars or trade fairs and events. Word-of-mouth is any apparently informal communication about the product by ordinary individuals, satisfied customers or people specifically engaged to create word of mouth momentum. Sales staff often plays an important role in word of mouth and public relations (see 'product' above).

**Place** - It refers to providing the product at a place which is convenient for consumers to access. Place is synonymous with distribution. Various strategies such as intensive distribution, selective distribution, exclusive distribution and franchising can be used by the marketer to complement the other aspects of the marketing mix.

The 'seven Ps' refers to the already mentioned four Ps, plus 'physical evidence', 'people', and 'process'. 'Physical evidence' refers to elements within the store -- the store front, the uniforms employees wear, signboards, etc. 'People' refers to the employees of the organization with whom customers come into contact with. 'Process' refers to the processes and systems within the organization that affects its marketing process. These later three factors are not cited nearly as often as the first four outlined in depth above.

The primary object here is to review the relevant literature of the current state of Marketing theories, applications of marketing strategies, intellectual property stipulations and the influences of the Internet to the digital content industry. The review eventually leads to inadequate resources: concepts, theories, and talents. In truth, there are still no generally accepted theories for planning intangible assets or IP for marketing or relevant decisions, and so certainly no mature systems and theories. Therefore, ultimately this research attempts to present possible solutions to this problem.
The Definition of Marketing

There are social and managerial definitions for marketing. Kotler, described by the American Marketing Association as "the most influential marketer of all time", with Armstrong has adopted a social definition: "Marketing as a social and managerial process by which individuals and groups obtain what they need and want through creating and exchanging value with others, and marketing consists of actions taken to build and maintain desirable exchange relationships with target audiences." This definition reaches human's the most primary mind—exchange for "needs" and so is a basis for this research.

As for the managerial definition, marketing was described in the 60's as "the art of selling products." Until 1985, the American Marketing Association (AMA) proposed a now widely accepted managerial definition which since then has been mentioned in much of the research and most textbooks: "Marketing is the process of planning and executing the conception, pricing, promotion, and distributing of ideas, goods, and services to create exchanges that satisfy individual and organizational objectives." Bennett, P. D. (Ed.) (1995). *AMA Dictionary of Marketing Terms* (2nd ed.). Chicago: The American Marketing Association. However, in American Marketing Association's website, the definition has been modified to "Marketing is an organizational function and a set of processes for creating, communicating, and delivering value to customers and for managing customer relationships in ways that benefit the organization and its stakeholders."

A Modern Marketing System

Kotler & Armstrong (2001) provide a comprehensive figure that demonstrates the main elements in a modern marketing system that indicates a common situation, in which marketing involves serving a market of end users in the face of competitors. The company and the competitors send their products and messages to end users, either directly or through marketing intermediaries. All of the players in the system are affected by major environmental forces, like demographic, economic, physical, technological, and social/cultural.
Each party of the system certainly adds value for the next level. Therefore, a company's success depends not only on its own actions, but also on how well the entire system serves the needs of end users. For example, the iPod sales have been extraordinary, because Apple can offer high quality product for a desirable price. Its manufacturing partners certainly have the corresponding ability to fulfill Apple's requests. Commonly, some people mistake a marketing mix: the 4P's (product, price, place, promotion) for the meaning of marketing. The correct message of 4P's is that 4P's are used as functional tools to help executing marketing strategies and eventually to facilitate the efficiency of an exchange.

General Theory of Marketing School

Alderson never formally presented a general theory of marketing, but has become the source of inspiration for the following research. Meanwhile, the topic of a general theory of marketing didn't receive adequate attention until 1979 Adel I. El-Absary urged that marketing theorists should pay heed to this development. After all, there have been reviews and presentations for elements of a general theory of marketing but these studies still have not resulted in an agreement.

However, in the marketing school of thought, Sheth, Gardner, & Garrett's research not only classifies school of marketing into twelve distinctive bodies of knowledge (schools), but also sorts out the most common factors and proposed well-defined components for a general theory of marketing. In brief, their research also indicates that in order to ensure the general theory of marketing gains the respect of the scientific community; it must be strong on three criteria: syntax, the semantics, and the pragmatics metatheory. In other words, it must score high on structure and specification, on testability and empirical support, and finally on richness and simplicity. Even so, none of these most respected twelve distinct schools take intangible assets or intellectual property as the primary relevant variables in their research or major objectives of study.

The Core Concept of Marketing

Aside from the above, the following marketing scholars, such as Kotler and Bagozzi based on Alderson's research consider "exchange" as the core concept of marketing and such opinion is supported by most researchers.
According to these scholars' opinions, marketing mainly handles the problems of exchange, not of transaction. In an exchange, there may be no money involved, for instance a political candidate wants votes. Exchange is a process, when an agreement is reached, a transaction takes place. Thus, a transaction is one marketing's unit of measurement because a transaction means a trade between two parties that involves at least two things (the exchange objects) of value, agreed-upon conditions, a time of agreement, and a place of agreement. In addition, the concept of exchange and relationships leads to the concept of a market. A market is the set of actual and potential buyers of a product. Meanwhile, there are five conditions which must be satisfied before an exchange can occur:

There are at least two parties.

1. Each party has something that might be of value to the other party.
2. Each party is capable of communication and delivery.
3. Each party is free to accept or reject the offer.
4. Each party believes it is appropriate or desirable to deal with the other party.

Major economic activities are Business to Business (B2B) or Business to Consumer (B2C), but between Business and Consumer the exchange direction can be Consumer to Business (C2B), which means a consumer provides information or labor service to a manufacturer and the manufacturer gives money/rewards to the consumer. For example, a record company uses a song and needs to pay the song writer (an individual may buy an album) back. The most common exchange relationships are shown as below:

After all, marketing is meant to enhance the efficiency of an exchange, solve the problems in an exchange and increase frequency of an exchange. A simple example can be to find out the reasons why a product with otherwise market-demanded qualities is unpopular.

The Differences between Traditional Management School and the 4C Structure

Kotler, Jain, & Maesincee (2002) propose that companies need to institute a more holistic marketing process for exploring, creating, and delivering value in order to continuously renew their markets. However, as in the previous review, there is no particular theory applied to including intellectual property for marketing and relevant decisions.
After all, among numerous marketing theories and tools, this writer chooses the 4C structure as a main application in this research because the 4C structure is based on not only TCA but also exchange theory that forms the core concept of marketing. Most marketing structures follow marketing textbooks written by McCarthy or Kotler, which include a process from environmental analysis to STP and then to 4Ps. The described above implies the major differences between the 4C structure and Traditional Management School. The 4C structure applies marketing exchange theory integrating marketing activities; it obligates marketers to handle Explicit Unit-Utility Cost and Implicit Exchange Cost before/during/after the process of an exchange; and then marketers apply the most adequate marketing tools to solve those problems based on the analysis result of the 4C structure.

However, the 4C structure is not meant to deny traditional marketing structure but is meant to reform one based on many traditional concepts which are mentioned above. The differences between Traditional Management School and the 4C Structure are described in the following table:

**The Relationship between the 4C Structure and 4Ps**

Since the 4C structure is a macro concept, the process of finding out where exchange problems are will eventually help to make a strategic decision to use 4Ps. Therefore, it is essential to explain what the relationship is between the 4C Structure and 4Ps.

**1) Product strategy**

There are two directions for planning a product strategy:

A. Develop Adequate Core Benefit:

As mentioned before, the definition of "product" in marketing means the aggregate of providing satisfaction and benefits in all of or some combination of physical performance, psychological factors, service impression and symbolic meanings. The key benefit or purpose for which a consumer buys a product varies from consumer to consumer. Harrel and Frazier (1999) provide an easy categorization, they divide a product into three dimensions: core product, which indicates a product's basic function and benefit; branded product, which means the view of a product's packaging, characteristics, quality, style and brand image; third, augmented product, including not only its core benefit and physical being, but also adding other sources of benefits such as shipping service, warranty, returns, product liability, product recall, and et cetera.
Therefore, designing a product strategy should depend on whether the core benefit comes either from the physical good or service performance, or from the augmented dimensions of the product.

B. Utilize the Relation between the Product Classification and Implicit Exchange Cost. According to Commodity School, the consumer products are categorized into convenience goods, shopping goods and specialty goods. "Level of involvement" is the key to understanding the high or low of Implicit Exchange Cost for the above classification. For examples, first, convenience goods buyer is facing with a choice between, these buyers would choose a brand which has a long-term identical positioning. Because such brand product reduces Information Search Cost, which is convenience for this buyer who is with low involvement. Since a shopping goods buyer is willing to spend some time looking through information, Information Search Cost is not as low as for a convenience goods buyer. Therefore, if a brand has a clear-cut positioning, at least it will make this kind of buyer call to mind going though its information. Last, a specialty goods buyer has high involvement—Moral Hazard Cost and Holdup Cost instead becoming the major consideration in a product strategy. The distribution ratio of Implicit Exchange Cost versus the consumer product classification

On the other hand, there is the other product classification developed by Philip Nelson, experience goods and search goods. Experience goods mean a product or service is difficult to be observed in advance (before the purchase) such as quality of this product/services. Search goods indicate a product or services with features and characteristics easily observable before the purchase. Most digital content products are experience goods such as on-line game or music.

As for business products, which are purchased by various types of businesses, are categorized into capital product, production product and component/subassemblies. Capital product includes installations such as office buildings, factories, and distribution centers, equipment such as computers, desks, and robots. Production product includes two types: raw materials, such as gas, water, wheat; and processed materials, such as plastic, refined oil, and aluminum. Component/subassemblies, includes operations products such as computer chips, transmissions, and switches; operations services such as accounting, waste removal, and consulting; and operating supplies such as pens, paper, and file folders.
In fact, organizational and consumer buying behavior have two similar features: a purchase is the usual outcome of the process and the decision is a result of decision-marketing activities. However, besides this superficial similarity, organization buying must be handled differently from consumer buying for the following reasons. First, organizational demand is derived demand. Products are purchased by organizations (companies and nonprofit organizations) to meet the need of their customers. Impulse buying is far less common. Second, more than one individual and, often, many individuals are involved in the purchasing-decision process. Third, the purchasing process may take a long time due to the large sums of money involved, the number of individuals affected, and the technical nature of the products under consideration. Therefore, to make effective use of industrial-marketing resources requires an understanding of (1) who is involved in the purchasing process; (2) how they buy (e.g. what the stages of the process are); and (3) why they buy (what the forces influencing the decisions are and what the relative significance of those forces is).

The marketers for business products certainly need to concern themselves with more complex issues. Two types of models of organizational buying have appeared in the literature: models of elements of organizational buying, and integrative models of organizational buying. The complexity of organizational buying has led many researchers to focus on a single aspect of it, such as supplier selection and loyal source. On the other hand, despite the various study results or theories, the core concept of marketing is to accelerate exchange efficiency. Thus, the 4C structure is certainly applicable for organizational buyers. After all, the relation between that product classification and Implicit Exchange Cost certainly influences a product strategy.

