

## Panasonic Energy India Co. Ltd.

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G.I.D.C., Makarpura, P.B.No. : 719, Vadodara-390 010, Gujarat- India.

Phone: (0265) 2642661-62, 2638887, 2638888

Fax: (0265) 2638890, 2638892

ISO 9001: 2015 & ISO 14001: 2015 Certified Company

August 14, 2019

The Manager – Listing  
The BSE Ltd.  
Phiroze Jeejeebhoy Towers  
Dalal Street  
MUMBAI – 400 001

**Scrip Code: 504093**

Sub: Submission of Annual Report 2018-19 and Notice convening the 47<sup>th</sup> Annual General Meeting of the Company.

Ref: Intimation dated August 13, 2019 under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

Dear Sir / Madam,

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, we herewith submit the Annual Report of the Company for the Financial Year 2018-19 along with the Notice convening the 47<sup>th</sup> Annual General Meeting which will be held on Tuesday, September 10, 2019 at Grand Mercure Vadodara Surya Palace, Vadodara, Gujarat - 390020.

Further, we would like to inform that the Company has today commenced dispatch of the Notice of AGM (including attendance slip, proxy form and route map for reaching the AGM venue) and the Annual Report for the financial year 2018-19, to all its Members.

Kindly take the same on record.

Thank you.

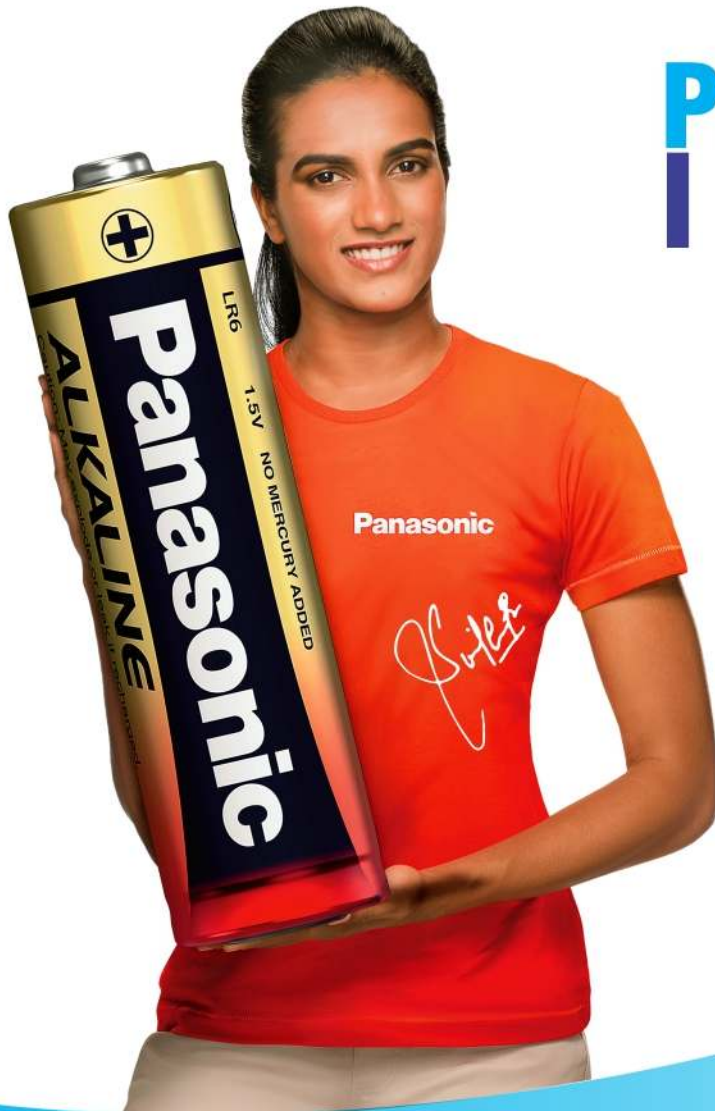
Yours truly  
For Panasonic Energy India Co. Ltd.,



Susheela Maheshwari  
Company Secretary



**Panasonic**



**PERFORMANCE  
I CAN TRUST**

47<sup>th</sup>  
**Annual Report**  
2018-2019

**Panasonic Energy India Co. Ltd.**



# Panasonic Energy India Co. Ltd.

CIN : L31400GJ1972PLC002091

## Corporate Information

### BOARD OF DIRECTORS

#### CHAIRMAN & MANAGING DIRECTOR

Mr. Mikio Morikawa

#### DIRECTORS

Mr. Tadasuke Hosoya (w.e.f. 01-09-2018)

Ms. Geeta Goradia

Mr. Mayur Swadia

Mr. Atul Dalmia

Mr. Gautam Punj (upto 31-03-2019)

Mr. Kazuo Tadanobu (upto 01-01-2019)

Mr. Toshihiro Nakamura (upto 31-03-2019)

Mr. Motoaki Shimamura (upto 13-08-2018)

#### COMPANY SECRETARY

Ms. Susheela Maheshwari

#### AUDITORS

M/s. B S R & Associates LLP

Chartered Accountants, Ahmedabad

#### BANKERS

State Bank of India

The Bank of Tokyo-Mitsubishi UFJ, Ltd.

#### REGISTRAR & SHARE TRANSFER AGENT

Link Intime India Pvt. Ltd.

B-102 & 103, Shangrila Complex,

First Floor, Opp. HDFC Bank,

Near Radhakrishna Char Rasta,

Akota, Vadodara - 390 020,

Gujarat, India.

#### DATE OF LISTING ON BSE

May 02, 1973

#### REGISTERED OFFICE

GIDC, Makarpura,

Vadodara - 390 010, Gujarat, India

#### WORKS

1. GIDC, Makarpura,

Vadodara - 390 010, Gujarat, India

2. Plot No. 112, Sector III,

Pithampur Industrial Area,

Dist. Dhar - 454 774,

Madhya Pradesh, India

**47<sup>th</sup> Annual General Meeting** of the Company is scheduled to be held on **Tuesday, September 10, 2019 at 10:00 a.m. at Royal Room, Grand Mercure Vadodara Surya Palace, Opp. Parsi Agiyari, Sayajigunj, Vadodara - 390 020.**

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

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# Panasonic Energy India Co. Ltd.

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**NOTICE** is hereby given that the **47<sup>th</sup> ANNUAL GENERAL MEETING** of the Members of Panasonic Energy India Co. Ltd. will be held at Royal Room, Grand Mercure Vadodara Surya Palace, Opp. Parsi Agiyari, Sayajigunj, Vadodara - 390 020 on Tuesday, September 10, 2019, at 10.00 a.m. to transact the following businesses:

## **ORDINARY BUSINESS**

1. To consider and adopt the Financial Statements of the Company for the financial year ended March 31, 2019 and the Reports of the Board of Directors and the Auditors thereon.
2. To declare dividend on equity shares for the year ended March 31, 2019.
3. To appoint a Director in place of Mr. Miki Morikawa (DIN 02611904), who retires by rotation and being eligible, offers himself for re-appointment.

## **SPECIAL BUSINESS**

### **4. Ratification of Remuneration to Cost Auditor**

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the consent of the Company be and is hereby accorded for the payment of remuneration of ₹ 1,25,000/- (Rupees one lakh twenty-five thousand only) plus applicable taxes and reimbursement of out of pocket expenses incurred, to M/s. Diwanji & Co., Cost Accountants, Vadodara (Firm Registration No. 000339) appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year 2019-20.”

### **5. Appointment of Mr. Hideyuki Okunaga as Non-Executive Director**

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 152 and amendment thereto or modification thereof, of the Companies Act, 2013, Mr. Hideyuki Okunaga (DIN 06792183) who was appointed as an Additional Director of the Company pursuant to Section 161 of the Companies Act, 2013 and who holds office up to the date of ensuing Annual General Meeting, be and is hereby appointed as Non-Executive Director of the Company (promoter category), liable to retire by rotation, effective from June 01, 2019.”

### **6. Re-appointment of Ms. Geeta Goradia as Independent Director**

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

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and such other applicable provisions, if any, of the Companies Act, 2013 (“Act”) read with Schedule IV and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 17 of the SEBI (LODR) Regulations, 2015, Ms. Geeta Goradia (DIN 00074343) who was appointed as an Additional Director of the Company pursuant to Section 161 of the Companies Act, 2013 and who holds office up to the date of ensuing Annual General Meeting be and is hereby re-appointed as an Independent Director, not liable to retire by rotation, for a second term of five years commencing from July 28, 2019.”

### **7. Re-appointment of Mr. Atul Dalmia as Independent Director**

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

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and such other applicable provisions, if any, of the Companies Act, 2013 (“Act”) read with Schedule IV and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 17 of the SEBI (LODR) Regulations, 2015, Mr. Atul Dalmia (DIN 00228257) be and is hereby re-appointed as an Independent Director, not liable to retire by rotation, for a second term of five years commencing from October 29, 2019.”

### **8. Re-appointment of Mr. Mayur Swadia as Independent Director**

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

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and such other applicable provisions, if any, of the Companies Act, 2013 (“Act”) read with Schedule IV and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 17 of the SEBI (LODR) Regulations, 2015, Mr. Mayur Swadia (DIN 01237189) be and is hereby re-appointed as an Independent Director, not liable to retire by rotation, for a second term of five years commencing from October 29, 2019.”

### **9. Re-appointment of Mr. Miki Morikawa as Chairman & Managing Director**

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

**“RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198, 203 and any other applicable provisions of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules

2014, (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule V of the Companies Act, 2013, the consent of the Members be and is hereby accorded to the re-appointment of Mr. Mikio Morikawa (DIN 02611904) as Chairman & Managing Director for a period of 3 years effective from October 01, 2019 up to September 30, 2022 on such terms and conditions as set out in the draft agreement to be entered into between the Company on one part and Mr. Morikawa on the other part the details of which are given in the explanatory statement in respect of this item of the Notice.”

**10. Ratification of remuneration payable to Mr. Mikio Morikawa as Chairman & Managing Director**

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

“**RESOLVED THAT** pursuant to the provisions of Regulation 17(6)(e) of SEBI (LODR) Regulations, 2015 the consent of the members be and is hereby accorded to the payment of remuneration to Mr. Mikio Morikawa, Chairman & Managing Director of the Company, in excess of the limit specified in the above regulation for a period commencing from April 01, 2019 to September 30, 2019.”

**11. Ratification of remuneration payable to Mr. Tadasuke Hosoya as Executive Director**

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

“**RESOLVED THAT** pursuant to the provisions of Regulation 17(6)(e) of SEBI (LODR) Regulations, 2015 the consent of the members be and is hereby accorded to the payment of remuneration to Mr. Tadasuke Hosoya, Executive Director of the Company, in excess of the limit specified in the above regulation for a period commencing from April 01, 2019 to August 31, 2021.”

Registered Office  
GIDC, Makarpura, Vadodara - 390 010  
Gujarat, India  
CIN : L31400GJ1972PLC002091  
e-mail:company.secretary@in.panasonic.com

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

**Susheela Maheshwari  
Company Secretary  
Vadodara, May 29, 2019**

**NOTES**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY/PROXIES TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/ HERSELF AND SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

A person can act as a proxy on behalf of Members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. Corporate members intending to send their authorized representative to attend the meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
3. A proxy shall not have a right to speak at the meeting and shall not be entitled to vote except on a poll.
4. An instrument appointing proxy is valid only if it is properly stamped as per the applicable law. Blank or incomplete, unstamped or inadequately stamped, undated proxies or proxies upon which the stamps have not been cancelled will be considered as invalid. If the Company receives multiple proxies for the same holdings of a Member, the proxy which is dated last will be considered as valid. If such multiple proxies are not dated or they bear the same date without specific mention of time, all such multiple proxies shall be treated as invalid.
5. Members / proxies should bring the attendance slips duly filled in and PHOTO ID Proof for attending the meeting.
6. In case of joint holders attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote.
7. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, September 04, 2019 to Tuesday, September 10, 2019 (both days inclusive) for the purpose of determining payment of dividend.
8. Notes given in the Notice to the extent applicable also forms part of explanatory statement.
9. Relevant documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection by the Members at the Registered Office of the Company during normal business hours on all working days except Saturdays upto the date of the AGM.