(2) Price strategy

Besides product strategy, price strategy is the other influential marketing tool to Explicit Unit-Utility Cost. For instance, if price decreases, the result of cost divides utility will go down. Companies from a newly developed country must compete with international corporations usually utilize low-price strategy to make up deficient product utility in a target market. Meanwhile, according to Kotler & Armstrong (2001), the objectives of pricing are for market survival, sales growth, profitability, competitive pricing, and quality & image enhancement. There are abundant pricing methods in practice or studies matching one or combinations of these objectives. Thus, to utilize the 4C structure's viewpoint in analyzing a specific price strategy is very significant. For example, marketing-penetration pricing is to set a
low initial price in order to penetrate the market quickly and deeply, and so attract a large number of buyers quickly and win a large marketing share. If a company set up a market standard, the other peripheral products have to follow. Then, Holdup assets are formed solidly.

(3) Place (Channel) strategy

In general, there are two main kinds of place (channel) strategy: "push" and "pull". A "push" strategy uses a company's sales force and trade promotion activities to create consumer demand for a product. The promotion process is the product producer promoting the product to wholesalers, the wholesalers promoting it to retailers, and finally the retailers promoting it to consumers. On the other hand, a "pull" strategy requires high spending on advertising and consumer promotion to build up consumer demand for a product. If the strategy is successful, consumers will ask their retailers to order the product, the retailers will order the product from the wholesalers, and finally the wholesalers will order it from the product producer.

A distribution channel function is to move goods and services from producers to consumers. If a company chooses an adequate distributor, this certainly helps in settling Information Search Cost and Moral Hazard Cost effectively.

In addition, there is a superabundant of information on the "Internet", which makes more difficult for an Internet user finding the needed information, thus the Internet is not a necessary tool to solve Information Search Cost. However, if a company owns a long-term identical brand image, the Internet certainly is useful as a communication platform between the company and the customers.

(4) Promotion strategy:

Marketing communications that is also called promotion mix, which include the various communication techniques such as advertising, personal selling, sales promotions, and public relations/product publicity available to a marketer, are combined to achieve targeting audiences in an attempt to influence attitudes and behaviors. The ultimate response, of course, is purchase and satisfaction. The AIETA model shows the buyer as passing through the stages of awareness, interest, evaluation, trial, and adoption. Either high or low involvement buyers will experience this process. This model simply explains a buyer's behavior from becoming aware of the product, having the interest, evaluating the product, giving a try, and then if satisfied, adopting the product. Based on this model Chiou (2001) has suggested the key point of promotion strategy for each stage.
3. PROFILE OF SELECTED COMPANIES IN BATTERY INDUSTRY:

3.1. Profile of NIPPO

Nippo, today, is a household name in India. A name synonymous with batteries, manufactured by Nippo Batteries Co. Ltd., (It is now Known as Indo National Limited). Since its inception in 1972, Nippo has been providing millions of its customers with a quality and performance that is second to none. Nippo also markets various range of LED torch lights to cater to customer requirements. Nippo Recently launched LED Emergency Power Backup range products. It has got wide acceptance across the country for its unique products which help in solving the power needs. Nippo Batteries Co. Ltd., with its corporate office at Chennai, is the first Indian dry battery company to have been certified with ISO 9001 and ISO 14001 international standards and has the ISI mark of quality on all its batteries. Nippo has 35 depots across India and has excellent distribution network with over 4000 stockiest in India.

Nippo Batteries Ltd., second largest dry cell battery manufacturer in India was incorporated in 1972 as a joint venture with Matsushita Electric Industrial Co., Ltd. of Japan, with the goal of bringing the world's best battery technology to the country. A lot of firsts are to our credit like the tamper proof top seal, Zinc Chloride technology in AA batteries, introduction of twin piece Manganese battery in shrink pack and Nippo Premium Gold, first of its kind in India. Upgrading it further to Mercury free status is another first in India. Nippo also offers a range of torch lights from its stable. With factories at Nellore and Tada both in Andhra Pradesh, Nippo caters to the soft energy requirements of the country. We have walked away with the Management Excellence Awards Silver and Gold from MEI, Japan. Nippo celebrated its 25th Anniversary in 1998 and continues its tradition of providing world class products to its customers. Brand building has been a part of the advertising exercise over the last few years where leading celebrities like Rahul Dravid and Govinda have been engaged to campaign for Nippo across the country. Besides using the electronic media, a lot of outdoor activities through hoardings, wall paintings and mobile media like buses have been utilized extensively for Nippo.
Company Overview:

Nippo Batteries Company Ltd. is an Indian company engaged in the manufacture of dry cell batteries. It is the second largest dry battery player in India that has a range of zinc carbon/manganese batteries in sizes of R6 (AA), R14(C), R20 (D), and R3 (AAA). It also manufactures no mercury added batteries in AA segment. The company launched a diamond cut reflector in durable polypropylene torches. It has launched radium torches. Nippo has launched energy saving torch lights using the technology based on light emitting diode (LED). With a distribution network of 33 offices spanning the country, Nippo batteries reach millions of homes through 7 distributors, more than 30,000 stockiest, 1,000 vans and 500 autos covering more than 7 lakh retail outlets. Nippo Batteries Company Ltd was formerly known as Indo National Limited. With corporate office at Chennai, Nippo Batteries Company is the first Indian dry battery company to have been certified with the ISO 9001 and ISO 14001 international standards and has the ISI mark of quality on all its batteries. As of December 2006, the company has been providing millions of its customers of its products crossing the landmark cumulative production of more than 10.78 billion batteries.

The Company is engaged in manufacturing both the dry cell batteries and torch lights. The ‘Nippo’ brand of batteries is the biggest brand in its portfolio. Matsushita Corporation of Japan holds 40 per cent stake in INL. Indo National has a market share of 27 per cent in the domestic dry cell batteries market. It also imports the Panasonic brand of alkaline batteries for sale in the local market. INL’s manufacturing facilities are located at Nellore and Tada (Andhra Pradesh). The Company has 30 branches that are based in almost all major Indian cities i.e. Mumbai, Kolkata, Delhi etc.

The Company reached the 500 million mark in sales volume in FY99, registering the highest growth rate in the dry cell battery industry at five per cent. It completed its expansion project in November 1998 by further increasing the production capacity at the Nellore factory by 120 million units per annum. The Company was incorporated in 1972.
The Company has informed the Exchange that the Company's name has been changed from 'Indo National Limited' to 'Nippo Batteries Company Limited' with effect from December 16, 2005. Now it is known as Indo National Limited in June 2013.

2001  Landmark cumulative production figure of 7000 million batteries crossed in April
2000  Initiation of TPM and TQM activities  Launch of Shakti Vision 2003
1999  Cumulative production crosses 6000 million  Bronze award in PR contest from MEI, Japan for the corporate film, POWERING AHEAD  Launch of Nippo Premium Gold, India's first mercury free battery
1998  Silver Jubilee celebrations Mr. Yasuda, President, MBI and Mr. Kaiikawa visit INNCO for the Silver Jubilee celebrations
1997  Initiation of ISO 14001  Installation of 2nd high speed 3D line at Tada  Introduction of BF 103 torch  Nellore picks up 'Best Union Award' again  Cumulative production crosses 5000 million  Receipt of ISO 14001 certification  Nippo Batteries Ltd. becomes the first Indian battery company to receive the ISO 9001 and ISO 14001 certifications
1996  Visit of Junior Matsushita, Mr. Masayuki Matsushita to India  Introduction of 5 day week at HO and factories  ISO certification for Nellore and Tada factories and Head Office
1995  Management Excellence Gold Award from MEI, Japan  Launch of FF 300 Sleek torch light  Cumulative production crosses 4000 million  Nippo Batteries again - receipt of first prize at the 'Horticulture Show' conducted by Andhra Pradesh Government  More awards, for 'Best Safety' and 'Good Housekeeping' from Andhra Pradesh Government  Initiation of ISO 9000 accreditation process  Launch of Vision 2000  Launch of high performance batteries in UM-3 and UM-1 segments  Nellore picks up 'Best Union Award' from Andhra Pradesh Government  Nippo Batteries walks away with the first prize in the State level Garden Festival, organised by the Andhra Pradesh Government Management Excellence Silver Award from MEI, Japan
1993  Launch of Nippo Gold (3D) at Tada plant 20th Anniversary celebrations  Visit of Mr. S. Dounishi, then President, MBI, Japan  First copies of Nippo News are out
1992  Achievement of a cumulative production of 3000 million
1989  Launch of BF 102 torch light  Andhra Pradesh Government confers Best Management Award on Nippo Batteries
1988  Nippo crosses the 2000 million production mark
1986  Effluent treatment plant at Nellore commences operation
1985  Commissioning of 3U hi-tech line at Tada plant
1984 Achievement of cumulative production of 1000 million batteries Nippo picks up 'Productivity Award' from Andhra Pradesh Government

1983 Celebrations to mark our 10th anniversary Visits of Mr. Kurata, then Managing Director, MBI and Mr. Azuma, then President, MBI Nellore plant picks up 'Good Housekeeping Award' from Andhra Pradesh Government

1982 Mr. Yamashita, then President, MEI and CMD Obul Reddy meet India's then Prime Minister Smt. Indira Gandhi

1981 A million batteries exported to the USSR Grant of IS:8144 for 1U

1980 Inauguration of our new factory at Tada, Andhra Pradesh. IP cells go into production

1979 Installation of workshop with top-of-the-line maintenance equipment
Production commences for the new line of UM-3U cells

1978 UM-3U goes into production

1977 Introduction of the pilfer proof top seal, now an industry standard Nippo IP cells receive IS:8144 recognition Production commences for UM (1S)

1976 Nippo goes international. The first export consignment leaves for Yemen

1976 Followed by Nippo Special (1P), an industry first. Its special quality paper outer jacket made it easily affordable for the rural market

1975 Nippo Hyper (2U) goes into production

1973 Production commences for Nippo Hyper (1U)

1972 INNCO is established

1970 Mr. P. Obul Reddy, CMD obtains a letter of intent from MEI, Japan, expressing an agreement in principle for a collaboration with Nippo Batteries

FINANCIAL PERFORMANCE OF THE COMPANY:

Profit & Loss Statement:

<table>
<thead>
<tr>
<th>Year</th>
<th>2012</th>
<th>2011</th>
<th>2010</th>
<th>2009</th>
<th>2008 Income</th>
</tr>
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<tbody>
<tr>
<td>Sales Turnover</td>
<td>350.00</td>
<td>337.52</td>
<td>307.51</td>
<td>316.92</td>
<td>339.19</td>
</tr>
<tr>
<td>Excise Duty</td>
<td>34.66</td>
<td>26.66</td>
<td>42.45</td>
<td>56.26</td>
<td>55.95</td>
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<tr>
<td>Net Sales</td>
<td>315.34</td>
<td>310.86</td>
<td>265.06</td>
<td>260.66</td>
<td>283.24</td>
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<tr>
<td>Other Income</td>
<td>9.03</td>
<td>8.47</td>
<td>8.00</td>
<td>7.23</td>
<td>5.67</td>
</tr>
<tr>
<td>Stock Adjustments</td>
<td>9.78</td>
<td>4.47</td>
<td>5.56</td>
<td>-2.41</td>
<td>-0.97</td>
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<tr>
<td>Total Income</td>
<td>334.15</td>
<td>323.80</td>
<td>278.62</td>
<td>265.48</td>
<td>287.94</td>
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<tr>
<td>Expenditure</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Raw Materials</td>
<td>248.76</td>
<td>238.80</td>
<td>199.17</td>
<td>189.14</td>
<td>222.07</td>
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<tr>
<td>Power &amp; Fuel Cost</td>
<td>3.22</td>
<td>2.55</td>
<td>2.60</td>
<td>2.63</td>
<td>2.66</td>
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<td>Employee Cost</td>
<td>19.72</td>
<td>19.85</td>
<td>18.47</td>
<td>16.89</td>
<td>15.84</td>
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<td>Other Manufacturing Expenses</td>
<td>0.40</td>
<td>0.17</td>
<td>0.14</td>
<td>0.20</td>
<td>0.21</td>
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<td>Selling and</td>
<td>33.07</td>
<td>30.15</td>
<td>26.28</td>
<td>25.34</td>
<td>29.91</td>
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<tr>
<td>Admin Expenses</td>
<td>Miscellaneous Expenses</td>
<td>Preoperative Exp Capitalised</td>
<td>Total Expenses</td>
<td>Operating Profit</td>
<td>PBDIT</td>
</tr>
<tr>
<td>----------------</td>
<td>------------------------</td>
<td>----------------------------</td>
<td>----------------</td>
<td>------------------</td>
<td>------</td>
</tr>
<tr>
<td>1.71</td>
<td>1.42</td>
<td>1.70</td>
<td>1.41</td>
<td>1.33</td>
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Yearly Results of NIPPO Batteries Company

<table>
<thead>
<tr>
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<tbody>
<tr>
<td>Sales Turnover</td>
<td>317.38</td>
<td>323.42</td>
<td>317.73</td>
<td>270.98</td>
<td>260.66</td>
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<tr>
<td>Other Income</td>
<td>1.14</td>
<td>0.95</td>
<td>1.59</td>
<td>2.09</td>
<td>7.23</td>
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<tr>
<td>Total Income</td>
<td>318.52</td>
<td>324.37</td>
<td>319.32</td>
<td>273.07</td>
<td>267.89</td>
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<tr>
<td>Total Expenses</td>
<td>300.77</td>
<td>296.50</td>
<td>288.34</td>
<td>242.80</td>
<td>238.09</td>
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<tr>
<td>Operating Profit</td>
<td>16.61</td>
<td>26.92</td>
<td>29.39</td>
<td>28.18</td>
<td>22.57</td>
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<tr>
<td>Profit On Sale Of Assets</td>
<td>--</td>
<td>--</td>
<td>--</td>
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### Profit On Sale Of Investments

<p>| | | | | |</p>
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<tr>
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<tbody>
<tr>
<td>Gain/Loss</td>
<td>On</td>
<td>Foreign</td>
<td>Exchange</td>
<td>VRS</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Exchange</td>
<td></td>
<td>Adjustment</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>Other</td>
</tr>
<tr>
<td></td>
<td>Extraordinary</td>
<td>Income/Expenses</td>
<td>Total Extraordinary</td>
<td>Income/Expenses</td>
</tr>
<tr>
<td></td>
<td>-0.58</td>
<td>-0.48</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>Tax On</td>
<td></td>
<td></td>
<td></td>
<td>Extraordinary Items</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>Net Extra Ordinary Income/Expenses</td>
<td></td>
<td></td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>Gross Profit</td>
<td>17.75</td>
<td>27.87</td>
<td>30.98</td>
<td>30.27</td>
</tr>
<tr>
<td>Interest</td>
<td>0.41</td>
<td>0.14</td>
<td>0.11</td>
<td>0.11</td>
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<tr>
<td>PBDT</td>
<td>16.76</td>
<td>27.25</td>
<td>30.87</td>
<td>30.16</td>
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<tr>
<td>Depreciation</td>
<td>5.04</td>
<td>5.57</td>
<td>5.83</td>
<td>5.63</td>
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<tr>
<td>Depreciation On Revaluation Of Assets</td>
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<td></td>
<td></td>
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<tr>
<td>PBT</td>
<td>11.72</td>
<td>21.68</td>
<td>25.04</td>
<td>24.53</td>
</tr>
<tr>
<td>Tax</td>
<td>3.29</td>
<td>7.05</td>
<td>8.52</td>
<td>8.50</td>
</tr>
<tr>
<td>Net Profit</td>
<td>8.43</td>
<td>14.63</td>
<td>16.52</td>
<td>16.03</td>
</tr>
<tr>
<td>Prior Years</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income/Expenses</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation for Previous Years</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Written Back/Provided</td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Dividend</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dividend Tax</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dividend (%)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Earnings Per Share</td>
<td>22.48</td>
<td>39.01</td>
<td>44.05</td>
<td>42.75</td>
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<tr>
<td>Book Value</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equity</td>
<td>3.75</td>
<td>3.75</td>
<td>3.75</td>
<td>3.75</td>
</tr>
<tr>
<td>Reserves</td>
<td>138.63</td>
<td>137.30</td>
<td>131.39</td>
<td>123.64</td>
</tr>
<tr>
<td>Face Value</td>
<td>10.00</td>
<td>10.00</td>
<td>10.00</td>
<td>10.00</td>
</tr>
</tbody>
</table>

#### 3.2. Profile of Eveready Battery Company:

**History:**

On January 10, 1899, American Electrical Novelty and Manufacturing Company obtained U.S. Patent No. 617,592 (filed 12 March 1898) from David Misell, an inventor. This "electric device" designed by Misell was powered by "D"
batteries laid front-to-back in a paper tube with the light bulb and a rough brass reflector at the end. Misell, the inventor of the tubular hand-held "electric device" (flashlight), assigned his invention over to the American Electrical Novelty and Manufacturing Company owned by Conrad Hubert.\[3\][4]

In 1905, Hubert changed the name again to The American Ever Ready Company, selling flashlights and batteries under the trademark Ever Ready. In 1906 the British Ever Ready Electrical Company was formed for export of batteries; it became independent in 1914. In the same year, The American Ever Ready Company became part of National Carbon Company. Hubert stayed on as the president. The trademark was shortened to Eveready. In 1917, National Carbon Company merged with Union Carbide to form The Union Carbide and Carbon Company. From 1917 until 1921, Eveready used the trademark "DAYLO" for their flashlights and on their batteries.

In 1957, employees Lewis Urry, Paul Marshal and Karl Kordesch invented a long-lasting alkaline battery using a zinc/manganese dioxide chemistry while working for Union Carbide's Cleveland plant. The company did not aggressively market the invention, however, and instead continued to market the old Zinc-carbon battery. As a result, the company lost significant market share to Duracell. Prior to 1980, the company's alkaline battery had been called the Eveready Alkaline Power Cell. In 1980, it was rebadged under its current name, Energizer. In 1986, Union Carbide sold its Battery Products Division to Ralston Purina Company for US$1.4 billion, becoming the Eveready Battery Company, Inc., a wholly owned subsidiary. At that time, the Eveready and Energizer batteries held 52 percent market share. The company under Ralston lost market share to rival Duracell.

In 1992, it bought the British Ever Ready Electrical Company (manufacturer of Gold Seal and Silver Seal batteries) from Hanson Trust, bringing its former subsidiary back under common ownership. In 1999, Eveready sold its rechargeable battery division, although it still markets them for retail sale. In 2000, Ralston spun off Eveready, and it was listed on the New York Stock Exchange as a holding company, Energizer Holdings, Inc., with Eveready Battery Company, Inc continuing as its most important daughter company.
The company's current US production facilities for batteries and battery parts are located in Asheboro, North Carolina; Bennington, Vermont; Maryville, Missouri; St. Albans, Vermont; and Marietta, Ohio; with a technology center for research located in Westlake, Ohio. There are also numerous production facilities outside the US. Let's see at glance of the Eveready battery company from the Table 1.1.

YEAR EVENTS 1934 - The Company was Incorporated. The Company was converted into a Public Limited Company in 1955. The Company manufacture and sell dry batteries and allied products, flashlight cases and parts, zinc alloys, strips & plates, satellite super alloys, cinema arc carbons, carbon electrodes & electrolytic manganese dioxide and cultivation, manufacture and sales of tea. The battery is sold under the brand name 'Eveready' & tea as 'Tej' and 'Premium Gold'.

Ask any Indian consumer to name a Battery and the first brand that comes to mind is Eveready. Not just among batteries, Eveready is a powerful brand across categories.

Table 1.2: Eveready Battery Company – At Glance:

<table>
<thead>
<tr>
<th>TYPE</th>
<th>SUBSIDIARY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industry</td>
<td>Batteries</td>
</tr>
<tr>
<td>Founded</td>
<td>1896 (as the American Electrical Novelty &amp; Manufacturing Company).</td>
</tr>
<tr>
<td>Headquarters</td>
<td>St. Louis, Missouri, United States</td>
</tr>
<tr>
<td>Key people</td>
<td>Ward M. Klein, CEO</td>
</tr>
<tr>
<td>Products</td>
<td>Energizer batteries</td>
</tr>
<tr>
<td></td>
<td>Eveready batteries</td>
</tr>
<tr>
<td>Parent</td>
<td>Energizer Holdings</td>
</tr>
<tr>
<td>Website</td>
<td>Eveready batteries Energizer batteries</td>
</tr>
</tbody>
</table>
Eveready has a portfolio comprising dry cell batteries (carbon zinc batteries, rechargeable batteries and alkaline batteries), flashlights (torches), CFLs (Compact Fluorescent Lamps) and packet tea. Eveready's strength is the result of a continuous and well-orchestrated brand development strategy that maximizes the value from each consumer touch-point. Is the iconic urban face of Eveready? The advertising byline of the popular Red series of batteries, it is today symbolic of the empowered urban lifestyle that the brand reflects. The original, path-breaking campaign won as many as 11 advertising awards.

The current television commercial on Eveready Ultima, which has explored and demonstrated the technique of light painting (through the TVC) has been very well received and is a one of its kind commercial in the entire batteries segment. The unmatched consumer confidence is also reflected through the various accolades that the company has got over the years.