## Panasonic Energy India Co. Ltd.

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10. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Act, will be available for inspection by the members at the AGM.
11. The Notice of the Annual General Meeting along with the Annual Report 2018-19 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company / Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode. Members may note that this Notice and the Annual Report 2018-19 will also be available on the Company's website [www.panasonicenergyindia.in](http://www.panasonicenergyindia.in)
12. The relevant information of the Director seeking re-appointment, as required under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with revised Secretarial Standard-2 (SS-2) on General Meetings, is provided in section relating to the Corporate Governance. Requisite declarations have been received from the Directors for seeking re-appointment.
13. Explanatory statement pursuant to Section 102(1) of the Companies Act, 2013 in respect of Item Nos. 4 to 11 of the accompanying Notice is annexed hereto.
14. Dividend on Equity Shares as recommended by the Directors, if declared at this Annual General Meeting, will be paid within a period of 30 days from the date of declaration to those Members whose names appear on the Company's Register of Members at the close of business on September 10, 2019.
15. Shareholders are advised to encash their dividend warrants for the proposed Dividend for financial year 2018-19, if declared, within the validity period. Thereafter, the shareholders will have to request the Company for issuing fresh / revalidated dividend warrants by writing to the Company along with their bank details.
16. Dividend payment
  - a) Members holding shares in electronic mode may please note that the dividend payable to them would be paid through National Electronic Clearing Services (NECS) at the available RBI locations. The dividend would be credited to their bank account as per the mandate given by the Members to their Depository Participants (DPs). In absence of availability of NECS facility, the dividend will be paid through warrants and the bank details as furnished by the respective Depositories to the Company will be printed on their dividend warrants as per the applicable regulations.
  - b) In respect of shares held in physical form, Members desirous of receiving dividend by way of direct credit to their bank accounts through NECS may authorize the Company with their NECS mandate. The shareholders desirous of obtaining the NECS mandate may download it from the website of the Company at [www.panasonicenergyindia.in](http://www.panasonicenergyindia.in) or may write to the Company Secretary at the registered office of the Company.
17. Unclaimed dividend

The Company has transferred the unclaimed dividend for the financial year 2010-11 to the Investor Education and Protection Fund (IEPF) established by the Central Government. No claims shall be entertained against the Company for the amounts so transferred. Members who have not encashed dividend warrant(s) for the subsequent years are requested to contact Company Secretary at the registered office of the Company, for seeking issue of duplicate warrant(s). The details of the unpaid/unclaimed dividend as on August 29, 2018 (the date of previous Annual General Meeting) are available on the Company's website viz., [www.panasonicenergyindia.in](http://www.panasonicenergyindia.in) and on the website of Ministry of Corporate Affairs at [www.mca.gov.in](http://www.mca.gov.in)
18. As per Section 124(6) of the Act read with the IEPF Rules as amended, all the shares in respect of which dividend has remained unpaid / unclaimed for seven consecutive years or more have been transferred to the IEPF Account.
19. In the event of transfer of shares and the unclaimed dividends to IEPF, members are entitled to claim the same from IEPF by submitting an online application in the prescribed Form IEPF-5 available on the website [www.iepf.gov.in](http://www.iepf.gov.in) and sending a duly signed physical copy of the same to the Company along with the requisite documents enumerated in the Form IEPF-5. Members can file only one consolidated claim in a financial year as per the IEPF Rules.
20. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are required to submit their PAN to their Depository Participants and Members holding shares in physical form shall submit their PAN to Link Intime India Pvt. Ltd., Vadodara (Company's Registrar & Share Transfer Agent) or to the Company Secretary at the registered office of the Company.
21. In view of the circular issued by SEBI dated April 20, 2018 ref: SEBI/HO/MIRSD/DOP1/CIR/P/2018/73, it is also mandatory to provide the Bank Mandate (Beneficiary Bank name and Beneficiary Account Number) on the face of the Warrant / DD for all warrant printing cases / DD cancellation & reissuance / initial DD issuance / DD issuance against electronic payment rejects.



22. Members are requested to notify immediately:
- Any change in their residential address.
  - Income-tax Permanent Account Number (PAN).
  - Bank details - Name and address of the bank; A/c No.; type of A/c.
23. Members holding shares in physical form and wishing to avail of the nomination facility, are requested to send the duly filled in nomination form (Form SH-13) to Company's Registrar & Share Transfer Agent or to the Company Secretary at the registered office of the Company.
24. Members holding shares in more than one folio in the same order of name(s) are requested to send the details of their folios along with the share certificates so as to enable the Company to consolidate their holdings into one folio.
25. Members are requested to bring their copies of the Annual Reports along with duly filled attendance slip to the Meeting.
26. Members seeking any information or clarification with regard to the accounts are requested to write to the Company at least TEN DAYS in advance of the Meeting so that the required information can be made readily available at the Meeting.
27. The Company has created an exclusive e-mail Id: [company.secretary@in.panasonic.com](mailto:company.secretary@in.panasonic.com) for quick redressal of shareholders / investors grievances.
28. E-voting
- Pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, the Company is pleased to provide its Members the facility of 'remote e-voting' (e-voting from a place other than venue of the AGM) to exercise their right to vote at the Annual General Meeting (AGM). The business shall be transacted through e-voting services rendered by Link Intime India Pvt. Ltd.

The facility for voting, either through electronic voting system or through ballot / polling paper shall also be made available at the venue of the 47<sup>th</sup> AGM. The Members attending the meeting, who have not already cast their vote through remote e-voting shall be able to exercise their voting rights at the meeting. The Members who have already cast their vote through remote e-voting may attend the meeting but shall not be entitled to cast their vote again at the AGM.

#### Voting Period

The voting period begins on September 07, 2019 at 09.00 a.m. and ends on September 09, 2019 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on September 03, 2019 (cut-off date) may cast their vote electronically. The e-voting module shall be disabled for voting thereafter.

The Company has appointed Mr. Vijay Bhatt, Practicing Company Secretary as the Scrutinizer for conducting the remote e-voting and the voting process at the AGM in a fair and transparent manner.

**Please refer EVENT Number: 190150**

#### Instructions for shareholders to vote electronically:

##### ❖ **Log-in to e-Voting website of Link Intime India Private Limited (LIPL)**

- Visit the e-voting system of LIPL. Open web browser by typing the following URL: <https://instavote.linkintime.co.in>.
- Click on "Login" tab, available under 'Shareholders' section.
- Enter your User ID, password and image verification code (CAPTCHA) as shown on the screen and click on "SUBMIT".
- Your User ID details are given below:
  - Shareholders holding shares in demat account with NSDL: Your User ID is 8 Character DP ID followed by 8 Digit Client ID
  - Shareholders holding shares in demat account with CDSL: Your User ID is 16 Digit Beneficiary ID
  - Shareholders holding shares in Physical Form (i.e. Share Certificate): Your User ID is Event No + Folio Number registered with the Company
- Your Password details are given below:

If you are using e-Voting system of LIPL: <https://instavote.linkintime.co.in> for the first time or if you are holding shares in physical form, you need to follow the steps given below:

Click on "Sign Up" tab available under 'Shareholders' section register your details and set the password of your choice and confirm (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter).



	<b>For Shareholders holding shares in Demat Form or Physical Form</b>
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (applicable for both demat shareholders as well as physical shareholders). <ul style="list-style-type: none"><li>Members who have not updated their PAN with Depository Participant or in the Company record are requested to use the sequence number which is printed on the Address Sticker.</li></ul>
DOB / DOI	Enter the DOB (Date of Birth) / DOI as recorded with Depository Participant or in the Company record for the said demat account or folio number in dd/mm/yyyy format.
Bank Account Number	Enter the Bank Account Number as recorded in your demat account or in the Company records for the said demat account or folio number. <ul style="list-style-type: none"><li>Please enter the DOB / DOI or Bank Account Number in order to register. If the above mentioned details are not recorded with the Depository Participants or Company, please enter folio number in the Bank Account Number field as mentioned in instruction (iv-c).</li></ul>

If you are holding shares in demat form and had registered on to e-Voting system of LI IPL: <https://instavote.linkintime.co.in>, and / or voted on an earlier voting of any Company then you can use your existing password to login.

**If Shareholders holding shares in Demat Form or Physical Form have forgotten password:**

Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on "SUBMIT".

Incase shareholder is having valid email address, password will be sent to the shareholder's registered e-mail address. Else, shareholder can set the password of his / her choice by providing the information about the particulars of the Security Question & Answer, PAN, DOB / DOI, Dividend Bank Details etc. and confirm. (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter)

NOTE: The password is to be used by demat shareholders for voting on the resolutions placed by the Company in which they are a shareholder and eligible to vote, provided that the Company opts for e-voting platform of LI IPL.

For shareholders holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

❖ **Cast your vote electronically**

- vi. After successful login, you will be able to see the notification for e-voting on the home page of INSTA Vote. Select / View "Event No" of the company, you choose to vote.
- vii. On the voting page, you will see "Resolution Description" and against the same the option "Favour / Against" for voting.

Cast your vote by selecting appropriate option i.e. Favour / Against as desired.

Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour / Against'. You may also choose the option 'Abstain' and the shares held will not be counted under 'Favour / Against'.

- viii. If you wish to view the entire Resolution details, click on the 'View Resolutions' File Link.
- ix. After selecting the appropriate option i.e. Favour / Against as desired and you have decided to vote, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "YES", else to change your vote, click on "NO" and accordingly modify your vote.
- x. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.
- xi. You can also take the printout of the votes cast by you by clicking on "Print" option on the Voting page.

v **General Guidelines for shareholders:**

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to e-Voting system of LI IPL: <https://instavote.linkintime.co.in> and register themselves as 'Custodian / Mutual Fund / Corporate Body'.
- They are also required to upload a scanned certified true copy of the board resolution / authority letter / power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the 'Custodian / Mutual Fund / Corporate Body' login for the Scrutinizer to verify the same.

- During the voting period, shareholders can login any number of time till they have voted on the resolution(s) for a particular "Event".
  - Shareholders holding multiple folios / demat account shall choose the voting process separately for each of the folios / demat account.
  - In case the shareholders have any queries or issues regarding e-voting, please refer the Frequently Asked Questions ("FAQs") and Instavote e-Voting manual available at <https://instavote.linkintime.co.in>, under Help section or write an email to [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in) or Call us :- Tel : 022 - 49186000.
29. In terms of the Circulars No. 17/2011 of April 21, 2011 and 18/2011 of April 29, 2011 issued by the Ministry of Corporate Affairs (MCA) as part of its "green initiative in Corporate Governance", MCA allows paperless compliances including service of a notice / document by Companies to their Members through electronic mode. Therefore, as was done last year, the Company proposes to send documents required to be sent to Members like Notices of General Meetings (including AGM), Audited Financial Statements, Report of the Directors and Independent Auditor's Report etc. to the Members in electronic form to the e-mail IDs provided by them and made available to the Company by the Depositories. This will also ensure prompt receipt of communication and avoid loss in postal transit. These documents will also be available on the Company's website [www.panasonicenergyindia.in](http://www.panasonicenergyindia.in) for download by the Members. The physical copies of the Annual Report will be made available upon receipt of a requisition from the Members, any time as a Member of the Company.

#### ANNEXURE TO NOTICE

#### EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

##### **ITEM No. 4**

The Board of Directors of the Company on the recommendation of the Audit Committee approved the appointment and remuneration of M/s. Diwanji & Co., Cost Accountants, to conduct the audit of the cost records of the Company for the financial year ending on March 31, 2020.

In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a)(ii) of The Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is to be ratified by the Members of the Company. Accordingly, the Members are requested to ratify the remuneration payable to the Cost Auditors for the year 2019-20 as set out in the Resolution for the aforesaid services to be rendered by them.

The Board of Directors accordingly recommends the passing of this resolution.

None of the Directors, Key Managerial Personnel of the Company or their relatives, is in any way concerned or interested in the said resolution.

##### **ITEM No. 5**

On the recommendation of the Nomination and Remuneration Committee, Mr. Hideyuki Okunaga has been appointed as an Additional Director (Non-Executive Director) (Promoter category) by the Board w.e.f. June 01, 2019. Mr. Okunaga holds office upto the date of this Annual General Meeting.

Mr. Okunaga, born in 1965, had completed his Bachelor of Economics in March 1988. Immediately after graduation, he joined Matsushita Electric Industrial Co. Ltd. During his 31 years of tenure, he has been managing Planning Department of various business divisions of Panasonic Corporation. He has been the President of Panasonic Energy (Thailand) Co. Ltd., Energy Device Business Division, Automotive and Industrial Systems Company, Panasonic Corporation. Currently, he is the Director of Consumer Energy Business Unit, Energy Device Business Division, Industrial Solutions Company, Panasonic Corporation.

The Board of Directors accordingly recommends the passing of this resolution.

Pursuant to the requirements of SEBI (LODR) Regulations, 2015 on appointment of Director, a statement containing briefly the details of Mr. Okunaga is given in Report on Corporate Governance.

None of the Directors, Key Managerial Personnel of the Company or their relatives, except Mr. Okunaga and his relatives, is in any way concerned or interested in the said resolution.

##### **ITEM No. 6**

Ms. Geeta Goradia had been appointed as Independent Director of the Company from July 28, 2014 and is completing her first term on July 27, 2019. She is a successful entrepreneur and was the first lady President of Federation of Gujarat Industries (FGI). Currently, she is Managing Director of Jewel Consumer Care Pvt. Ltd. and Independent Director in various PSUs and listed Companies. She is actively associated with United Way of Baroda and other educational Institutions.

Based on the above, Nomination and Remuneration Committee had recommended to re-appoint Ms. Geeta Goradia (DIN 00074343) as an Additional Director to be designated as Independent Director, not liable to retire by rotation.



## Panasonic Energy India Co. Ltd.

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Accordingly, approval of members is sought to re-appoint Ms. Geeta Goradia as an Independent Director of the Company, for a second term of 5 (five) years.

In the opinion of the Board, Ms. Geeta Goradia fulfils the conditions for appointment as Independent Director and the Company has also received a declaration of independence from her as specified under Section 149 of the Act.

A copy of draft letter of appointment of Ms. Geeta Goradia, setting out the terms and conditions of appointment is available for inspection by the members at the registered office of the Company.

The Board accordingly recommends the passing of this resolution.

None of the Directors, Key Managerial Personnel of the Company or their relatives, except Ms. Goradia and her relatives, is in any way concerned or interested in the said resolution.

### **ITEM No. 7 & 8**

Mr. Atul Dalmia and Mr. Mayur Swadia had been appointed as Independent Directors of the Company from October 29, 2014 and are completing their first term on October 28, 2019.