Few highlights have been listed below:

- In the Confederation of Indian Industry (CII)'s ‘Brand of the year’ 2005 shortlist, Eveready made the top ten finalists list, along with brands like Nokia, HP, Titan, Dabur and five other Hindustan Lever Brands
- As per AC Nielsen, Eveready stood 7th among all FMCG companies in terms of growth in the year 2004-2005.
- The Economic Times’ Brand Equity survey of Brands by Sales, April 2004, put Eveready at no. 22 across brands in all categories.
- Scores in the CII survey done by the independent brand consultancy Verity brands; show Eveready scoring a near-perfect 99% total awareness among Target Consumers.
- As per Vertbrands’ survey, on a 10-point scale, Eveready scored 8 on popularity and 7.7 on contemporariness. Of all consumers surveyed, 41% called it “The Only Brand for Me”.
- In the AAUTS (Awareness, Attitude, Usership Tracking Study) conducted by AC Nielsen in the year 2007-2008, Eveready emerged with a Brand Equity of 7.5 out of 10 and the nearest competitor came up with 3.7.
- The same study by AC Nielsen showed Eveready having 45% market share vis a vis its nearest competitor having 30% (2007-2008)
Eveready products are available under the mother brand name **EVEREADY (Batteries and Lighting Solutions)** and also extended brand names like

- **EVEREADY ULTIMA** (Alkaline Batteries)
- **EVEREADY RECHARGE** (Rechargeable Batteries)
- **EVEREADY JEEVAN-SATHI** (Brass Torches),
- **EVEREADY DIGI LED** (LED Flash Lights),
- **EVEREADY CFL** (Compact fluorescent lamps),
- **EVEREADY PREMIUM GOLD / JAAGO / TEZ** (Packaged Tea)

**Distribution**

Eveready has a wide distribution network all over the country with 15 branches, 40 go downs and 4,000 distributors. All its products are available at grocery, general provision, music, electrical, hardware, stationery, gift/novelty stores, at the chemists’ shops and at photo studios and printing centers. So much so, that many of our products are even available at the *paan* and cigarette shops.

According to AC Nielsen, Eveready batteries are available in 3.3 million outlets out of a total universe of 7.3 million FMCG outlets. The distribution structure extends coverage out to 5000-population villages.

The company employees a strong sales force so that they can operate the extensive sales network successfully.

As Eveready walks ahead in second century of existence, we have the following objectives -

- To consolidate our benchmark supplier position in all traditional outlets for batteries and flashlights.
- Employ a systematic and scientific approach towards increasing our reach and quality of reach.
- To leverage our sales & distribution competencies into identified newer channels
- To service the outlets with a diversified range of products. This includes batteries, flashlights, home lights, packet tea, CFLs and bulbs.
To constantly explore new selling arrangements in identified markets to improve effectiveness of servicing

Manufacturing

Eveready has its manufacturing units spread all across the country in order to maximize logistical efficiency and reduce time-to-market. The Company’s state-of-the-art manufacturing units are located in Kolkata, Noida, Uttaranchal, Chennai, Lucknow and Maddur. The company has high-speed manufacturing units, both for batteries and flashlights, with in-house facilities for metal flashlights along with a fully automated injection-molding set-up for plastic flashlights. Eveready also has a full-fledged machine design group at Chennai with capabilities of making special-purpose machines for both captive consumption and customer-specific requirements.

The manufacturing units of Eveready are ISO 9000 and ISO 14000 certified. Eveready has a sophisticated R&D laboratory for design and testing of batteries. The laboratory is NABL accredited.

The company also has its own flashlight design and development unit with the latest computer aided design facility.

Milestone of the company:

<table>
<thead>
<tr>
<th>YEAR</th>
<th>HIGHLIGHTING ASPECT</th>
</tr>
</thead>
<tbody>
<tr>
<td>1959</td>
<td>8,00,000 Right shares issued (Prem. Rs 2.50 per share) prop. 2:5.</td>
</tr>
<tr>
<td>1964</td>
<td>8,40,000 Right shares issued at a premium of Rs 4 per share in the proportion 3:10</td>
</tr>
<tr>
<td>1965</td>
<td>4,55,000 Bonus shares issued in the proportion 1:8.</td>
</tr>
<tr>
<td>1968</td>
<td>In December, 20, 47,500 Right shares issued at par in prop. 1:2. 20, 47,500 Bonus shares issued in prop. 1:2.</td>
</tr>
<tr>
<td>1970</td>
<td>40,95,000 Bonus Equity shares issued in the prop. 1:22</td>
</tr>
</tbody>
</table>
| 1972 | A letter of intent was received for the manufacture of 5,000 tones of MIC-
based pesticides

1974 61,42,500 Bonus Equity shares issued in the prop. 1:2

1978 32,94,500 shares issued at a prem. of Rs.6 per share to resident Indian shareholders, the Company's employee and financial institutions

1980 108,61,000 Bonus shares issued in prop. 1:2

1984 On the night of December 2-3, an unprecedented accident occurred in the Company's pesticides plant at Bhopal which resulted in the escape of Methyl Isocyanate into the atmosphere. Many people became victims of the accident and suffered injured. The Bhopal plant remained closed since 3rd December 1984 under orders from the Government of Madhya Pradesh.

1985 - The license for the factory under the Factories Act 1948, expired on 31st December, and it was not renewed. The Company therefore closed down this plant effective from 11th July, 1985 under the provisions of Section 25(0) of the Industrial Disputes Act, 1947.

- Engineers India Ltd. was appointed as Consultants to provide a techno-economic feasibility study on relocation at an economically enhanced capacity of 90,000 TPA of low density polyethylene.

1987 The Company's extensive efforts to sell the undertaking to some public Units failed. Hence the Company was compelled to apply for closure of the Chembur Unit on 16th April, 1987, under section 25(0) of the Industrial Disputes Act 1947.

1988 Two fresh suits were filed in the courts in the State of Texas against Union Carbide Corporation, U.S.A. and UCIL. This was dismissed in February 1992 on grounds of forum non-convenience.

1990 - The Company received permission from Reserve Bank of India to engage in export of computer software and services.

- A new computer was installed and a dedicated computer communication link was established permitting continuous access to IBM mainframe located
1992

The UCC created an irrevocable truth called 'The Bhopal Hospital Trust' during March. UCC also pledged and charged its entire share holding of 165,89,750 No. of Equity shares in UCIL in favour of the trust.

1993

- A modernized facility for manufacturing R-20 paper jacket battery was installed in the Hyderabad plant.

- The Company entered into an agreement with SPIC Fine Chemicals Ltd., a joint venture promoted by Tamil Nadu Petro Products Ltd. and Henkal KGaA (Germany) to sell their products throughout India.

- In December first product Henko; a premium detergent powder was launched.

- The Company has also entered into an agreement with Hindustan Latex Ltd. for the distribution of condoms under the brand name 'Nirodh', as well as in new brands which will be owned by the Company.

1994

The Company commenced the marketing of "WONDER" brand of Alkaline batteries.

1995

- A joint venture company in the name of Energize India Ltd. was formed in collaboration with Ralston Purina Overseas Battery Co. Inc. USA for development of alkaline battery in India. These batteries are being sold under the brand name "Energizer".

- The name of the Company was changed from National Carbon Co. (India) Ltd., to Union Carbide India Ltd. The name of the Company was again changed to Eveready Industries Ltd. with effect from 24th April, 1995.

1996

- The Company launched TEZ brand of packet tea in the State of Rajasthan.

- The Company proposed to set up a state-of-the-art plastic processing unit for manufacturing components for captive consumption, industrial moulded products, as well as battery operated plastic appliances.

- The Company along with EBC (India) Company Private Limited, a subsidiary of Ralston Purina Overseas battery Co. Inc., U.S.A., set up a joint
venture company viz., Eveready Energizer Miniatures Pvt. Ltd., to promote the business of miniature batteries.

- Effective 1st April, McLeod Russell (India) Ltd. (MRIL) and Faith Investment Ltd., were merged with the Company. MRIL were allotted 2 equity shares of the company for every 3 equity shares of the erstwhile MRIL. Accordingly 19,902,490 shares allotted. 16,295,153 No. of Equity shares of the Company held by MRIL were cancelled.

- Nepal Battery Company Ltd. and Natex Marketing Ltd. are subsidiaries of the Company. The Name was changed to Natex Investment & Marketing Ltd. in 1995. Eveready Energizer Miniature Ltd. is also a subsidiary of the Company.

1997

- The Company launched its packet tea brands 'Tez' and 'Premium Gold' in five other states.
- The new state-of-the-art D size battery plant was set up at Noida, UP.
- The Company's joint venture with EBC (India) Company Ltd., a wholly owned subsidiary of Ralston Purina Overseas Battery Company Inc. USA, for miniature batteries got off to a promising start with the first bulk shipments of watch batteries being sold to select dealers in the country. 'Eveready GP' Rechargeable batteries for cellular phone were released in main cities throughout the country.
- On 11 December 1996 Eveready Industries and EBC (India) Private Ltd. a fully-owned subsidiary of EBC, signed a joint venture to develop the miniature battery business in India.
- Eveready Industries Limited, a major player in dry battery which has recently embarked on marketing packaged tea, is now contemplating entering the food processing sector.
- Eveready Industries India Ltd., has constituted a three member committee to look into the affairs of the company.
- EIIL and its joint venture partner Ralston Purina Overseas will set up an
Energizer battery manufacturing unit near Chennai

1998
- The company was originally set up as United Carbon India and later renamed as Union Carbide India.
- The company has set up a joint venture with Ralston Purina Overseas Battery Co USA which sells alkaline batteries under the Energizer brand name.

1999
- Eveready Industries Ltd. the flagship of the B M Khaitan-controlled Williamson Major group will launch its premium packet tea brand, Tez, in West Bengal and the whole of south India shortly.
- Eveready Industries (India) Ltd, the flagship of the B M Khaitan-controlled Williamson Major group, will set up a joint venture with Gold Peak Industries International Hongkong (GPI), of the Asian multinational group GP, with assets exceeding HK $6 billion, to form an assembly line for rechargeable batteries, which are mainly used by cellular phone consumers.
- Eveready Industries and Exide Industries are looking at setting up battery manufacturing units in Myanmar via joint ventures.
- Eveready Industries (India) Ltd. (EIL) will soon be launching a new battery charger range which will be an improvement over its currently launched power bank charger.
- The company has recently launched a brand of environment-friendly batteries, which are marketed with the punch line 'Ray of Life'.
- With effect from April 1996, McLeod Russel was merged with its subsidiary -- Eveready Industries.
- Eveready Industries, the leader in the dry cell battery industry, has a market share of about 43 per cent.
- In the batteries segment, EIL has just launched its 'Lava' brand of dry cell batteries in the Bangladesh market.
- Eveready Industries India Ltd. has acquired yet another tea estate in the Dooars. - Eveready Industries India Ltd. has introduced its rechargeable Nickel Cadmium Pencil (AA) batteries in Chennai.

- Eveready Industries Ltd recently made a strategic move to have its packet tea brands launched under the banner of its newly-created Greendale division.

- The Financial institutions have put shackles on the blanket resolution of Eveready Industries (India) Ltd. to spin off its non-tea business into a separate entity as a precursor to induct a strategic partner.

- The Board of The Bisnauth Tea Company Ltd. and Eveready Industries India Ltd. approved a scheme of Amalgamation of Bisnauth with Eveready with retrospective effect from April 1.

- Eveready Industries has launched Eveready Big Lantern, specifically designed to suit tough conditions and long hours of use.

- To Celebrate Valentine’s Day, Eveready Industries Luvlite, a unique torch-cum-key chain.

- The Company has entered into agreements for sale of 4 tea estates in Darjeeling and 2 tea estates in the Dooars for a consideration of Rs 4491.51 lakhs in the aggregate.

- The Company, a Williamson Magor group company, would sell off its alkaline batteries business for sum of $1.5 million

- Eveready Industries Ltd. has transferred its entire equity holding of 49 per cent in the joint venture company Energizer India Ltd. to EBC India Company Ltd.

- Arun Kumar Bajoria has acquired a property in Delhi belonging to Eveready Industries Ltd for Rs 20 crore, through Hooghly Holdings, a 5,100 square meter realty at 23 Aurangzeb Road, Kolkata
- Stake increased by promoters in Eveready by 6.7%

- Raised nearly Rs 80 crore from the sale of tea gardens, with the recent agreement for the sale of Romai Tea estate in Assam to Rossel Tea for Rs 13.91 crore

- Sold 3,30,000 equity shares of Rs.10/- each of Kilburn Chemicals Ltd by way of inter-se transfer of shares.

2003

- Offloads around 9% of its holding in Standard Batteries Ltd

- Approval to shift the entire facilities at Tiruvottiyur High Road to the Guindy site and integrate the same with the facilities existing there

2004

- Metals Centre Limited have acquired 34,40,812 shares representing 6.16% of the voting rights of the company

- Appoints the celebrated film star Mr. Amitabh Bachhan, as Brand Ambassador for "Eveready" for Batteries and Flashlights for a period of 2 yrs

- Metals Centre Ltd has acquired 34,40,812 (6.16 per cent) equity shares of Eveready Industries India Ltd by scheme of amalgamation

2005

- Eveready rolls out NIMH rechargeable batteries

- Eveready Industries enters into MOU with BPL

- Eveready Industries acquires BPL Soft Energy System Ltd

2007

- Eveready Industries India Ltd has signed an agreement with Phoenix Lamps Ltd (Phoenix) for sales and distribution in the country of the latter's general lighting lamps (GLLs) excluding automotive applications.

- Eveready Industries India has appointed Mr. Subir Dasgupta as Additional Director of the Company with effect from May 11, 2007, subject to the approval of the Members at a General Meeting.

Eveready Industries India Ltd has entered into a Memorandum of Understanding (MOU) with Housing Development & Infrastructure Ltd, (HDIL) for
the transfer and / or assignment of its right, title and interest under a lease for land at Navi Mumbai, for the residue unexpired period of the lease, subject to necessary clearances, approvals and such like requirements at a consideration of Rs 115, 00,000.

Financial performance

Eveready Industries India Ltd, the Rs827-crore dry battery maker and part of the Kolkata-based Williamson Major group, is on the move - in terms of its technology, capacity, infrastructure, retail reach and, hold your breath, its prime real estate holdings.

Last year, Eveready Industries acquired BPL Soft Energy Systems Ltd for Rs67 crore - Rs45 crore cash and Rs22 crore in liabilities (one crore is 10 million) - and renamed it as Powercell Batteries. Powercell’s plant in Karnataka has a capacity of 20 crore units per year and makes two brands *BPL Powercell* and *BPL Shakthi*, which enjoy a combined market share of 8 per cent in the Rs1,500 crore (220 crore pieces) domestic dry cell battery market.

PART I

STATEMENT OF STANDALONE UNAUDITED RESULTS FOR THE QUARTER ENDED JUNE 30, 2012

<table>
<thead>
<tr>
<th>Particulars</th>
<th>3 months ended (30/06/2012)</th>
<th>Preceding 3 months ended (31/03/2012)</th>
<th>Corresponding 3 months ended in the previous year (30/06/2011)</th>
<th>Previous year ended (31/03/2012)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unaudited</td>
<td>Unaudited</td>
<td>Unaudited</td>
<td>Audited</td>
<td></td>
</tr>
<tr>
<td><strong>Income from Operations</strong></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Gross Sales/Income from</td>
<td>27,084.22</td>
<td>23,275.88</td>
<td>25,923.26</td>
<td>102,921.07</td>
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<tr>
<td>Operations</td>
<td>(a) Net Sales/Income from operations</td>
<td>(b) Other Operating Income</td>
<td>Total Income from Operations (Net)</td>
<td></td>
</tr>
<tr>
<td>------------------------------------------------</td>
<td>--------------------------------------</td>
<td>---------------------------</td>
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<td></td>
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<tr>
<td>Less: Excise Duty</td>
<td>1,429.83</td>
<td></td>
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<tr>
<td></td>
<td>1,175.31</td>
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<td></td>
<td>1,381.36</td>
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<tr>
<td></td>
<td>5,300.88</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) Net Sales/Income from operations</td>
<td>25,654.39</td>
<td>22,100.57</td>
<td>24,541.90</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>97,620.19</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(b) Other Operating Income</td>
<td>29.84</td>
<td>310.17</td>
<td>32.26</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>409.96</td>
<td></td>
</tr>
<tr>
<td>Total Income from Operations (Net)</td>
<td>25,684.23</td>
<td>22,410.74</td>
<td>24,574.16</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>98,030.15</td>
<td></td>
</tr>
<tr>
<td>Expenses</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) Cost of Materials Consumed</td>
<td>12,873.99</td>
<td>11,781.77</td>
<td>10,799.06</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>46,482.93</td>
<td></td>
</tr>
<tr>
<td>(b) Purchases of Stock-in-Trade</td>
<td>4,646.13</td>
<td>4,946.25</td>
<td>4,268.43</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>19,369.27</td>
<td></td>
</tr>
<tr>
<td>(c) Changes in Inventories of Finished Goods, WIP &amp; Stock-in-Trade</td>
<td>(609.66)</td>
<td>(1,635.92)</td>
<td>358.20</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>(1,609.09)</td>
<td></td>
</tr>
<tr>
<td>(d) Employee</td>
<td>2,273.88</td>
<td>2,026.02</td>
<td>2,303.03</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>8,900.44</td>
<td></td>
</tr>
<tr>
<td>Benefits Expense</td>
<td></td>
<td></td>
<td></td>
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<tr>
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<td>---</td>
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<td></td>
</tr>
<tr>
<td>(e) Depreciation and Amortisation Expense</td>
<td>605.07</td>
<td>616.00</td>
<td>605.08</td>
<td>2,417.84</td>
</tr>
<tr>
<td>(f) Other Expenses</td>
<td>5,002.61</td>
<td>5,174.79</td>
<td>4,533.23</td>
<td>19,833.74</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td><strong>24,792.02</strong></td>
<td><strong>22,908.91</strong></td>
<td><strong>22,867.03</strong></td>
<td><strong>95,395.13</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Profit / (Loss) from Operations before Other Income, Finance Costs and Exceptional Items (1 - 2)</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>892.21</td>
<td>(498.17)</td>
<td>1,707.13</td>
</tr>
<tr>
<td>4</td>
<td>Other Income</td>
<td>665.94</td>
<td>420.78</td>
</tr>
<tr>
<td>Profit / (Loss) from Ordinary Activities before Finance Costs and Exceptional</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>1,558.15</td>
<td>(77.39)</td>
<td>1,804.89</td>
</tr>
</tbody>
</table>

Profit / (Loss) from Ordinary Activities before Finance Costs and Exceptional
<table>
<thead>
<tr>
<th>Items (3 + 4)</th>
<th>6 Finance Cost</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Interest and Other Finance Cost</td>
<td>1,005.37</td>
<td>960.61</td>
<td>792.72</td>
<td>3,309.95</td>
</tr>
<tr>
<td>(b) Exchange Fluctuation</td>
<td>133.74</td>
<td>23.56</td>
<td>4.45</td>
<td>299.43</td>
</tr>
<tr>
<td>Profit / (Loss) from Ordinary Activities after Finance Costs but before Exceptional Items (5 - 6)</td>
<td>419.04</td>
<td>(1,061.56)</td>
<td>1,007.72</td>
<td>(219.89)</td>
</tr>
<tr>
<td>Exceptional Items</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) Impairment Charge - Investment in and Advances to Subsidiary</td>
<td></td>
<td>7,500.00</td>
<td></td>
<td>7,500.00</td>
</tr>
<tr>
<td>(b) Workmen Separation Cost</td>
<td></td>
<td>0.20</td>
<td>74.99</td>
<td>184.22</td>
</tr>
<tr>
<td>Profit / (Loss) from</td>
<td>419.04</td>
<td>(8,561.76)</td>
<td>932.73</td>
<td>(7,904.11)</td>
</tr>
</tbody>
</table>

38
<table>
<thead>
<tr>
<th>Ordinary Activities before Tax (7 - 8)</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>10 Tax Expense</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) Current Income Tax</td>
<td>83.84</td>
<td>(131.58)</td>
<td>186.62</td>
</tr>
<tr>
<td>(b) Deferred Tax</td>
<td></td>
<td>171.26</td>
<td>(50.70)</td>
</tr>
<tr>
<td><strong>Net Profit / (Loss) from Ordinary Activities after Tax (9 - 10)</strong></td>
<td>335.20</td>
<td>(8,601.44)</td>
<td>796.81</td>
</tr>
<tr>
<td><strong>Extraordinary Items (net of tax expenses)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net Profit / (Loss) for the period / year (11 - 12)</strong></td>
<td>335.20</td>
<td>(8,601.44)</td>
<td>796.81</td>
</tr>
<tr>
<td><strong>Paid up Equity Share</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital Face Value : Rs. 5/- per share.</td>
<td>3,634.36</td>
<td>3,634.36</td>
<td>3,634.36</td>
</tr>
<tr>
<td><strong>Reserves Excluding</strong></td>
<td></td>
<td></td>
<td>54,496.82</td>
</tr>
</tbody>
</table>

Paid up Equity Share

Capital Face Value : Rs. 5/- per share.