Mr. Atul Dalmia, alumni from BITS, Pilani, is the Chairman & Managing Director of Rubamin Limited. He is a first generation entrepreneur and in the year 1985 co-founded USD 150m Rubamin Group based out of Gujarat, India. He was a Managing Committee Member with Federation of Gujarat Industries, one of the prime Industries' Associations in Gujarat which is associated with the vast industrial growth in and around Vadodara on the golden corridor of Gujarat.

Mr. Swadia is a Chartered Accountant by profession. He is the partner of M/s. K. M. Swadia & Co. one of the senior firms of the Chartered Accountants in Vadodara. As a partner of the firm, he has carried out large number of assignments for listed companies, multinational companies, nationalized banks, multinational banks, co-operative banks etc. in the areas of statutory audits, concurrent audits, techno-economic viability studies etc.

Based on the above, Nomination and Remuneration Committee had recommended to re-appoint Mr. Atul Dalmia and Mr. Mayur Swadia as Additional Directors to be designated as Independent Directors, not liable to retire by rotation. Accordingly, approval of members is sought to re-appoint them as Independent Directors of the Company, for a second term of 5 (five) years.

In the opinion of the Board, Mr. Atul Dalmia and Mr. Mayur Swadia fulfil the conditions for appointment as Independent Directors and the Company has also received a declaration of independence from them as specified under Section 149 of the Act.

A copy of draft letter of appointment of Mr. Atul Dalmia and Mr. Mayur Swadia, setting out the terms and conditions of appointment is available for inspection by the members at the registered office of the Company.

The Board accordingly recommends the passing of these resolutions.

None of the Directors, Key Managerial Personnel of the Company or their relatives, except Mr. Atul Dalmia and his relatives, is in any way concerned or interested in the resolution at item No. 7.

None of the Directors, Key Managerial Personnel of the Company or their relatives, except Mr. Mayur Swadia and his relatives, is in any way concerned or interested in the resolution at item No. 8.

### **ITEM No. 9**

Mr. Morikawa was inducted on the Board on July 01, 2015 and subsequently appointed as Chairman & Managing Director of the Company effective from August 01, 2016. He will complete his existing term of appointment on September 30, 2019.

Mr. Mikio Morikawa is an Industrial Engineer from Waseda University, Tokyo, Japan. He has been associated with Panasonic since 1986 and has worked in different capacities including heading their battery operations in USA. Prior to joining Panasonic Energy India Co. Ltd., he was General Manager, Procurement Dept. of Energy Device Business Division, Automotive and Industrial Systems Company, Panasonic Corporation, Japan.

Keeping in view the performance evaluation of Mr. Morikawa, the Board, on recommendation of the Nomination and Remuneration Committee, has re-appointed him as Chairman & Managing Director for a further period of 3 years commencing from October 01, 2019 up to September 30, 2022.

The extract of terms of appointment and remuneration as contained in the agreement are given below:

#### **A. Salary:**

Sr. No.	Particulars	Monthly salary
1	Basic Salary	2,32,917
2	Special Allowance	5,43,472
3	*Tax Allowance	4,44,900

\*Tax allowance may vary as per the actual tax liability borne by the Company on the salary as per the provisions of Income Tax Act, 1961.

**B. Perquisites:**

- i. Furnished Accommodation.
- ii. Use of Chauffeur driven Company car.
- iii. Gas, electricity and water.
- iv. Following perquisites shall not be included in computation of the ceiling on perquisites specified hereinabove.
  - a. Contribution to provident fund; if any;
  - b. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service as per the provisions of the Payment of Gratuity Act, 1972;
- v. Twelve calendar days leave (twice in a year) on full pay. However, no encashment of leave shall be permitted at the end of the tenure.
- vi. Other benefits shall be as per the Personnel Services Companion – Overseas Personnel Affairs Volume issued by Panasonic Corporation and as amended from time to time.

**C. Minimum Remuneration**

Notwithstanding anything to the contrary herein contained, where in any financial year during the tenure of Mr. Morikawa, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary and perquisites as specified above, subject to the restrictions set forth in Schedule V of the Companies Act, 2013.

**D. Notice for termination of Agreement**

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

**E. Compensation for loss of office**

The Chairman & Managing Director shall be entitled to compensation for loss of office or for early retirement from the office (except where he himself terminates the Agreement on his own accord) in accordance with the provisions of Section 191 of the Companies Act, 2013.

**F. Sitting Fees**

The Chairman & Managing Director shall not be paid any sitting fees for attending the meeting of the Board of Directors or Committee thereof from the date of his appointment.

**G. Not liable to retire by rotation**

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

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

The Board accordingly recommends the passing of this Resolution.

None of the Directors, Key Managerial Personnel of the Company or their relatives, except Mr. Morikawa and his relatives, is in any way concerned or interested in the said resolution.

**ITEM No. 10 & 11**

Mr. Mikio Morikawa had been appointed as Chairman & Managing Director of the Company effective from August 01, 2016 up to September 30, 2019 and last revision in his remuneration was approved by the members in 45<sup>th</sup> AGM. Mr. Tadasuke Hosoya has been appointed as Executive Director of the Company effective from September 01, 2018 up to August 31, 2021 and his appointment was approved by the members in 46<sup>th</sup> AGM. Both the appointments have been approved by way of special resolutions and their remunerations were falling within the limits prescribed under the Companies Act, 2013.

Recently, SEBI has amended the Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which has become effective from April 01, 2019. As per that amendment, the fees or compensation payable to executive directors who are promoters or members of the promoter group, shall be subject to the approval of the shareholders by special resolution in general meeting and the approval of the shareholders under this provision shall be valid only till the expiry of the term of such director. The amended provision has been reproduced below:

## Panasonic Energy India Co. Ltd.

- i. the annual remuneration payable to such executive director exceeds rupees 5 crore or 2.5 per cent of the net profits of the listed entity, whichever is higher; or
- ii. where there is more than one such Director, the aggregate annual remuneration to such Directors exceeds 5 per cent of the net profits of the listed entity;

SR No.	PARTICULARS	AMOUNT (₹)	REMARKS
1	Profit of the Company	75,284,972	Pursuant to Section 198 of Companies Act, 2013
2	5 % of net profit	3,764,250	Limit of amount which can be paid to Directors as remuneration under Regulation 17(6) (e)
3	Actual amount paid to Directors as remuneration	18,231,183	Remuneration to • Mr. Mikio Morikawa ₹ 14,482,313 Remuneration to • Mr. Tadasuke Hosoya ₹ 3,748,870 <b>TOTAL</b> <u>₹ 18,231,183</u>
	Amount by which limit is exceeding	14,466,933	

The Board of Directors accordingly recommends the passing of the Special Resolutions at item No. 10 & 11 of the accompanying notice.

None of the Directors, Key Managerial Personnel of the Company or their relatives, except Mr. Morikawa and his relatives, is in any way concerned or interested in the resolution at item No. 10.

None of the Directors, Key Managerial Personnel of the Company or their relatives, except Mr. Hosoya and his relatives, is in any way concerned or interested in the resolution at item No.11.

Registered Office  
GIDC, Makarpura, Vadodara - 390 010  
Gujarat, India  
CIN : L31400GJ1972PLC002091  
e-mail:company.secretary@in.panasonic.com

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

**Susheela Maheshwari  
Company Secretary  
Vadodara, May 29, 2019**

Dear Shareholders,

Your Directors have great pleasure to report you at the end of another challenging year, and presenting the forty seventh annual report together with the audited financial statement for the year ended March 31, 2019.

**1. Financial Results Summary**

(₹ in Lakhs)

Particulars	As at March 31 2019	As at March 31 2018
<b>Sales Turnover</b>	<b>20746.35</b>	21083.24
<b>Profit/(Loss) before tax</b>	<b>584.74</b>	1367.87
Less: Provision for taxation (Net of deferred tax)	<b>150.32</b>	456.72
Less: Provision for taxation of earlier years (Net of refund/demand)	<b>(26.86)</b>	(68.59)
Profit/(Loss) after tax	<b>461.28</b>	979.74
Add: Profit brought forward from previous year	<b>1155.01</b>	671.75
<b>Net available surplus for appropriation</b>	<b>1616.29</b>	<b>1651.49</b>
<b>Appropriations</b>		
Dividend paid during the year	<b>525.00</b>	412.50
Dividend Distribution Tax paid	<b>107.93</b>	83.98
Surplus carried to Balance Sheet	<b>983.36</b>	1155.01
	<b>1616.29</b>	<b>1651.49</b>

**2. Transfer to Reserve**

The Company does not propose to transfer any amount to the general reserve out of the amount available for appropriation.

**3. Dividend**

Keeping in view the current profitability of the Company, your Directors are pleased to recommend payment of a dividend of ₹ 4.00 per equity share (@ 40% at par value of ₹ 10/- each) (previous year ₹ 7.00 per equity share), subject to the approval of shareholders at the forthcoming Annual General Meeting. The dividend, when approved, will entail payment to shareholders of ₹ 361.67 lakhs. It will be tax free income in the hands of recipients. However, the Company's outflow towards dividend distribution tax would be to the tune of ₹ 61.67 lakhs.

**4. Operational Review**

The fiscal year 2018-19, was quite stable for the battery industry. The INR vs. USD remained weak throughout the year which had remained a cause of worry.

In the above situation during the year, your Company registered a net sales amount of ₹ 20746.35 lakhs as against ₹ 21083.24 lakhs of the previous year.

The profit before tax in the year stood at ₹ 584.74 lakhs as against ₹ 1367.87 lakhs in the last year.

Batteries and Flashlights

The market seemed to be focusing more on the economy priced batteries in the AA and AAA segment due to the acute competition amongst various players to secure volumes, impacting the overall revenue and profitability.

Flash light market continued to slide due to the focus shifting towards low priced rechargeable torches coupled with low demand for LED torches, which resulted in a decrease of the flashlight sales. However, your Company could achieve 105% revenue v/s the previous year.

Prospects

The prospect for the dry batteries demand seems to be going good, one of the reason being implementation of BIS 8144/2018 standard as a mandatory provision (from May, 2019) which shall make it difficult for importers to buy inferior-low priced batteries which are without BIS marking.

Your Company registered a growth in revenue towards the sale of Zinc Carbon dry batteries. Sales of Alkaline batteries, Lithium coins and Eneloop rechargeable batteries also continued to grow over the last year and are likely to maintain their upward trend in the coming years. Implementation of new sales/marketing techniques and strategies during the year are likely to enhance the sale performance of Zinc Carbon dry battery.

**5. Change in Nature of Business**

As reported last year, there is no material change in the business.

### 6. Product Profile

The Company, with its market share of about 19% in Zinc Carbon batteries, has now focused its expansion into various other product range to leverage its overall sales quantity and turnover viz. Rechargeable batteries under the brand name of 'Eneloop', range of Alkaline batteries, Lithium coins, LED and elite white range of torches.

### 7. Management Discussion and Analysis

#### Business Overview

Increase in disposable income in the rural India and low penetration levels in the rural market offer room for growth. FMCG urban segment is expected to have a steady revenue growth at 8% in FY 2019. Post GST and demonetization, modern trade share grew to 10% of the overall FMCG revenue during 1<sup>st</sup> half of last Fiscal year.

Demand of quality goods and services have been going up in rural areas of India, major reasons being, improved distribution channels, growing awareness, easier access and improved standard of living. The focus on agriculture, MSMEs, education, healthcare, infrastructure and tax rebate under Union Budget 2019-20 is expected to directly impact the FMCG sector. These initiatives are expected to increase the disposable income in the hands of the common people, especially in the rural area, which will be beneficial for the growth of sector.

Further, the focus of your Company on improving its direct reach and promotion strategy would be a major supporter of its recovery and improved market share.

#### Zinc carbon batteries

Zinc carbon share of organized manufacturers is estimated to have remained same with some minor fluctuations. Your Company has successfully maintained its market share. Significant factor which has affected the sales turnover is the shift in consumer preference from high value D size batteries towards low priced AA / AAA size batteries due to change in usage pattern in various appliances. Maintaining its trend in financial year 2018-19 also, market share of D size batteries continues to drop, AA size continues to dominate the volume share and AAA size continues to be fast-growing segment.

#### Alkaline batteries

Battery industry in India is dominated by Zinc Carbon batteries, unlike in other parts of the world which is dominated by Alkaline battery market. Alkaline is a category for future growth.

Alkaline batteries contribute only 4-5% of the total battery demand in India. However, its contribution in terms of profit value amounts to be in double digits. Considering this, your Company is aggressively concentrating its activities towards improvement of sales in this category.

In the financial year 2018-19, your Company registered more than double digit growth in the consumer channel markets and has in the second consecutive year successfully clinched orders of Alkaline AA for the Electronic Voting Machine (EVM) which have been successfully executed. Your Company also envisages a sizeable business in the forthcoming year in this segment.

#### Flashlights

Flashlight market is shared equally by organized and unorganized sectors. There is a visible significant shift from LED (battery operated) torches to low priced Rechargeable torches. Another aspect stalling the growth of this segment is the continuously improving electrification across the country, hence reducing the usage of portable torches by common man.

#### Rechargeable batteries

Rechargeable battery market is stagnant and contributes around 1% to total battery demand. This segment is dominated by imported low priced rechargeable batteries.

Your Company has successfully marked its presence in marketing and sales of high quality "eneloop" brand of rechargeable batteries and chargers.

Dealers and consumers appreciate the quality and superiority of our rechargeable batteries. Your Company registered a good growth of about 137% in terms of revenues year on year.

#### Industry Structure and Development

Organized battery industry continues to witness slowdown of R20 and R14 segment in absence of new applications / appliances which consume these segment of products.

However, the Company foresees positive growth in the AAA segment in lieu of the gadgets using AAA batteries, replacing usage of AA batteries. A steady shift towards alkalization of Indian market is also likely to benefit in the years to come. The Company also witnessed growing trend of other categories of rechargeable, cylindrical and lithium coin batteries.

Your Company shall continue its efforts in this direction to enhance exports.

#### Marketing and Distribution

The Company has also taken many steps to enhance its customer reach and widen its distribution and coverage. In the modern trade segment also, your Company has initiated activities to expand its presence.



Your Company is also pleased to inform that it continued various promotional activities through television commercials, cinema advertisements as well as electronic media; endorsed by Olympic Silver Medalist, Badminton player, Ms. P. V. Sindhu for promoting the 'Panasonic brand of Alkaline batteries' in the financial year 2018-19 and is likely to continue this campaign in financial year 2019-20.

Your Company has been continuously making efforts not only to strengthen its distribution network but also concentrating on improving the productivity of every member of its sales team through training and educational programs.

### **Opportunities and threats**

#### Opportunities

Presently, per capita consumption of batteries in India continues to remain quite low as compared to other developed countries. Batteries are the cheapest source of portable power and its consumption is always expected to grow as it is a product of recurring use. Changing usage patterns, arrival of new appliances, shift towards miniaturization of appliances, growing income levels and changing life style promises growth especially in AA/AAA size of batteries.

#### Threats

The stronger dollar and the fluctuating Zinc prices continue to give some uncertainty to the overall profitability. It not only exerts more pressure on the pricing of economy range of batteries but also augments price competition giving lower operating margins.

### **Risks and Concerns**

During FY 2018-19, the average prices of major materials have remained upward vs. FY 2017-18.

The average prices of NMD, EMD, ACB, tin plates, metal components, zinc chloride etc. stayed higher in FY 2018-19 from around 102% to 143%, which have not only impacted the direct materials cost but also severely disrupted estimates on profits.

Besides, the weakening of INR vs. USD has caused additional burden on the imports.

### **Outlook**

The current trend of battery usage pattern in India is gradually moving in line with global trend. It is a positive sign and first step towards moving up with the global per capita consumption which at present is much higher than the per capita consumption in India. We also hope that the Indian consumers shall gradually move towards higher end of batteries such as Alkaline and Rechargeable batteries which shall generate additional revenues for your Company and strengthen its revenues in the coming years.

### **Internal Financial Controls**

The Company has an internal financial control system commensurate with the size and scale of its operations. These controls are adequate and operating effectively so as to ensure orderly and efficient conduct of business operations.

The internal staff monitors and evaluates the adequacy of internal control system in the Company, its compliances with operating systems, accounting procedures and policies at all locations of the Company. Based on the reports, the Company undertakes corrective actions, thereby strengthening the controls. Significant observations and corrective actions thereon are presented to the Audit Committee for its review.

### **Development in Human Resource and Industrial Relation**

The Board wish to place on record its appreciation to all its employees for their sustained efforts and valuable contribution. Your Company is very much concerned for the employees so as to provide them with safe and accident free environment with a motto "Safety First" at the work place. The total employee strength of the Company as on March 31, 2019 stood at 848.

### **Details of significant changes in key financial ratios**

Sr. No.	Ratio analysis	2018-19	2017-18
1	*Debtors Turnover	5.64 times	3.53 times
2	Inventory Turnover	9.60 times	9.27 times
3	Interest Coverage Ratio	-	-
4	Current Ratio	3.94:1	3.68:1
5	Debt Equity Ratio	-	-
6	*Operating Profit Margin(%)	0.8%	4.7%
7	*Net Profit Margin (%)	2.2%	4.6%
8	*Return on Net Worth	4.57%	9.55%

1. Debtors turnover has improved due to discontinuation of OEM (Original Equipment Manufacturer) customers and implementation of stringent credit policy.
2. Operating profit margin has gone down due to increase in material cost on account of weakening of Indian rupee.
3. Net profit margin has reduced due to increase in material cost on account of weakening of Indian rupee.
4. Return on Net worth has reduced due to low profit on account of increase in material cost due to weakening of Indian rupee.

### **Research & Development**

In order to comply with the guidelines provided by Panasonic Corporation regarding contribution to the society in order to improve the environment, your Company has introduced all types of zinc carbon products with eco-friendly features by removing four more heavy metals from not only such batteries but also from the raw materials.

This will not only help promoting the healthy environment but will also help your Company to increase its export by qualifying to international standard of quality and trade.

### **8. Corporate Governance**

As per requirement of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as "Listing Regulations") a separate section on corporate governance practices followed by the Company, together with a certificate from the Company Secretary in Practice confirming compliances, forms an integral part of this Report.

### **9. Extract of Annual Return**

The details forming part of the extract of the Annual Return in Form MGT- 9 are annexed herewith. (Ref. "Annexure-A")

### **10. Board Meetings**

Schedules of Board and Committee meetings are prepared and circulated in advance to the Directors. During the year, four Board Meetings and four Audit Committee meetings were convened and held. The details of which are given in the Corporate Governance Report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

### **11. Directors' Responsibility Statement**

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013;

- (a) that in the preparation of the annual accounts for the year ended March 31, 2019 the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- (b) that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2019 and of the profit and loss of the Company for the year ended on that date;
- (c) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) that the Directors had prepared the annual accounts on a going concern basis;
- (e) that the Directors, in the case of a listed Company, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (f) that the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **12. Contracts and Arrangements with Related Parties**

All transactions entered with related parties for the year under review were in the ordinary course of business and on arm's length basis. Further, there are no material related party transactions during the year and thus a disclosure in Form AOC-2 in terms of Section 134 of the Act is not required.

All Related Party Transactions are placed before the Audit Committee for approval. Omnibus approval was obtained on a yearly basis for transactions which are of repetitive nature. The Policy on Related Party Transactions as approved by the Board of Directors has been uploaded on the website of the Company viz. [https://www.panasonicenergyindia.in/pdf/Related\\_Party%20\\_Transaction%20\\_Policy.pdf](https://www.panasonicenergyindia.in/pdf/Related_Party%20_Transaction%20_Policy.pdf)

### **13. Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo**

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are annexed herewith. (Ref. "Annexure-B")

#### 14. Risk Management

The Company has framed a risk management policy containing the elements of various risks and implementation strategy to mitigate those risks. The risk management framework is reviewed periodically by the Board.

#### 15. Corporate Social Responsibility

During the year under review, as part of its initiatives under Corporate Social Responsibility (CSR), the Company has expanded its activities and participated in the projects in the areas of health, hygiene, medical and education undertaken by various NGOs and trusts. These projects are in accordance with Schedule VII of the Companies Act, 2013. The Annual Report on CSR activities is annexed herewith. (Ref. "Annexure-C")

#### 16. Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has constituted an Internal Complaint Committee in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 for consideration and redressal of complaints. No complaints have been received from any employee during the financial year 2018-19 and hence, no complaints are outstanding as on March 31, 2019 for redressal.

#### 17. Annual Evaluation by the Board

Pursuant to the amendments in the Companies Act, 2013 and Listing Regulations, the Board has amended the Nomination and Remuneration Policy. The Board has carried out an annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Committees. The Board of Directors expressed their satisfaction with the evaluation process.

#### 18. Vigil Mechanism / Whistle Blower Policy

The Company has established a Vigil Mechanism for Directors and employees and the same has been communicated to the Directors and employees of the Company and the same is also posted on the website of the Company.

#### 19. Directors

##### Appointment/ Re-appointment

During the year under review, Mr. Tadasuke Hosoya has been inducted on the Board as Executive Director for a period of three years w.e.f. September, 2018 and Mr. Hideyuki Okunaga has been appointed as Non-Executive Director (Promoter) effective from June 01, 2019.

Mr. Mikio Morikawa, will retire by rotation and being eligible, offers himself for re-appointment. On the recommendation of Nomination & Remuneration Committee, the Board has re-appointed Mr. Morikawa as Chairman & Managing Director for a further period of three years effective from October 01, 2019.

Ms. Geeta Goradia is completing her tenure as an Independent Director. On the basis of performance evaluation done by the Board, the Board has re-appointed Ms. Geeta Goradia as an Independent Director for a further period of five years from July 28, 2019.

Mr. Atul Dalmia and Mr. Mayur Swadia will be completing their tenure as Independent Directors. On the basis of performance evaluation done by the Board, the Board has re-appointed Mr. Atul Dalmia and Mr. Mayur Swadia as Independent Directors for a further period of five years from October 29, 2019.

The Company had received declarations from all Independent Directors that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and requirements of Listing Regulations.

As required by Regulation 36(3) of Listing Regulations, the relevant details in respect of the Directors proposed to be appointed / re-appointed are set out in the Corporate Governance Report forming part of the Board's Report. The Board recommends all the resolutions placed before the members relating to appointment / re-appointment of Directors for their approval.

##### Cessation

Mr. Motoaki Shimamura, Mr. Kazuo Tadanobu and Mr. Toshihiro Nakamura had resigned from the Board due to change in their assignments at Panasonic Corporation. Mr. Gautam Punj had completed his tenure of five years as an Independent Director. The Board had placed its appreciation for all the outgoing Directors.

#### 20. Committees of the Board

The Board of Directors have the following Committees:

1. Audit Committee
2. Nomination and Remuneration Committee

3. Stakeholders' Relationship Committee
4. Corporate Social Responsibility Committee.

The details of the Committees along with their composition, number of meetings and attendance at the meetings are provided in the Corporate Governance Report.

### 21. Statutory Auditors

In accordance with the provisions of the Companies Act, 2013, at the 45<sup>th</sup> Annual General Meeting held on August 10, 2017, the shareholders had appointed M/s B S R & Associates LLP, as Statutory Auditors of the Company, for a period of 5 years i.e. up to the conclusion of 50<sup>th</sup> Annual General Meeting to be held for the adoption of accounts for the financial year ending March 31, 2022. As the Companies (Amendment) Act, 2017 has done away with the requirement of ratification at every Annual General Meeting, no ratification for the appointment is required. There is no qualification or adverse remark in Auditors' report.

### 22. Cost Auditor and Cost Audit Report

On the recommendation of the Audit Committee, M/s. Diwanji & Co., Cost Accountants, have been re-appointed as the Cost Auditor for the financial year 2019-20. In terms of the provisions of Section 148(3) of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the Members of the Company. Accordingly, the Board seeks ratification at the ensuing Annual General Meeting for the remuneration payable to the Cost Auditors for the financial year 2019-20.

### 23. Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. J. J. Gandhi & Co., Practising Company Secretaries to undertake the Secretarial Audit of the Company for the financial year 2019-20. There is no qualification or adverse remark in their report. The Report of the Secretarial Auditor is annexed herewith. (Ref. "Annexure-D")

### 24. Subsidiaries

Your Company does not have any subsidiary / subsidiaries within the meaning of the Companies Act, 2013.

### 25. Deposits

The Company has not accepted any fixed deposits and accordingly no amount was outstanding as on the date of the Balance Sheet.

### 26. Particulars of Loans, Guarantees or Investments made under Section 186 of the Companies Act, 2013

There are no loans, guarantees or investments covered under the provisions of Section 186 of the Companies Act, 2013.

### 27. Transfer to Investor Education and Protection Fund (IEPF)

As per Section 124(6) of the Act read with the IEPF Rules as amended, all the shares in respect of which dividend has remained unpaid / unclaimed for seven consecutive years or more have been transferred to IEPF Account.

### 28. Disclosure under Rule 5 of Companies (Appointment & Remuneration) Rules, 2014

Disclosures required under Section 197 of the Companies Act, 2013 read with Rule 5 of Companies (Appointment & Remuneration) Rules, 2014 have been annexed herewith. (Ref. "Annexure-E")

### 29. Nomination & Remuneration Policy

The Board has, on the recommendation of the Nomination and Remuneration Committee revised a policy for selection and appointment of Directors, Key Managerial Personnel and Senior Management Personnel and their remuneration. The remuneration paid to the Directors is in accordance with the Nomination and Remuneration Policy. The above policy has been posted on the website of the Company viz. [https://www.panasonicenergyindia.in/pdf/Nomination\\_and\\_Remuneration\\_Policy.pdf](https://www.panasonicenergyindia.in/pdf/Nomination_and_Remuneration_Policy.pdf)

### 30. Compliance with all the applicable laws of Secretarial Standards

During the year, the Company has complied with all the applicable Secretarial Standards.

### 31. Significant and Material Orders passed by the Regulators or Courts

No significant and material order has been passed by the regulator, court, tribunal, statutory and quasi-judicial body impacting the going concern status of the Company and its future operations.