Reserves Excluding
<table>
<thead>
<tr>
<th></th>
<th>Basic</th>
<th>Diluted</th>
<th>Basic</th>
<th>Diluted</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revaluation Reserve as per</strong></td>
<td></td>
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<td></td>
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</tr>
<tr>
<td><strong>Balance Sheet of Previous</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>accounting year</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Earnings Per Share - of Rs.</strong></td>
<td>0.46</td>
<td>(1.52)</td>
<td>1.10</td>
<td>(0.67)</td>
</tr>
<tr>
<td><strong>165/- each after tax (not</strong></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td><strong>annualized)</strong></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td><strong>- Before Exceptional Item</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>relating to impairment</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>charge of subsidiary</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><em>(a) Basic</em></td>
<td>0.46</td>
<td>(1.52)</td>
<td>1.10</td>
<td>(0.67)</td>
</tr>
<tr>
<td><em>(b) Diluted</em></td>
<td>0.46</td>
<td>(1.52)</td>
<td>1.10</td>
<td>(0.67)</td>
</tr>
<tr>
<td><strong>- After Exceptional Item</strong></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td><strong>relating to impairment</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>charge of subsidiary</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><em>(a) Basic</em></td>
<td>0.46</td>
<td>(11.83)</td>
<td>1.10</td>
<td>(10.99)</td>
</tr>
<tr>
<td><em>(b) Diluted</em></td>
<td>0.46</td>
<td>(11.83)</td>
<td>1.10</td>
<td>(10.99)</td>
</tr>
<tr>
<td><strong>- Before Extraordinary</strong></td>
<td></td>
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<td></td>
<td></td>
</tr>
</tbody>
</table>
**PART I**

SELECT INFORMATION FOR THE QUARTER ENDED JUNE 30, 2012

<table>
<thead>
<tr>
<th>Item</th>
<th>3 Months Ended (30/06/2012)</th>
<th>Preceding 3 Months Ended (31/03/2012)</th>
<th>Corresponding 3 Months Ended in the Previous Year (30/06/2011)</th>
<th>Previous Year Ended (31/03/2012)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Basic</td>
<td>0.46</td>
<td>(11.83)</td>
<td>1.10</td>
<td>(10.99)</td>
</tr>
<tr>
<td>(b) Diluted</td>
<td>0.46</td>
<td>(11.83)</td>
<td>1.10</td>
<td>(10.99)</td>
</tr>
</tbody>
</table>

**PART II**

SELECT INFORMATION FOR THE QUARTER ENDED JUNE 30, 2012

<table>
<thead>
<tr>
<th>Particulars of Shareholding</th>
<th>3 Months Ended (30/06/2012)</th>
<th>Preceding 3 Months Ended (31/03/2012)</th>
<th>Corresponding 3 Months Ended in the Previous Year (30/06/2011)</th>
<th>Previous Year Ended (31/03/2012)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Public Shareholding</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Number of Shares</td>
<td>4,29,95,723</td>
<td>4,29,95,723</td>
<td>4,30,01,573</td>
<td>4,29,95,723</td>
</tr>
<tr>
<td>- Percentage of Shareholding</td>
<td>59.15</td>
<td>59.15</td>
<td>59.16</td>
<td>59.15</td>
</tr>
<tr>
<td>2 Promoters &amp; Promoter</td>
<td></td>
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<tr>
<td>Group Shareholding</td>
<td></td>
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<tr>
<td>--------------------</td>
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</tr>
<tr>
<td>a) Pledged / Encumbered</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Number of Shares</td>
<td>32,00,000</td>
<td>32,00,000</td>
<td>32,00,000</td>
<td>32,00,000</td>
</tr>
<tr>
<td>- Percentage of shares (as a % of the total shareholding of promoter and promoter group)</td>
<td>10.78</td>
<td>10.78</td>
<td>10.78</td>
<td>10.78</td>
</tr>
<tr>
<td>- Percentage of shares (as a % of the total share capital of the company)</td>
<td>4.40</td>
<td>4.40</td>
<td>4.40</td>
<td>4.40</td>
</tr>
<tr>
<td>b) Non-Encumbered</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Number of Shares</td>
<td>2,64,91,537</td>
<td>2,64,91,537</td>
<td>2,64,85,687</td>
<td>2,64,91,537</td>
</tr>
<tr>
<td>- Percentage of shares (as a % of the total shareholding of promoter and promoter group)</td>
<td>89.22</td>
<td>89.22</td>
<td>89.22</td>
<td>89.22</td>
</tr>
<tr>
<td>- Percentage of shares (as a % of the total share capital of the company)</td>
<td>36.45</td>
<td>36.45</td>
<td>36.44</td>
<td>36.45</td>
</tr>
</tbody>
</table>
Notes:

1. The Company is engaged in the business of marketing of dry cell batteries, rechargeable batteries, flashlights, packet tea and general lighting products which come under a single business segment known as Consumer Goods.

2. Geographical Segment –

(Rs. Lakhs)

<table>
<thead>
<tr>
<th></th>
<th>3 months ended (30/06/2012)</th>
<th>Previous 3 months ended (31/03/2012)</th>
<th>Year to date for the period ended (30/06/2011)</th>
<th>Previous year ended (31/03/2012)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales within India</td>
<td>26,230.92</td>
<td>22,220.30</td>
<td>25,368.13</td>
<td>99,786.62</td>
</tr>
<tr>
<td>Sales outside India</td>
<td>853.36</td>
<td>1,055.58</td>
<td>555.13</td>
<td>3,134.45</td>
</tr>
</tbody>
</table>

3. Figures of the previous quarters / periods have been regrouped / rearranged wherever considered necessary.

4. The above results were reviewed by the Audit Committee and approved by the Board of Directors of the Company at their meeting held on July 27, 2012 and subjected to a limited review by the Statutory Auditors of the Company.
3.3. Profile of Panasonic Energy (I) Company Limited:

Panasonic Energy India Company Limited, established in the year 1972 as Lakhanpal National Limited, is one of India’s largest manufacturers of dry cell batteries and lighting products. Headquartered in Vadodara (Gujarat), Panasonic Energy India is a part of Global Panasonic Corporation, world’s leading manufacturer of audio-visual equipments, home appliances, electronic components, automotive electronics and environmental systems.

The foundation of Panasonic Energy India was laid by Late Mr. D. D. Lakhanpal and Mr. Konosuke Matsushita on 15th August 1972 at G. I. D. C., Vadodara. Established by the efforts of Former Prime Minister Late Mrs. Indira Gandhi and Konosuke Matshushita, this Dry cell battery manufacturing unit was formed to meet the escalating needs of power and energy in India. The Company has two manufacturing units, one in Vadodara, which commenced its operations in 1972 and another at Pithampur (Madhya Pradesh) that started manufacturing batteries in 1989.

Products and Distribution Network

Panasonic Energy India is a leading manufacturer and supplier of Zinc Carbon Batteries, Alkaline Batteries, Lithium Batteries, Rechargeable Batteries and Lighting Products. The Company has an established and wide distribution network that includes 2 manufacturing units, distribution centers, numerous stockiest and thousands of retailers across the nation.

Innovation takes a top precedence at Panasonic Energy India. The company is a pioneer in Metal Jacketed Dry Battery, High performance pencil battery, Zinc-Chloride Technology and Eco-friendly batteries in India.

Panasonic Global

Panasonic Corporation based in Osaka (Japan) is an acknowledged leader and one of the largest electronic product manufacturers in the world. Comprised of over 680 companies, Panasonic Corporation is a diversified conglomerate and has a formidable presence in HOME APPLIANCES, along with interests in:
Panasonic Corporation provides a wide range of products ranging from audiovisual and information/communication equipment to home appliances and other components to enhance and enrich lifestyles all around the globe. The company is currently manufacturing and marketing over 15,000 products under the brand Panasonic. In over ninety years of successful business, our company has never lost sight of its corporate mission, that of enhancing the quality of life throughout the world.

Foundation of Panasonic

The history of Panasonic goes back to when Konosuke Matsushita (23) along with his wife (22) and brother in law (15) founded Matsushita Electric Housewares Manufacturing Works in 1918. Panasonic starts with a desire to create things of value. As hard work and dedication result in one innovative product after another, the fledging company takes its first steps towards becoming the electronics giant of today.

Table 1.3. Panasonic: At a glance

<table>
<thead>
<tr>
<th>Company Name:</th>
<th>Panasonic Corporation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Head Office Location:</td>
<td>1006, Oaza Kadoma, Kadoma-shi, Osaka 571-8501, Japan</td>
</tr>
<tr>
<td>President:</td>
<td>Fumio Ohtsubo</td>
</tr>
<tr>
<td>Foundation:</td>
<td>March, 1918 (incorporated in December, 1935)</td>
</tr>
<tr>
<td>Net Sales*:</td>
<td>7,418.0 billion yen</td>
</tr>
<tr>
<td>Number of Employees*:</td>
<td>384,586</td>
</tr>
<tr>
<td>Number of Consolidated Companies*:</td>
<td>680 (including parent company)</td>
</tr>
</tbody>
</table>
Business Segments

Panasonic Corporation is comprised of 14 business domain companies. Each company has its own distinct R&D, production and sales divisions that respond to its own business segment, such as digital AV, home appliances, industrial solutions, and other electronic and consumer products.

Brand Panasonic

As a global company, active in more than 100 countries with affiliated companies, associated with thousands of customers and suppliers, our greatest asset is our brand and its values. Our Brand Promise is at the heart of everything we do and everything we say. It differentiates us and is the embodiment of the promise we make to our customers.

Our slogan 'Ideas for Life' is our central organizing thought. Every Panasonic product or service is created from these 'Ideas for Life'. Ideas to put a smile on your day and brighten our children’s horizon. Ideas that embrace the planet and bring people of all ages together.

Guiding Philosophy

At Panasonic Energy India, our guiding philosophy ‘People before Product’ has served as a beacon since our inception in 1972 as Lakhanpal National Limited. The conception of this philosophy is derived from the core objective of the company – ‘To Contribute to the Society’. Adhering to this philosophy, the Company balances its business and manufacturing activities with its impact on the communities and people at large. Recognizing our responsibility towards our people, Panasonic Energy India passionately strives to attain progress and development of society through its operational activities.

This core philosophy of ‘People before Product’ has been imbibed and executed by all the employees from the top level executives to lower level personnel across the organization.

Seven Panasonic Principles
Contribution to Society
Fairness and Honesty
Co-operation and Team Spirit
Untiring Effort for Improvement
Courtesy and Humility
Adaptability
Gratitude

The 5S Process, or simply ‘5S’, is a structured program to systematically achieve total organization, cleanliness, and standardization in the workplace. A well-organized workplace results in improved profitability, efficiency, service and safety. ‘5S’ was invented in Japan, and stands for five (5) Japanese words that begin with the alphabet ‘S’: Seiri, Seiton, Seiso, Seiketsu, and Shitsuke.

<table>
<thead>
<tr>
<th>Seiri</th>
<th>Sort all tools and materials,</th>
</tr>
</thead>
<tbody>
<tr>
<td>Seiton</td>
<td>Organize and arrange tools, parts and equipments</td>
</tr>
<tr>
<td>Seiso</td>
<td>Systematic Cleaning of workplace</td>
</tr>
<tr>
<td>Seiketsu</td>
<td>Standardize the Work practices</td>
</tr>
<tr>
<td>Shitsuke</td>
<td>Sustain the discipline</td>
</tr>
</tbody>
</table>

Key Milestone of the Company:

The foundation of Panasonic Energy India Co. Ltd. was laid by Late Mr. D. D. Lakhanpal and Mr. Konosuke Matsushita on 15th August 1972 at G. I. D. C. Makarpura Industrial Estate, Vadodara. It was set-up in collaboration with Matsushita Electric Industrial Company Limited, Japan when India’s former Prime Minister Late Mrs. Indira Gandhi had visited Japan. After being highly impressed by the business policy of Late Mr. Matsushita, Late Mrs. Indira Gandhi had decided to take technical & financial assistance to start a dry cell battery unit in India. This unit was formed to meet the escalating needs of power and energy in India.

The building work & installation of the machinery from Japan was started rapidly. From 2nd July 1973, production was commenced with metal jacketed cell in Hyper Grade in UM-1 & UM-2 segments.
In 1989, another unit at Pithampur (Madhya Pradesh) started manufacturing the batteries.

<table>
<thead>
<tr>
<th>Year</th>
<th>Description of the Milestone</th>
</tr>
</thead>
<tbody>
<tr>
<td>1973</td>
<td>-Production of metal jacketed cell in &quot;NOVINO HYPER&quot; grade UM-1 and UM-2 was commenced. -First dispatch of Metal Jacket leak proof NOVINO was started. -Introduced HI - Top grade high performance cells for the first time in India</td>
</tr>
<tr>
<td>1975</td>
<td>Export activities were initiated.</td>
</tr>
<tr>
<td>1976</td>
<td>-Introduced paper jacketed &quot;NOVINO SPECIAL&quot; UM-1 cells. -Introduction of UM-3 pencil dry cell battery.</td>
</tr>
<tr>
<td>1987</td>
<td>- The Foundation stone of Pithampur Project was laid</td>
</tr>
<tr>
<td>1989</td>
<td>-Launched &quot;NOVINO GOLD&quot; – the Zinc Chloride Metal Jacket battery for the first time in India -Panasonic Energy India Co. Ltd. became the pioneer of Gold Segment in India.</td>
</tr>
<tr>
<td>1994</td>
<td>-Panasonic Energy India Co. Ltd. was awarded ISO - 9001 Certificate</td>
</tr>
<tr>
<td>1995</td>
<td>&quot;NOVINO SUMO&quot; 1S and 3S battery – the first ever eco-friendly battery were introduced in India</td>
</tr>
<tr>
<td>1997</td>
<td>We received ISO 14001 certification</td>
</tr>
<tr>
<td>2003</td>
<td>We became ISO - 9001 : 2000 certified company</td>
</tr>
<tr>
<td>2004</td>
<td>We were granted ISO 14000 certificate</td>
</tr>
<tr>
<td>2005</td>
<td>We are the only manufacturer of AAA dry battery in India.</td>
</tr>
<tr>
<td>2006</td>
<td>-ISO 14001 New Version (with ISO 9001) certificate was awarded. -We are the only Panasonic battery company in India.</td>
</tr>
<tr>
<td>2010</td>
<td>Becomes the only battery manufacturer in India with complete eco-friendly battery range than do not contain mercury, cadmium and other hazardous chemicals</td>
</tr>
</tbody>
</table>
3.4. Profile of Sanyo Electric Company Limited:

History:

SANYO Electric Co. Ltd is a Japanese manufacturer of a broad range of environmental solutions, consumer electronics, home appliances, industrial and commercial equipment including commercial kitchen and refrigeration along with devices and batteries. First incorporated in 1950, SANYO has a history rich in creating and delivering technology-based products to every corner of the globe. A truly international organization, the SANYO Group of companies now comprises 206 subsidiaries and affiliates.

<table>
<thead>
<tr>
<th>YEAR</th>
<th>DESCRIPTION OF THE MILESTONE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1947</td>
<td>SANYO Electric Works founded (Honmachi, Moriguchi City, Osaka). SANYO's first model of bicycle generator lamp (Model 47) launched.</td>
</tr>
<tr>
<td>1949</td>
<td>Commenced export, supplying 5,000 bicycle generator lamps by order of GHQ (General Headquarters of the Allied Forces).</td>
</tr>
<tr>
<td>1950</td>
<td>SANYO Electric Co., Ltd. established (Umemachi, Moriguchi City).</td>
</tr>
<tr>
<td>1951</td>
<td>New head office building completed; headquarters operations moved to current location (Keihan-Hondori, Moriguchi City).</td>
</tr>
<tr>
<td>1952</td>
<td>Industry's first plastic radio, SS-52, launched.</td>
</tr>
<tr>
<td>1953</td>
<td>Japan's first pulsator-type washing machine, SW-53, launched, a milestone in Japan's consumer electronics boom. Later, critic Soichi Oya named this year &quot;The first year of home electrification.&quot; SANYO's first black-and-white television model, 17-C231, launched.</td>
</tr>
<tr>
<td>1955</td>
<td>Listed on Stock Exchanges in Nagoya, Kyoto, Fukuoka and Hiroshima.</td>
</tr>
<tr>
<td>1956</td>
<td>Production of first transistor radio model, 6C-1, commenced.</td>
</tr>
<tr>
<td>1957</td>
<td>SANYO's first refrigerator model, SR-350, launched.</td>
</tr>
<tr>
<td>1958</td>
<td>Labor union established. (Partial agreement concluded at same time.) Production of first window air conditioner model, SAC-2600, commenced.</td>
</tr>
</tbody>
</table>
SANYO's first vacuum cleaner model, SC-100, launched.
Tokyo SANYO Electric Co., Ltd. established in Oura-gun, Gunma Prefecture.
Tokyo SANYO Electric developed industry's first 1/10 hp sealed dual-pole compressor.
SANYO's first tape recorder model, S-21MR, introduced.
Industry's first twin-tub washing machine, SW-400, launched.
SANYO's first color television model, 21-CTS, launched.
Production of first ice cream freezer model, SCR-040, commenced.

Tokyo SANYO Electric stock listed on Second Section of Osaka Securities Exchange.
R&D Center established.
Production of Japan's first split-system air conditioner for home use, SAP-200E, commenced.
Rechargeable nickel-cadmium battery, CADNICA, developed, enabling commencement of the era of cordless electric products. (Mass production commenced in 1964.)
Production of freezer showcases and versatile water coolers commenced.
Industry's first rechargeable CADNICA battery-powered radio, 8S-P25, introduced.

SANYO's new color television model, 16-CT50, overcomes cost hurdle of 10,000 yen per screen inch for first time in the industry.
Tottori SANYO Electric Co., Ltd. established.
SANYO's first video tape recorder model for home use, VTR-1000, launched (Tottori City).
9-inch color television (19-CT1000) priced in 160,000 to 170,000 yen range introduced for first time in the industry, propelling widespread proliferation of color televisions.
Industry's first vacuum cleaner with cassette-type dust collector "Taro" (SC-3000) introduced.
SANYO Electric Credit Co., Ltd. established.
SANYO retail chain (SBC) system established, strengthening the
company’s marketing network.

1970  Sponsored SANYO Exhibition Hall at Japan World Exposition.

1971  Product Development Center established (Anpachi-gun, Gifu).

1971  SANYO Electric Distribution Co., Ltd. (present SANYO Electric Logistics Co., Ltd.) established.

1971  Waste plastic processing technology developed.

1971  SANYO’s first adsorption-type freezer model introduced.

1971  SANYO’s first remote control color television model "Zubacon" (20-CTR910R) introduced.

1972  Japan’s first receipt computer "Medicom" (MC-1) developed and supplied.

1973  Social Environment Improvement Committee established.

1973  SANYO’s first hotel reception computer system developed and supplied.


1975  World’s first lithium batteries (manganese dioxide lithium batteries) developed; mass production beginning in 1978.

1976  New corporate logo unveiled, symbolizing the company goal of becoming a global firm.


1978  Customer Information System commences operation.

1978  Shioya Training Center completed in Kobe City, Hyogo.

1979  World’s first amorphous silicon solar batteries, Amorton, developed.

1979  Fashionable MR-U4 tape recorder launched.

1979  Energy Conservation Committee established.

1979  Granted license to VARTA (West Germany) and Mallory (U.S.A.) to manufacture and sell lithium batteries.

1979  Granted General Electric Co., Ltd. (U.S.A.) non-exclusive right to exercise patent and know-how concerning lithium batteries.
VLSI (Very Large Scale Integration) Technology Development Center established on premises of Gifu Plant.

SANYO's first electromagnetic cooking device, IC-10, launched.

1980
Licensed lithium battery technology to Duracell Co., Ltd. (U.S.A.).
Technology exchange agreement reached with Energy Research Corp. (U.S.A.) for phosphoric acid fuel cells.
New Tokyo Office building (current Tokyo building) completed.
Home solar system featuring heat pipe technology launched.
World’s first calculator equipped with built-in Amorton, CX-1, introduced.

1981
Amorton heat pipe collector developed.
Blue light-emitting diode (LED) and world’s first full-color LED lamp developed.

1982
Operation of amorphous solar cell production plant commenced.
Licensed lithium battery technology to Renata SA (Switzerland).

1983
Head Office Annex (current Head Office Building No. 2) completed.
Applied Technology Laboratory established in Moriguchi City, Osaka.
Amorton roof tile developed.
Industry’s first refrigerator with chilling compartment (“Osashimi compartment”), SR-430VH, launched.
Production of OS-CON line of aluminum solid capacitors with organic semiconductive electrolyte commenced.

1984
Conceptual design of air-cooled phosphoric acid fuel battery power generation system with 10,000 kW output commenced jointly with Tokyo Electric Power Co., Inc.
Home electronic appliance series for singles “it’s” introduced.
Industry’s first refrigerated showcase (flat open type) introduced.

1986
SANYO Electric and Tokyo SANYO Electric merged.
New wordmark adopted.
Test run of phosphoric acid fuel cell with 50 kW output, developed and commenced jointly with Tokyo Electric Power.

1987
See-through Amorton developed.

1988
Japan’s first nickel-cadmium batteries for artificial satellite developed and supplied to National Space Development Agency of Japan.
SANYO All-Star Series held, first professional baseball games bearing sponsoring company’s name.
MBA training course established in cooperation with School of Management, Boston University.
ROBO series launched.