Summary of cases under the Competition Act, 2002

Date of Order	Authority	Parties Involved	Order
April 19, 2018	CCI*	<ul style="list-style-type: none"> <li>Eveready Industries India Ltd.</li> <li>Indo National Ltd.</li> <li>The Association of Indian Dry Cell Manufacturer.</li> <li>Panasonic Energy India Co. Ltd.</li> </ul>	The CCI concluded that the Company and respective parties had indulged in anticompetitive conduct with Section 3(3) of the Competition Act, 2002 (Act). CCI decided to impose a penalty on all the parties and their respective individuals. In respect of the Company and its individuals, the CCI granted 100 percent reduction in penalty by invoking the provisions of Section 46 of the Act read with the Competition Commission of India (Lesser Penalty) Regulations, 2009 (Lesser Penalty Regulations). Resultantly, no penalty was imposed on the Company and its individuals.
August 30, 2018	CCI	<ul style="list-style-type: none"> <li>Geep Industries (India) Private Limited</li> <li>Panasonic Energy India Co. Ltd.</li> </ul>	The decision so mentioned above was appealed by respective parties before NCLAT.
January 15, 2019	CCI	<ul style="list-style-type: none"> <li>Godrej and Boyce Manufacturing Co. Limited</li> <li>Panasonic Energy India Co. Ltd.</li> </ul>	

\* Competition Commission of India (CCI)

In the case pertaining to alleged cartelization in the market for flashlights in India, the CCI passed a final order on November 6, 2018 observing that there was no violation of Section 3(3)(a) of the Act. The CCI held that the evidence was not sufficient to conclude a violation under the Act.

**32. Acknowledgment**

Your Directors wish to place on record their appreciation of the contribution made by employees at all levels to the continued growth and prosperity of your Company. Your Directors also wish to place on record their appreciation to the shareholders, dealers, distributors, consumers and banks for their continued support.

For and on behalf of the Board

Vadodara  
May 29, 2019

Mikio Morikawa  
Chairman & Managing Director

**“Annexure – A” to the Board’s Report**

Extract of Annual Return

As on the financial year ended 31.3.2019

[Pursuant to Section 92(3) of the Companies Act, 2013, and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**Form No. MGT - 9**

**I. REGISTRATION AND OTHER DETAILS:**

1	CIN	L31400GJ1972PLC002091
2	Registration Date	24.05.1972
3	Name of the Company	Panasonic Energy India Co. Ltd.
4	Sub Category of the Company	Company having share capital
5	Address of the Registered Office & contact details	G.I.D.C. Makarpura, Vadodara - 390 010 Tel. No. 0265-2642661/62
6	Whether listed Company	Yes
7	Name and Address of Registrar & Transfer Agents, if any	Link Intime India Pvt. Ltd. B-102 & 103, Shangrila Complex, First Floor, Opp. HDFC Bank, Near Radha Krishna Char Rasta, Akota, Vadodara - 390 020 Tel. No. 0265-2356573

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

(All the business activities contributing 10% or more of the total turnover of the Company shall be stated)

Sr. No.	Name and Description of main products / services	NIC Code of the product / service	% to total turnover of the Company
1	Dry Cell Batteries	27201	90

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sr. No.	Name and Address of the Company	CIN/GLN	Holding / Subsidiary / Associate
1	Panasonic Corporation	Foreign Company	Holding

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of total Equity)**

**(i) Category-wise Share Holding**

Category of Shareholders	No. of shares held at the beginning of the year [As on April 01, 2018]				No. of shares held at the end of the year [As on March 31, 2019]				% Change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual / HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Sub – Total (A) (1)</b>	-	-	-	-	-	-	-	-	-
(2) Foreign									
a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
b) Other-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate (Foreign Promoter)	4354144	-	4354144	58.06	4354144	-	4354144	58.06	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub Total (A) (2)</b>	<b>4354144</b>	-	<b>4354144</b>	<b>58.06</b>	<b>4354144</b>	-	<b>4354144</b>	<b>58.06</b>	-

Category of Shareholders	No. of shares held at the beginning of the year [As on April 01, 2018]				No. of shares held at the end of the year [As on March 31, 2019]				% Change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>4354144</b>	<b>-</b>	<b>4354144</b>	<b>58.06</b>	<b>4354144</b>	<b>-</b>	<b>4354144</b>	<b>58.06</b>	<b>-</b>
<b>B. Public Shareholding</b>									
<b>(1) Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	73	75	148	0.00	73	75	148	0.00	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Venture Capital Funds	-	-	-	-	-	-	-	-	-
e) Insurance Companies	-	-	-	-	-	-	-	-	-
f) FII	-	-	-	-	-	-	-	-	-
g) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
h) Foreign Portfolio Investor (Including FIIS)	295288	300	295588	3.94	257274	300	257574	3.43	3.43
i) Other (Specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1)</b>	<b>343361</b>	<b>375</b>	<b>343736</b>	<b>4.58</b>	<b>257347</b>	<b>375</b>	<b>257722</b>	<b>3.44</b>	<b>-1.14</b>
<b>(2) Non-Institutions</b>									
<b>a) Bodies Corporates</b>									
i) Indian	344134	167571	511705	6.82	184309	167571	351880	4.69	2.13
ii) Overseas	-	-	-	-	-	-	-	-	-
<b>b) Individuals</b>									
i) Individual shareholders holding nominal share capital upto ₹ 2 lakh	1347384	296355	1643739	21.92	1541638	260728	1802366	24.03	2.11
ii) Individual shareholders holding nominal share capital in excess of ₹ 2 lakh	330634	118319	448953	5.99	356924	118319	475243	6.33	0.34
<b>c) Others (specify)</b>									
Non Resident Indians	49916	-	49916	0.67	58403	-	58403	0.77	0.10
IEPF	48000	-	48000	0.64	51594	-	51594	0.68	0.04
Foreign Nationals	-	-	-	-	-	-	-	-	-
Other Directors	-	264	264	0.00	-	264	264	0.00	-
Clearing Members	27711	-	27711	0.37	18218	-	18218	0.24	0.13
Trust	28	-	28	0.00	28	-	28	0.00	-
HUF	119804	-	119804	1.60	130138	-	130138	1.73	0.13
Foreign Bodies-DR	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2):-</b>	<b>2219611</b>	<b>582509</b>	<b>2802120</b>	<b>37.36</b>	<b>2341252</b>	<b>546882</b>	<b>2888134</b>	<b>38.50</b>	<b>1.14</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>2562972</b>	<b>582884</b>	<b>3145856</b>	<b>41.94</b>	<b>2598599</b>	<b>547257</b>	<b>3145856</b>	<b>41.94</b>	<b>-</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand Total (A+B+C)</b>	<b>6917116</b>	<b>582884</b>	<b>7500000</b>	<b>100.00</b>	<b>6952743</b>	<b>547257</b>	<b>7500000</b>	<b>100.00</b>	<b>-</b>



## Panasonic Energy India Co. Ltd.

### (ii) Shareholding of Promoter

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Panasonic Corporation	4354144	58.06	-	4354144	58.06	-	58.06

### (iii) Change in Promoters' Shareholding (please specify, if there is no change) - No Change

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	-	-	-	-
	At the end of the year	-	-	-	-

### (iv) Shareholding Pattern of top ten Shareholders

(Other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Acacia Partners, LP	207474	2.76	207474	2.76
2	Punj-Lloyd Private Ltd.	166920	2.22	166920	2.22
3	Edelweiss Broking Ltd.	138569	1.85	-	-
4	Vijay Kishanlal Kedia	93004	1.24	93004	1.24
5	Acacia Banyan Partners	85800	1.14	49800	0.66
6	Uday Prakash Punj	80099	1.07	80099	1.07
7	Alembic Limited	72824	0.97	72824	0.97
8	Investor Education and Protection Fund Authority Ministry Of Corporate Affairs	48000	0.64	51594	0.69
9	Chitra Khemka	38310	0.51	37000	0.49
10	Atul Prakash Punj	38220	0.50	38220	0.51
11	Rangappa N.	33000	0.44	40600	0.54
12	Priyanka Finance Pvt. Ltd.	28682	0.38	-	-
	Date wise increase / decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus / sweat equity etc)	Sale / Purchase from open market			
	At the end of the year (or on the date of separation, if separated during the year)	As appearing in the cumulative no. of shares column			

(v) Shareholding of each Directors and each Key Managerial Personnel:

Sr. No.	Shareholding of Directors and Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year				
1.	Mr. Mikio Morikawa	-	-	-	-
2.	Mr. Tadasuke Hosoya (w.e.f. 01-09-2018)	-	-	-	-
3.	Mr. Gautam Punj	264	0.001	264	0.001
4.	Ms. Geeta Goradia	-	-	-	-
5.	Mr. Mayur Swadia	-	-	-	-
6.	Mr. Atul Dalmia	-	-	-	-
7.	Mr. Toshihiro Nakamura	-	-	-	-
8.	Mr. Kazuo Tadanobu (up to 01-01-2019)	-	-	-	-
9.	Mr. Motoaki Shimamura (up to 13-08-2018)	-	-	-	-
10.	Mr. Anjan Shah, DGM (Finance)	-	-	-	-
11.	Ms. Susheela Maheshwari, Company Secretary	-	-	-	-
	Date wise increase / decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus / sweat equity etc):	Not Applicable			
	At the end of the year	As appearing in the cumulative no. of shares column			

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment : **No Indebtedness**

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>				
<b>Change in Indebtedness during the financial year</b>				
* Addition				
* Reduction				
<b>Net Change</b>				
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>				

# Panasonic Energy India Co. Ltd.

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager: (₹ in Lakhs)

Sr. No.	Particulars of Remuneration	Name of MD / WTD / Manager	Name of Executive Director
		Mr. Mikio Morikawa Chairman & Managing Director	Mr. Tadasuke Hosoya
1	Gross salary		
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	141.73	85.51
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	3.09	2.65
	(c) Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission - as % of profit (1%) - others, specify	-	-
5	Others, please specify	-	-
	Total (A)	144.82	88.16
	Ceiling as per the Act	168.00	168.00

### B. Remuneration to other directors (Amount in ₹)

Sr. No.	Particulars of Remuneration	Name of Directors				Total Amount (₹)
		Mr. Punj	Ms. Goradia	Mr. Swadia	Mr. Dalmia	
1	Independent Directors					
	Fees for attending Board / Committee Meeting	40000	220000	160000	200000	620000
	Commission	122949	122949	122949	122949	491796
	Others, please specify	-	-	-	-	-
	Total (1)	162949	342949	282949	322949	1111796
2	Other Non-Executive Directors	Mr. Tadanobu	Mr. Nakamura	Mr. Shimamura		
	Fees for attending Board / Committee Meeting	-	-	-	-	-
	Commission	92632	122949	45473	-	261054
	Others, please specify	-	-	-	-	-
	Total (2)					
	Total (1)+(2)					
	Total Managerial Remuneration					1372850
	Overall ceiling as per the Act					1372850

### C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD (₹ in Lakhs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		CFO	CS	
1	Gross salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	16.34	12.28	28.62
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	0.075	0.50	0.57
	(c) Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	-as % of profit Others specify	-	-	-
5	Others, please specify	-	-	-
	Total	16.41	12.78	29.19

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	No				
Punishment	No				
Compounding	No				
<b>B. DIRECTORS</b>					
Penalty	No				
Punishment	No				
Compounding	No				
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	No				
Punishment	No				
Compounding	No				

**“Annexure-B” to the Board’s Report**

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

[Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014]

**(A) Conservation of Energy**

- (i) the steps taken or impact on conservation of energy;
  - Electricity consumption of compressor reduced by 20% due to various measures taken by air saving techniques.
  - Electrical lighting load reduction by 35% by switching over in various lighting system to LED type.
  - Energy checking by internal departments to improve energy efficiency of the factory & office.
  - Implemented various production engineering techniques to improve performance of machineries.
  - Co<sub>2</sub> emission was reduced by 100 Ton/year by taking various energy conservation measures at various areas.
- (ii) the steps taken by the company for utilising alternate sources of energy;
  - Presently solar water heating systems are being used.
- (iii) the capital investment on energy conservation equipments;
  - Capital investment on energy conservation equipment’s is to the tune of ₹ 0.85 lakhs.

**(B) Technology Absorption**

1	The efforts made towards technology absorption	1. Implemented Non-use of hazardous substances from Raw Materials & components used for manufacturing of dry batteries in mass production and thereby contribute in manufacturing of 100 % eco-friendly batteries. 2. Efforts are made to increase the recycling of the waste generated during manufacturing activities. 3. Optimum utilization of natural resources without compromising the Quality.
2	The benefit derived like product improvement, cost reduction, product development, import substitution	1. Manufacturing & supply of eco-friendly batteries & thereby contributing to the betterment of the society & environment. 2. Use of 3R concept i.e. Reduce, Re-use & Recycling the waste generated. 3. Minimum wastage of natural resources to conserve the same for generations to come.
3	The expenditure incurred in research & development.	₹ 405.88 lakhs

**(C) Foreign Exchange Earnings and Outgo**

1	Foreign Exchange Earned	₹ 471.26 lakhs
2	Foreign Exchange Outgo	₹ 5807.74 lakhs

**“Annexure-C” to the Board’s Report**

**ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES**

1. A brief outline of the Company’s CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:

CSR Policy is stated herein below:

Web link: [https://www.panasonicenergyindia.in/pdf/CSR\\_Policy.pdf](https://www.panasonicenergyindia.in/pdf/CSR_Policy.pdf)

2. Composition of the CSR Committee:
  1. Ms. Geeta Goradia, Chairperson (Independent Director)
  2. Mr. Mayur Swadia, Member (Independent Director)
  3. Mr. Mikio Morikawa, Member (Chairman & Managing Director)
3. Average net profit of the Company for last three financial years: ₹ 1552 lakhs
4. Prescribed CSR Expenditure (two percent of the amount as in item above):  
The Company is required to spend ₹ 31.04 lakhs towards CSR.
5. Details of CSR spent for the financial year:
  - a. Total amount spent for the financial year: ₹ 31.04 lakhs
  - b. Amount unspent, if any: Nil
  - c. Manner in which the amount spent during the financial year is detailed below:

(₹ in lakhs)

Sr. No.	Name of NGO/ Organisation	CSR Projects/activities identified AND Sector in which the Project is covered	Projects or Programs 1) Local Area or other 2) Specify the District where Project or Program was undertaken	Amount outlay (Budget) Projects or Program wise	Amount spent on the projects and programs 1) Direct Expenditure on Projects or Programs 2) Overheads	Cumulative Expenditure upto the reporting period	Amount spent Direct or through implementing agency
1	Mahavir Foundation Trust	A. Uniforms, School bags, Full Scape Books for students under: 1) Kayakalp Project 2) Ashadeep Mentor Sponsor Project B. Scholarship for the students	Vadodara	10.00	10.00	10.00	10.00
2	Hari Om Seva Trust	Medical Assistance, Knee replacement and Hip replacement	Vadodara	10.00	10.00	10.00	10.00
3	Medical Care Centre Trust	Renovation of Operation Theatre	Vadodara	11.04	11.04	11.04	11.04

We hereby declare that the implementation and monitoring of CSR policy is in compliance with CSR objectives and policy of the Company.