1989
New corporate slogan “We care for people and the earth” established.
Consolidated subsidiaries increased to reinforce consolidated accounting system.
Industry’s first mid-mount Hi-Fi video recorder, VZ-CS1, introduced.
Industry’s first 3-way multi-air conditioning system that can provide cooling and heating simultaneously introduced.
1990


1991

Support for activities of Osaka Symphoniker (present Orchestra Osaka Symphoniker) commenced.
Sales of built-to-order high vision liquid crystal projector with resolution of 4,500,000 pixels, LH-1000, commenced.
Color television compatible with high vision broadcasting "Teio" (HVC-33TO) launched.

Ultra-low temperature (-152°C) freezer (world's lowest) developed.
World's first HIT solar cell developed.
Industry's first hand-free cordless with answering machine "Te-Bu-Ra Cord Rusu" introduced.

1992

Photovoltaic power generation system (reverse power flow) installed in private house for first time in Japan.
SANYO Electric Software Co., Ltd. established.
World's first portable phosphoric acid fuel cell developed.

1993

Research system reorganized to strengthen ties between R&D Headquarters and development centers of individual business headquarters, enabling faster commercialization of new technologies.
Industry's first shower heating method oven, EMO-V3, introduced.
Three-dimensional display system not requiring special glasses developed jointly with NHK Engineering Services, Inc. and Toppan Printing Co., Ltd.

1994

Entered Cellular phone business, delivering digital cellular phone to tu-ka group by OEM.
Mass production of cylindrical lithium-ion batteries commenced.
HIT solar cell achieved world record for power conversion at 20%.
Raw garbage decomposer for home use, SNS-T1, launched.
Sales of photovoltaic power generation systems for residential use commenced.

1995
Commenced commercial production of world's first 635 nm red semiconductor laser with guaranteed temperature of 60.
Entered imported housing business, first among home electronics manufacturers in Japan to do so.
SANYO's first PHS telephone unit "ALC" (PHS-P101) introduced.

1996
New fiscal term began. (Fiscal year-end changed to March.)
SANYO Electric Credit Co., Ltd. stock listed on Second Section of Osaka Securities Exchange.
Entered PHS base station business.
Launch of joint project of six private enterprises, called "Silk Road Genesis Plan," announced.
Entered large TFT LCD business.
Started manufacturing low-temperature polysilicon thin-film transistor LCD officially.

1997
SANYO's first digital camera "Maltese" (DSC-V1) introduced.

1998
SANYO Electric Group environmental action plan "Action E21" launched.
SANYO Emeritus Co., Ltd., joint-venture company with Emeritus Corp. (U.S.A.), established to enter welfare business for the elderly and an elder care facility named San Oehs Kurashiki was opened next year.
Alliance agreement reached with IBM Corp. (U.S.A.) for semiconductor business.
26,000 kW cogeneration plant, highest power generation capacity in Japanese electric manufacturing industry, completed in Tokyo Plant.
World's first ultrasonic washing machine "Himawari" (ASW-EP80A) introduced.

1999
In-house company management system introduced; eight business segments reorganized into five companies.
Corazon Aquino, former president of the Philippines, appointed outside director.
Executive officer system introduced.
The construction of corporate headquarter building was completed.
SANYO Electric Credit Co., Ltd. stock listed on First Sections of Tokyo Stock Exchange and Osaka Securities Exchange.
Vacuum cleaner that does not emit dust, "Jet Turn" (SC-JT80), introduced.
Industry's first stainless oven for home use, EMO-SR1, introduced.
Nickel metal hydride rechargeable batteries for hybrid electric vehicles developed.

2000
Fiftieth anniversary of SANYO Electric's founding celebrated.
SANYO to domestically produce 5 billion sealed-type nickel cadmium batteries "CADNICA."
BS digital high vision television "VIZON" (HVC-36DZ1) launched.

2001
SANYO MUSEUM (with e-cafe) opened.
Nickel metal hydride (Ni-MH) battery business acquired from Toshiba Group.
Marketed detergent-free washing machine, the ASW-ZR800.

2002
Comprehensive agreement reached with Haier Group Co., the largest consumer electronics appliance manufacturer in China, on wide-ranging collaboration.
Vending machine business sold to Fuji Electric Co., Ltd.
Acquired stock for Kubota House Co., Ltd., and established SANYO Homes Corporation.
SANYO Solar Ark, giant photovoltaic power generating system, and Solar Lab, solar energy museum, opened.

2003
NTT DATA SANYO SYSTEM CORPORATION established under capital tie-up with NTT DATA CORPORATION.
Purchased shares of GS-Melcoch Company, subsidiary of Nippon Denchi Co., Ltd., for takeover and renamed it SANYO GS Soft Energy Co. Ltd.
Chip mounter business sold to Hitachi High-Technologies Corporation.
Developed cellphones for digital terrestrial television broadcasting.
Marketed integrated energy-saving system "Eco-Store System" for local stores that contribute to energy saving of refrigerating and air-conditioning equipment in supermarkets and conveniences stores.

2004
Began mass production of Nickel-metal hydride (Ni-MH) battery systems for hybrid electric vehicles (HEV).
Full-scale production of HIT solar cells commenced at Nishikinohama Factory in Osaka.
Seiko Epson Corporation and SANYO Electric incorporated SANYO EPSON Imaging Device Corporation for liquid crystal business integration.
Started Tokushima Plant in order to increase production of lithium-ion batteries.
Niigata Chuetsu Earthquake struck Niigata SANYO Electronic Co., Ltd. (present SANYO Semiconductor Manufacturing Co., Ltd.)
2005

Enhanced solar cell business in European market, started full-scale operation at solar cell plant of SANYO Hungary Co., Ltd.
SANYO Electric Logistics Co., Ltd. stock listed on Jasdaq Securities Exchange.
SANYO commenced "ELEMENTARY SCHOOL ENERGY EVOLUTION PROJECT (currently ECO EDUCATION PROGRAM for Elementary Schools)" activities, environmental education for elementary school students.
Agreement reached with Goldman Sachs Group Inc. (United States) to transfer portion of SANYO Electric Credit stock.
Developed cellphone terminal CDMA 1X WIN W33SA for mobile digital terrestrial television broadcasting service "Wansengu" (1 segment).

Next-generation Nickel-metal hydride (Ni-MH) battery "eneloop" launched.

2006

High-definition digital movie camera "Xacti VPC-HD1" launched.
300 billion yen capital increased through issuance of preferred stocks to third parties.
Commercial-use air purifying system featuring "virus Washer" launched.
Drum-type washer/dryer "AQUA AWD-AQ1" featuring "air wash" launched.

Semi-conductor business spun off into subsidiary, SANYO Semiconductor Co., Ltd.
The "Mini-Gorilla" palm-sized portable navigation device series launched.

2007

"eneGreen Supermarket Showcase Refrigerating System" capable of connecting multiple showcases and refrigeration units launched.
SANYO Sales & Marketing Co., Ltd. integrated into SANYO Electric Co., Ltd to reshape and optimize the global sales structure.
Household cyclone vacuum cleaner "airsis" doubling as air purification device launched.

"eneloop universe products" received 2007 Good Design Grand Prize (Prime Minister's Prize).
Ultra-short focus projector "LP-XL50" capable of 80-inch large screen projection from a distance of 8 cm launched.
2008

- Sold the mobile phone business to Kyocera Corp.
- "eneloop" received Germany's iF Design Award 2008
- Established SANYO Consumer Electronics Co., Ltd. and SANYO Aqua Corp.
- Established a new fuel cell joint company, ENEOS Celltech Co., Ltd., with Nippon Oil Corp.
- The Imperial couple visited Tokyo Plant in Gunma prefecture.
- Formulated SANYO Group Mid-term Management Plan (FY2008-FY2010) toward 'a leading company for energy and environment'.
- Agreed with German automaker VOLKSWAGEN Group to co-develop next generation lithium-ion HEV battery systems.
- Installed air purification systems equipped with 'virus washer' technology in Warner Mycal cinemas.
- Made a capital investment in DALIAN BINGSHAN GROUP Co., Ltd., a leading company for commercial equipment in China, and became its biggest shareholder.
- Strengthen the solar business in North America;
- Established a new Si wafer production company "SANYO Solar of Oregon LLC" in Oregon, U.S.A.
- Increased the production capacity of solar module plant in Monterrey, Mexico by 2.5 times.
- Strengthen the solar business in Japan;
- Started a new Shiga solar module plant in Shiga prefecture.
- Started a new solar cell plant of Shimane SANYO Electric Co., Ltd.
- "eneloop bike" electric hybrid bicycle released.
- New manufacturing facilities completed for lithium-ion battery production at the Kaizuika Plant of SANYO Energy Twicell Co., Ltd. and the Nandan Plant of SANYO Energy Nandan Co., Ltd.
- HIT solar photovoltaic cells and modules achieved the world's highest energy conversion efficiency of 23.0%.
- "eneloop" rechargeable batteries achieved a global cumulative shipment of 100 million units and the new "eneloop" that can be recharged approximately 1,500 times released.
- Nickel metal hydride (Ni-MH) battery systems supplied for hybrid electric vehicles (HEV) to PSA Peugeot Citroën, France.
- Japanese production sites for the solar photovoltaic cell business (Nishikinohama Factory and Shimane SANYO Electric Co., Ltd.) bolstered to increase a combined production capacity from 340 MW to 565 MW by the end of March 2011.

2009

- "GOPAN," the world's first rice bread cooker that can easily bake bread from rice grain at home, released.

2010

- Agreed with NIDEC Corporation to transfer all SANYO-owned stocks of SANYO Seimitsu Co., Ltd. to NIDEC.

Product Profiles: Batteries

1. Alkaline  2. Photo lithium  3. Rechargeable
References


13. Copeland, M. T. (1923). The relation of consumers' buying habits to marketing methods. *Harvard Business Review*, (1), 282-289. Copeland categorized consumer products into convenience goods, shopping goods, and specialty goods, and the above product classification is popular and acceptable in marketing disciplines. 1. Convenience goods: Consumers purchase frequently and with minimal effort, such as shopping for daily life goods. Also "convenience" is the key for consumers. 2. Shopping goods: Consumers are willing to spend some time to do some comparison with other goods, for instance buying a television or clothes. 3. Specialty goods: Consumers are willing to spend lots amount of time to do extensive comparisons with other goods and a lengthy information search, such as purchasing a car or jewelry.


40. Marketing is a study of market behavior rather than marketer behavior or buyer behavior. 2. Market behavior is measured by a fundamental unit of analysis called the market transaction. 3. Need to focus on the dynamic nature of marketing. 4. Marketing as a study of market behavior must include constraints on that behavior. 5. The raison d'etre of marketing is to create and distribute values. For more details, See Sheth, J. N., Gardner, D. N., Garrett, D. E., supra note 37, at 200-201.


55. See Armstrong, G. & Kotler, P., supra note 26, at 6 &10.

56. See Chiou, Jyh-Shen; supra note 35, at 190-204. [Text in Chinese]

57. See Kotler, P. & Armstrong, G., supra note 27, at 8