**For and on behalf of the Board**

**Mikio Morikawa**  
Chairman & Managing Director

Vadodara, May 29, 2019

**For and on behalf of the Board**

**Geeta Goradia**  
Chairperson of CSR Committee

### **Contents of the CSR Policy**

CSR is the process by which we think about and evolve our relationships with stakeholders for the common good and demonstrate our commitment in this regard by adoption of appropriate business processes and strategies. We use CSR to integrate economic, environment and social objectives with the Company's operations and growth.

- Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water.
- Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects.
- Promoting gender equality, empowering women, setting up homes and hostels for women and orphans, setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.
- Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water.
- Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art, setting up public libraries, promotion and development of traditional arts and handicrafts.
- Measures for the benefits of armed forces veterans, war widows and their dependents.
- Training to promote rural sports, nationally recognised sports, paraolympic sports and Olympic sports.
- Contribution to Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women.
- Contribution to funds provided to technology incubators located within academic institutions which are approved by the Central Government.
- Rural development projects.

**“Annexure-D” to the Board’s Report**

**Secretarial Audit Report**

**(For the Financial year ended on 31st March, 2019)**

**[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

Dear Sirs,

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practice by **Panasonic Energy India Company Ltd.** (hereinafter called “the Company”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company’s books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2019, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company, for the financial year ended on 31<sup>st</sup> March, 2019, according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made thereunder.
2. The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment (FDI) and Overseas Direct Investment (ODI) and External Commercial Borrowings (ECB). – As reported to us there were no FDI, ODI and ECB transactions in the Company during the Audit period.
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’).
  - A. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
  - B. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
  - C. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. - Not Applicable as the Company did not issue any security during the financial year under review.
  - D. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. - Not Applicable as the Company has not granted any options to its employees during the financial year under review.
  - E. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008. - Not Applicable as the Company neither issue nor listed any debt securities during the financial year under review.
  - F. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.
  - G. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009. - Not Applicable as the Company has not delisted its equity shares from any stock exchange during the financial year under review.
  - H. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998. - Not Applicable as the Company did not buy back any security during the financial year under review.
6. Considering representation of management and products, process and location of the Company, following laws are applicable specifically to the Company. Having regard to the compliance system prevailing in the Company and on examination of the relevant records on test check basis, we further report that the Company has complied with the following laws;
  - A. The Water (prevention and control of pollution) Act, 1974
  - B. The Air (Prevention and Control of Pollution) Act, 1981
  - C. The Environment (Protection) Act, 1984
  - D. The Petroleum Act, 1934

We have also examined compliance with the applicable clauses of the following;

- (i) Secretarial Standards (SS1 and SS2) issued by The Institute of Company Secretaries of India.
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.



During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards mentioned above.

**We further report that;**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent atleast seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

We further report that as per the minutes of the meetings duly recorded and signed by the Chairman, the decisions were carried at meetings without any dissent.

Based on the Compliance mechanism established by the Company and on the basis of certificates placed before the Board and taken on record by the Directors at their meetings, we are of the opinion that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that the Competition Commission of India (CCI) filed Suo Motu cases against the Company for Cartelization in respect of Zinc carbon dry cell batteries and for anti-competitive conduct in Dry Cell Batteries market in India. In these cases, CCI ordered and granted 100% reduction in penalty and no penalty was imposed on the Company. However, the decisions were appealed against before the National Company Law Appellate Tribunal (NCLAT). At present all matters are pending before the NCLAT.

**For J. J. Gandhi & Co.  
Practising Company Secretaries**

**(J. J. Gandhi)  
Proprietor  
FCS No. 3519 and CP No. 2515**

**Place : Vadodara  
Date : May 29, 2019**

This report is to be read with our letter of even date which is annexed as **Annexure** and forms an integral part of this report.

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**Annexure to Secretarial Audit Report**

Date : May 29, 2019

To,  
The Members,  
Panasonic Energy India Company Ltd.  
GIDC, Makarpura,  
Vadodara – 390 010

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and the processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and the practices, we followed provided a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**For J. J. Gandhi & Co.  
Practising Company Secretaries**

**(J. J. Gandhi)  
Proprietor  
FCS No. 3519 and CP No. 2515**

**Place : Vadodara  
Date : May 29, 2019**

**“Annexure-E” to the Board’s Report**

**Disclosure in the Board’s Report under Rule 5 of the Companies (Appointment & Remuneration) Rules, 2014**

- 1 Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2018-19:

Sr. No.	Name of Director	Ratio
1	Mr.Mikio Morikawa - Chairman & Managing Director	49.50:1
2	*Mr. Tadasuke Hosoya - Executive Director	12.81:1
3	Mr.Gautam Punj - Director	0.56:1
4	Ms.Geeta Goradia - Director	1.17:1
5	Mr.Mayur Swadia - Director	0.97:1
6	Mr. Atul Dalmia - Director	1.1:1
7	*Mr. Kazuo Tadanobu - Director	0.32:1
8	*Mr. Motoaki Shimamura - Director	0.16:1
9	Mr.Toshihiro Nakamura - Director	0.42:1

\* Part of the year

- 2 The Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, for the financial year 2018-19 compared to 2017-18:

Sr. No.	Name of Director/KMP	% of increase/decrease
1	Mr. Mikio Morikawa - Chairman & Managing Director	5
2	*Mr. Tadasuke Hosoya - Executive Director	NA
3	Mr.Gautam Punj – Director	(49)
4	Ms.Geeta Goradia – Director	(36)
5	Mr. Mayur Swadia - Director	(43)
6	Mr. Atul Dalmia - Director	(38)
7	*Mr. Kazuo Tadanobu - Director	NA
8	*Mr. Motoaki Shimamura- Director	NA
9	*Mr.Toshihiro Nakamura- Director	NA
10	Mr. Anjan Shah - DGM (Finance)	(1)
11	Ms. Susheela Maheshwari - Company Secretary	5

\* Part of the relevant year

- 3 The Percentage change in the median remuneration of employees in the financial year 2018-19 as compared to 2017-18 : (1.00%)

4	The number of permanent employees on the roll of Company :	31-03-2019	31-03-2018
		848	817

- 5 Average percentile increase in salaries of employees other than managerial personnel: 15%

- 6 The Board of Directors of the Company affirms that the remuneration is as per the remuneration policy of the Company.

7 The statement showing the Names of Employees of the Company as per Rule 5(2) is given below :

Statement of Top 10 Employees in terms of remuneration drawn as per Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014											
Sr. No.	Name	Designation	Nature of Employment	Remuneration received during the year (In Lakhs)	Qualifications	Experience (Years)	Date of commencement of employment	Age	Last employment held by such employee before joining the Company	Percentage of equity shares held (not less than 2%)	Whether any such employee is a relative of any Director or Manager of the Company
1	Mr. Hiroyuki Nakagawa	Vice President	Production and Machinery	151.40	Diploma in Electricity	33	1-Apr-18	52	Panasonic Corporation, Japan	Nil	No
2	Mr. Mikio Morikawa	Chairman & Managing Director	Chief Executive Officer	144.82	B.E.	33	1-Aug-16	56	Panasonic Energy Tanzania Co. Ltd.	Nil	No
3	Mr. Tadasuke Hosoya	Executive Director	Executive Director	88.16	B.A. (Economics)	24	1-Sep-18	46	Panasonic Corporation, Japan	Nil	No
4	Mr. Parimal S. Vazir	General Manager	Marketing, Institutional & Consumer	20.32	B.Com, PG Diploma in Marketing Management	32	9-Mar-96	54	Lloyd Rockfibres Ltd.	Nil	No
5	Mr. Prasad D. Joshi	General Manager	Factory Head (Pithampur Unit)	19.06	B.E. (Electrical), PG Diploma in HRM	38	1-Jun-89	58	M/s. Arun Kumar Jain & Co.	Nil	No
6	Mr. Hans Raj Sheoran	Dy. General Manager	Sales	18.26	B.A.	36	1-Mar-04	55	Lakhanpal Pvt. Ltd.	Nil	No
7	Mr. Chetankumar D. Mistry	General Manager	Development & Quality Assurance, Quality Control	16.86	Diploma in Mechanical Engineering	39	25-Dec-79	59	N.A.	Nil	No
8	Mr. Anjan R. Shah	Dy. General Manager	Finance	16.42	B.Com	30	18-Apr-11	54	Jord Engineers India Ltd.	Nil	No
9	Mr. Sunil S. Shah	Dy. General Manager	Materials	15.92	B.Sc	38	4-Sep-81	58	N.A.	Nil	No
10	Mr. Jignesh K. Shah	Dy. General Manager	Production and Machinery Technology	15.09	B.E (Mechanical)	25	9-Nov-06	46	Pakona Engineers India Pvt Ltd.	Nil	No

## 1. PHILOSOPHY ON CODE OF GOVERNANCE

Panasonic Energy India Co. Ltd., a Member of the 'Panasonic' group, is committed to the highest standards of fair, ethical and transparent governance practices. The corporate governance policies followed by Panasonic are intended to ensure transparency in all dealings. The Company recognizes the importance of strong corporate governance which is an important mechanism of investor protection.

The Board of the Company acts as a trustee and assumes fiduciary responsibility of protecting the interest of the shareholders and other stakeholders of the Company. The Board supports the broad principles of corporate governance. In order to attain highest level of corporate governance practice, the Board lays strong emphasis on transparency, accountability and integrity.

The Company believes that its systems and actions should be devoted for enhancing corporate performance and maximizing shareholders value in the long term.

## 2. BOARD OF DIRECTORS

The Company has a balanced structure of the Board which is in conformity with Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as "Listing Regulations"). As on March 31, 2019, the Board comprises of seven Directors (five being Non-Executive Directors), of which four Directors are the Independent Directors. The Non-Independent Directors (Promoters) include a Chairman & Managing Director. None of the Directors have any inter-se relation among themselves and any employee of the Company. Mr. Gautam Punj is holding 264 shares in the Company.

All Independent Directors on the Board are highly experienced, competent and renowned persons in their respective fields. They actively participate in the Board and Committee Meetings which is a great value addition in the decision making process.

The notices convening Board Meetings are being sent to all Directors along with detailed agenda papers around 9 to 10 days in advance of the date of meeting, so as to enable the Board to discharge its responsibilities effectively. All significant developments and material events are brought to the notice of the Board.

During the year ended on March 31, 2019, four Board Meetings were held on following dates: May 28, 2018; August 13, 2018; October 30, 2018 and February 05, 2019. The last Annual General Meeting was held on August 29, 2018.

Details of composition of the Board, attendance of Directors at the Board Meetings and last Annual General Meeting (AGM), other Directorships (excluding Private Limited Companies, Foreign Companies and Section 8 Companies) category, and Committee positions as on March 31, 2019 are given below:

Name of the Director	DIN	Category	No. of Board Meetings attended	Attendance at the last AGM	*Other Directorships in Public Companies	**No. of Audit Committees and Stakeholders Relationship Committee	
						Chairman	Member
Mr. Mikio Morikawa	02611904	ED (P)	4/4	Yes	NIL	NIL	2
Mr. Tadasuke Hosoya	08232012	ED (P)	2/2	Yes	NIL	NIL	NIL
Mr. Gautam Punj	00048225	NED (I)	1/4	No	5	1	NIL
Ms. Geeta Goradia	00074343	NED (I)	4/4	Yes	3	NIL	1
Mr. Mayur Swadia	01237189	NED (I)	3/4	Yes	NIL	1	1
Mr. Atul Dalmia	00228257	NED (I)	4/4	Yes	1	NIL	1
***Mr. Kazuo Tadanobu	07818992	NED (P)	1/3	No	1	NIL	NIL
Mr. Toshihiro Nakamura	08084675	NED (P)	1/4	No	NIL	NIL	NIL
***Mr. Motoaki Shimamura	08084702	NED (P)	1/2	NA	NIL	NIL	NIL

\* Excluding Panasonic Energy India Co. Ltd.

\*\*Only Audit Committee and Stakeholders Relationship Committee as provided in Regulation 26(1) of Listing Regulations, 2015 including Panasonic Energy India Co. Ltd.

ED (P)-Executive Director (Promoter), NED (I)-Non-Executive Director (Independent), NED (P)-Non-Executive Director (Promoter)

\*\*\*Mr. Kazuo Tadanobu resigned on January 01, 2019 and Mr. Motoaki Shimamura resigned on August 13, 2018.

List of Directorship held in Public Listed Companies and Category of Directorship:

Name of Director	Indian listed companies	Category of directorship
Mr. Mikio Morikawa	Panasonic Energy India Co. Ltd.	Executive Director
Mr. Tadasuke Hosoya	Panasonic Energy India Co. Ltd.	Executive Director
Mr. Gautam Punj	Panasonic Energy India Co. Ltd.	Independent Director
Ms. Geeta Goradia	Panasonic Energy India Co. Ltd.	Independent Director
	Transpek Industries Ltd.	Independent Director
	Gujarat State Fertilizers & Chemicals Ltd.	Independent Director
Mr. Mayur Swadia	Panasonic Energy India Co. Ltd.	Independent Director
Mr. Atul Dalmia	Panasonic Energy India Co. Ltd.	Independent Director
Mr. Toshihiro Nakamura	Panasonic Energy India Co. Ltd.	Non-Independent Director

#### Familiarization Programme for Directors

A formal letter of appointment is given to every Director after appointment, which inter alia explains the role, functions, duties and responsibilities expected from him as Director of the Company.

Every Director so appointed is provided with an Introductory Kit consisting of:

- 1) Annual Report;
- 2) Memorandum and Articles of the Company; and
- 3) Brochure of Company's product and details thereof

The Chairman and Managing Director also have one to one discussion with the newly appointed Director to familiarize him with the Company's operations and laws applicable to it. Plant/Factory visit is also organized for the purpose so mentioned.

The familiarization programme for Independent Directors in terms of provisions of Listing Regulations is uploaded on the website of the Company viz. [https://www.panasonicenergyindia.in/pdf/FAMILIARISATION\\_PROGRAMME.pdf](https://www.panasonicenergyindia.in/pdf/FAMILIARISATION_PROGRAMME.pdf)

#### Skill Matrix

This skill matrix will be used to ensure that the Board has the right balance of Directors to set and achieve the organization's strategic goals. The Board skills matrix comprises of three parts:

#### PART A : GOVERNANCE AND COLLECTIVE SKILLS

KEY SKILLS	EXPLANATION
Strategy	Ability to think strategically, identify and assess strategic opportunities and threats and develop effective policies.
Risk & compliance	Ability to identify key risks to the organisation in a wide range of areas, monitor risk and compliance, management frameworks and systems.
Corporate governance	Knowledge and practical experience in best corporate governance practice including the fiduciary and legislative frameworks.
International	Knowledge and experience in companies with operations outside India.
Finance and Accounting	Qualifications and experience in accounting and/or finance and the ability to: <ul style="list-style-type: none"> <li>• analyze key financial statements &amp; assess financial viability and performance;</li> <li>• contribute to strategic financial planning;</li> <li>• oversee budgets and the efficient use of resources; and oversee funding arrangements and accountability.</li> </ul>

#### PART B : PERSONAL ATTRIBUTES

Integrity (ethics)	Commitment towards: <ul style="list-style-type: none"> <li>• understanding and fulfilling the duties and responsibilities of a Director;</li> <li>• putting the Company's interests before any personal interests;</li> <li>• acting in a transparent manner &amp; maintaining confidentiality at all times.</li> </ul>
Contributor and team player	The ability to work as part of a team, and demonstrate the passion and time to make a genuine and active contribution to the Board.
Commitment	A visible commitment to the purpose for which the Company has been established and operates, and its ongoing success.
Critical and innovative thinker	The ability to critically analyze complex and detailed information, readily distil key issues, and develop innovative approaches and solutions to problems.
Leader	Innate leadership skills, represent the organisation, set appropriate organisation culture, take responsibility for decisions and actions.

## PART C : INDUSTRY SKILLS (TECHNOLOGY)

Strategic Thinking	Reviewing their strategies to identify possible vulnerabilities and analyze the market and identify opportunities to stimulate growth.
Technology Innovation	Understanding the current drivers of innovation in the market, to achieve market leadership or to take advantage of opportunities.
Decision Making	Determining the future of the organisation, its strategy and structure and protect its assets and reputation.
Policy Making	Framing various policies and procedure to achieve organizational goals.

### Independent Directors' Meeting

In accordance with the provisions of Schedule IV (Code for Independent Directors) of the Companies Act, 2013 and Regulation 25(3) of Listing Regulations, a meeting of the Independent Directors of the Company was held on February 05, 2019. A structured questionnaire was prepared covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance. The performance evaluation of the Chairman & Managing Director and the Non-Executive Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

### Confirmation

In the opinion of the Board, all the Independent Directors, fulfil the criteria of independence as laid down in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the Listing Regulations and such is based on the declaration received from all the Independent Directors. Board has also confirmed that they are not aware of any circumstances or situation which exist or may be reasonably anticipated that could impair or impact their ability to discharge their duties and that they are independent of the management.

## 3. AUDIT COMMITTEE

### ❖ Terms of Reference

The Board at its meeting held on February 05, 2019, revised the 'Terms of Reference' of the Audit Committee due to implementation of amendments to Listing Regulations. The powers and terms of reference of the Audit Committee are in conformity with Section 177 of the Companies Act, 2013 and Regulation 18 and Part C of Schedule II of the Listing Regulations.

The Audit Committee acts as a link between the Statutory Auditors, Internal Auditors and the Board of Directors. Its purpose is to assist the Board in fulfilling its overall responsibilities of monitoring financial reporting processes, reviewing the Company's established systems and processes for internal financial controls, governance and reviewing the Company's statutory and internal audit activities. The Audit Committee also oversees and reviews the functioning of a vigil mechanism and Whistle Blower Policy.

### ❖ Composition

The Audit Committee was constituted by the Board of Directors at its meeting held on January 23, 2001 and was reconstituted from time to time, latest reconstitution being on July 28, 2016. The present composition of the Audit Committee and the number of meetings held and attended by Members during the year are as under:

Sr. No.	Name of Member	Status	No. of Meetings held	No. of Meetings attended
1	Mr. Mayur Swadia	Chairman	4	3
2	Ms. Geeta Goradia	Member	4	4
3	Mr. Atul Dalmia	Member	4	4
4	Mr. Mikio Morikawa	Member	4	4

The Company's Internal Auditors, Statutory Auditors and head of finance department are invited to attend the meetings. The Company Secretary acts as the Secretary of the Committee.

## 4. NOMINATION AND REMUNERATION COMMITTEE

### ❖ Terms of Reference

Committee's constitution and terms of reference are in compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 and Part D of Schedule II of the Listing Regulations, as amended from time to time; the Nomination and Remuneration Committee recommends the appointment, re-appointment and remuneration payable to Executive Directors. The remuneration is determined by the Committee keeping in view (i) financial position of the Company; (ii) trends in the industry; (iii) appointee's qualification, experience, past performance and past remuneration etc.

❖ **Composition**

The Company formed Nomination and Remuneration Committee on January 23, 2004 and it was reconstituted by the Board of Directors at its meeting held on January 12, 2011; October 29, 2014; July 28, 2016 and February 05, 2019 respectively.

The present composition of the Committee and the number of meetings held and attended by Members during the year are as under:

Sr. No.	Name of Member	Status	No. of Meetings held	No. of Meetings attended
1	Mr. Atul Dalmia	Chairman	2	2
2	Mr. Gautam Punj	Member	2	1
3	Ms. Geeta Goradia	Member	2	2
4	Mr. Mikio Morikawa	Member	2	2

The Company Secretary acts as the Secretary of the Nomination and Remuneration Committee.

The performance evaluation criteria for Independent Directors is determined by the Nomination and Remuneration Committee. An indicative list of factors on which evaluation was carried out includes and it covers the areas which are relevant for the functioning of Independent Directors such as preparation, participation, commitment, effective deployment of knowledge and expertise, integrity and maintenance of confidentiality and independence of behavior and judgement.

**REMUNERATION OF DIRECTORS**

❖ **Pecuniary Relationships**

None of the Non-Executive Directors of the Company has any pecuniary relationships or material transactions with the Company except for sitting fees [paid to NED (I) only] for attending Board meetings or Committee meetings thereof and commission on net profits, if any.

In compliance with the requirements of Ind AS 24 issued by ICAI, transactions with related parties have been furnished under notes to the accounts of the financial statements.

❖ **Remuneration to Non-Executive Directors**

In terms of special resolution passed by the Members at Annual General Meeting held on July 24, 2015, Non-Executive Directors have been paid aggregate commission at a rate not exceeding 1% per annum of the net profit of the Company computed in accordance with Section 198 of the Companies Act, 2013 as determined by the Board of Directors, based on the association of each of the Directors with the Company.

The Non-Executive Directors, except those nominated by Promoter, were paid sitting fees of ₹ 20,000 for attending each of the Board and Committee meetings.

Sr. No.	Name	Category	Sitting Fees (₹) (A)	Commission (₹) (B)	Total (₹) (C=A+B)
1	Mr. Gautam Punj	NED (I)	40,000	1,22,949	1,62,949
2	Ms. Geeta Goradia	NED (I)	2,20,000	1,22,949	3,42,949
3	Mr. Mayur Swadia	NED (I)	1,60,000	1,22,949	2,82,949
4	Mr. Atul Dalmia	NED (I)	2,00,000	1,22,949	3,22,949
5	Mr. Kazuo Tadanobu	NED (P)	NIL	92,632	92,632
6	Mr. Toshihiro Nakamura	NED (P)	NIL	1,22,949	1,22,949
7	Mr. Motoaki Shimamura	NED (P)	NIL	45,473	45,473

❖ **Remuneration to Executive Directors**

The remuneration of Chairman & Managing Director comprises of salary and perquisites.

Sr. No.	Name & Designation	Salary (₹)(A)	Perquisites (₹) (B)	Total (₹) (C=A+B)
1	Mr. Mikio Morikawa Chairman & Managing Director	7,26,246	1,37,56,067	1,44,82,313
2	Mr. Tadasuke Hosoya Executive Director (w.e.f. 01-09-2018)	4,32,831	33,16,039	37,48,870

**Note :**

- 1) The above figures are exclusive of the accruals for gratuity as it is funded on the basis of an actuarial valuation of the Company as a whole.

- 2) Notice period for the Executive Director is as applicable to the senior employees of the Company. No severance fee is payable to the Executive Director on termination of employment.
- 3) The Company has not issued any stock option to its Directors & employees.

**5. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

❖ **Terms of Reference**

In compliance with the provisions of Section 135 and Schedule VII of the Companies Act, 2013, the Board has constituted the Corporate Social Responsibility Committee at its meeting held on May 21, 2014. This Committee was subsequently reconstituted by the Board of Directors at its meeting held on October 29, 2014; July 28, 2016 and February 05, 2019 respectively.

The CSR Committee is empowered, pursuant to its terms of reference, inter alia, to:

- a) Formulate and recommend to the Board a Corporate Social Responsibility Policy indicating the activities to be undertaken by the Company.
- b) Recommend the amount of expenditure to be incurred.
- c) Monitor the Corporate Social Responsibility Policy.

The details of the CSR initiatives of the Company are provided as Annexure to the Board's report. The CSR Policy has been placed on the website of the Company viz. [www.panasonicenergyindia.in](http://www.panasonicenergyindia.in)

❖ **Composition**

The present composition of the Corporate Social Responsibility Committee and the details of Members' participation at the meeting of the Committee are as under:

Sr. No.	Name of Member	Status	No. of Meetings held	No. of Meetings attended
1	Ms. Geeta Goradia	Chairperson	1	1
2	Mr. Mayur Swadia	Member	1	1
3	Mr. Mikio Morikawa	Member	1	1

**6. STAKEHOLDERS RELATIONSHIP COMMITTEE**

❖ **Terms of Reference**

The Board at its meeting held on February 05, 2019, revised the 'Terms of Reference' of the Stakeholders Relationship Committee due to implementation of amendments in the Listing Regulations. Stakeholders Relationship Committee was originally formed in the Board Meeting held on January 23, 2001 and subsequently reconstituted by the Board of Directors at its meeting held on January 12, 2011; October 27, 2012; October 29, 2014 and July 28, 2016 respectively. The Committee specifically looks into issues relating to investors including share related matters and redressal thereof.

❖ **Composition**

The present composition of the Committee is as under:

Sr. No.	Name of Member	Status	No. of Meetings held	No. of Meetings attended
1	Mr. Gautam Punj	Chairman	1	NIL
2	Mr. Mayur Swadia	Member	1	1
3	Mr. Mikio Morikawa	Member	1	1

Ms. Susheela Maheshwari, Company Secretary has been designated as the Compliance Officer and also acts as Secretary of the Committee.

The total number of correspondence received from the shareholders were 764 of which only 2 were in the nature of complaints. All the complaints were resolved to the satisfaction of the shareholders. No investor correspondence remains unattended for more than 30 days.

As per SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted a Code of Conduct for prevention of Insider Trading. All the Directors, employees and other persons who are expected to have access to unpublished price sensitive information relating to the Company are governed by this Code. The Company has also adopted 'The Code of practices and Procedures' for Fair Disclosure of Unpublished Price Sensitive Information in compliance with Prohibition of Insider Trading Regulations.



## 7. GENERAL BODY MEETINGS

Particulars of location, date and time of the Annual General Meetings held during the last three years are given below.

Financial Year	Date & Time	Venue	Special Resolutions passed
2015-16 (44 <sup>th</sup> AGM)	July 28, 2016 11.00 AM	C.C. Mehta Auditorium, M.S. University, Vadodara	No special resolution was passed.
2016-17 (45 <sup>th</sup> AGM)	August 10, 2017 10.00 AM	C.C. Mehta Auditorium, M.S. University, Vadodara	Revision in remuneration of Mr. Mikio Morikawa w.e.f. April 01, 2017.
2017-18 (46 <sup>th</sup> AGM)	August 29, 2018 10.00 AM	Royal Room, Grand Mercure Vadodara Surya Palace, Vadodara	Appointment of Mr. Tadasuke Hosoya as Executive Director w.e.f September 01, 2018.

No resolutions were passed through postal ballot during the year 2018-19.

## 8. MEANS OF COMMUNICATIONS

- ❖ The extract of results is normally published in Business Standard and Loksatta and submitted to Bombay Stock Exchange.
- ❖ The results are also displayed on the website of the Company viz. [www.panasonicenergyindia.in](http://www.panasonicenergyindia.in)

## 9. GENERAL SHAREHOLDER'S INFORMATION

### a) Annual General Meeting

Day, date and time	Tuesday, September 10, 2019 at 10.00 A.M.
Venue	Grand Mercure Vadodara Surya Palace, Opp. Parsi Agiyari, Sayajigunj, Vadodara - 390 020.

### b) Financial Calendar

For the financial year 2019-20, financial results will be announced as per the following tentative schedule:

1 <sup>st</sup> quarter ended on June 30, 2019	Third week of July, 2019
2 <sup>nd</sup> quarter ended on September 30, 2019	Third week of October, 2019
3 <sup>rd</sup> quarter ended on December 31, 2019	Third week of January, 2020
Audited financial results for the year ended on March 31, 2020	Third week of May, 2020

### c) Date of Book Closure

The Company's Register of Members and Share Transfer Books will remain closed from Wednesday, September 04, 2019 to Tuesday, September 10, 2019 (both days inclusive).

### d) Dividend payment date

The dividend for the financial year 2018-19 shall be declared under agenda No. 2 of the forthcoming 47<sup>th</sup> Annual General Meeting scheduled on September 10, 2019. The mandate date on the dividend warrants shall be September 30, 2019.

### e) Listing on Stock Exchange

Company's Equity Shares are listed on the BSE Ltd. The Company has paid the listing fees for the F.Y. 2019-20 to BSE.

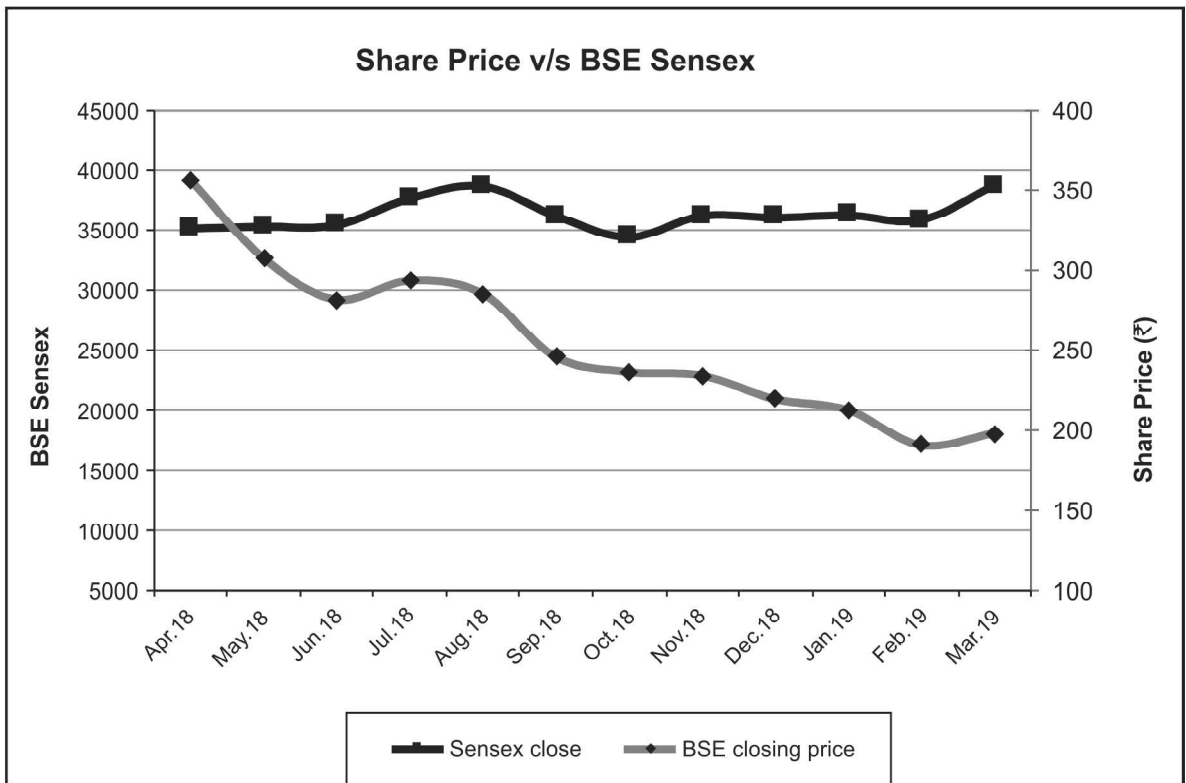
### f) Stock Code

The Bombay Stock Exchange Ltd.	504093
International Securities Identification No. (ISIN)	INE795A01017

### g) Market price data for the year 2018-19 of the Company on BSE

Month	Months High price (₹)	Months low price (₹)	Sensex	
			High	Low
April' 18	396.00	344.10	35213.30	32972.56
May'18	368.00	302.10	35993.53	34302.89
June'18	317.70	275.00	35877.41	34784.68
July'18	301.00	259.05	37644.59	35106.57
August'18	309.90	276.30	38989.65	37128.99
September'18	294.90	242.00	38934.35	35985.63
October'18	256.95	226.65	36616.64	33291.58
November'18	258.75	222.00	36389.22	34303.38
December'18	238.00	216.50	36554.99	34426.29
January'19	248.80	200.00	36701.03	35375.51
February'19	229.70	180.00	37172.18	35287.16
March'19	219.00	190.10	38748.54	35926.94

**h) Company's closing share price movement during the financial year 2018-19 on BSE vis-à-vis Sensex**



**i) Registrar & Transfer Agent**

Share transfer, dividend payment and all other investor related matters are being attended and processed by our Registrar and Share Transfer Agent (RTA) viz. Link Intime India Pvt. Ltd.

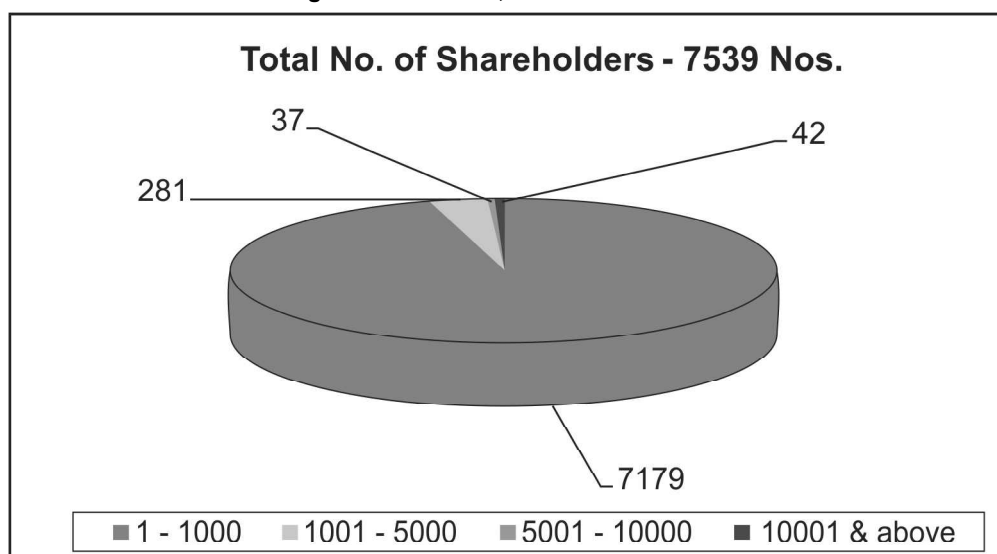
**j) Address for correspondence**

Registered Office	Registrar & Share Transfer Agent
Company Secretary Panasonic Energy India Co. Ltd. GIDC, Makarpura, Vadodara - 390 010, Gujarat, India. Tel. No.: (0265) 2642661 / 2638888 Fax: (0265) 2638890 E-mail: susheela.maheshwari@in.panasonic.com Website: www.panasonicenergyindia.in	Link Intime India Pvt. Ltd. B-102 & 103, Shangrila Complex, First Floor, Opp. HDFC Bank, Near Radhakrishna Char Rasta, Akota, Vadodara - 390 020, Gujarat, India. Tel. No.: +91 265 2356573 E-mail: vadodara@linkintime.co.in Website: www.linkintime.co.in

**k) Share Transfer System**

Share transfer request received in physical mode are normally registered within 15 days from the date of receipt and demat requests are also normally confirmed within an average of 15 days from the date of receipt. However, as per SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 08, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018, requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from April 01, 2019 unless the securities are held in the dematerialized form with the depositories. Therefore, shareholders are requested to take action to dematerialize the equity shares of the Company.

l) Distribution of shareholding as on March 31, 2019



m) Dematerialization of Shares and Liquidity

The Company's shares are compulsorily traded in dematerialized form on BSE. At the end of the year, 6952743 shares were held in dematerialized form which comes to 92.70% of total capital. The Company has demat connectivity with National Securities Depository Ltd. (NSDL) & Central Depository Services (India) Ltd. (CDSL).

n) Plant locations

Location	Address
Gujarat	G.I.D.C. Makarpura, Vadodara - 390 010, Gujarat.
Madhya Pradesh	Plot No. 112, Sector III, Pithampur Industrial Area, Dist. Dhar - 454 774 (M.P.)

10. DISCLOSURES

- ❖ There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. The details of the related party transactions are set out in the notes to the financial statements forming part of this Annual Report. Company's Policy on Related Party Transactions is uploaded on the website of the Company viz. [www.panasonicenergyindia.in](http://www.panasonicenergyindia.in)
- ❖ There was no non-compliance by the Company during the last three financial years and hence no penalties, strictures were imposed on the Company by stock exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three financial years.
- ❖ The Company had established a Vigil Mechanism and Whistle Blower Policy for Directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the Code of Conduct. The details of establishment of such mechanism have been posted by the Company on its website. During the year under review, none of the employee was denied access to the Audit Committee.

❖ Details relating to fees paid to the Statutory Auditors (₹ in Lakhs)

Particulars	As on March 31, 2019	As on March 31, 2018
Fees to Statutory Auditor	14.25	14.25
Reimbursement of Expenses	0.55	0.69
<b>TOTAL</b>	<b>14.80</b>	<b>14.94</b>

❖ Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;

a.	Number of complaints filed during the financial year	NIL
b.	Number of complaints disposed off during the financial year	NIL
c.	Number of complaints pending as on end of the financial year	NIL

- ❖ A Certificate from Practicing Company Secretary  
Company has received Certificate from Vijay Bhatt & Co. (PCS) that none of Directors on Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by Ministry of Corporate Affairs or any such statutory authority and the same is annexed herewith as a part of this report.
- ❖ During the past year, there was no preferential allotment or qualified institutions placement.: N.A
- ❖ The Board has accepted all the recommendations of all the Committees.
- ❖ The Company has complied with all applicable mandatory requirements of Listing Regulations.
- ❖ Since the Company does not have any subsidiary, the Policy for determining 'material' subsidiary is not applicable.
- ❖ Commodity price risks and commodity hedging activities - Not Applicable

### 11. COMPLIANCE OF DISCRETIONARY REQUIREMENTS

- ❖ As the financial results are published in the newspapers and also posted on Company's website, the same are not being sent to the shareholders.
- ❖ The Company's financial statements for the financial year ended on March 31, 2019 do not contain any modified audit opinion.
- ❖ The Internal Auditor reports to the Audit Committee.

#### Information on dividend of past years

Pursuant to Section 123 of the Companies Act, 2013 dividend that remained unpaid or unclaimed for the financial year ended on March 31, 2012 will be transferred to "Investor Education & Protection Fund" (IEPF) a fund constituted by the Central Government under Section 125 of the Companies Act, 2013.

While the Company has already written to the Members about the due dates for transfer to IEPF, attention of the Members is again drawn to this matter through this Annual Report.

Year	Rate of Dividend (%)	Last date for claiming
2011-12	20	24.07.2019
2012-13	20	22.07.2020
2013-14	35	27.07.2021
2014-15	70	23.07.2022
2015-16	70	27.07.2023
2016-17	55	09.08.2024
2017-18	70	28.08.2025

- ❖ For the claims lodged after the last date mentioned above the Company does not take any responsibility for payment, as the amount lying unpaid and unclaimed shall be transferred to IEPF.

## 12. INFORMATION RELATING TO DIRECTORS

Particulars of Directors seeking appointment/re-appointment at the ensuing 47<sup>th</sup> Annual General Meeting of the Company under Regulation 36(3) of Listing Regulations are given below:

<b>Name of the Director</b>	:	<b>Mr. Hideyuki Okunaga</b>	<b>Ms. Geeta Goradia</b>	<b>Mr. Mayur Swadia</b>
<b>Date of Birth</b>	:	November 17, 1965	September 19, 1953	May 24, 1961
<b>Educational Qualification</b>	:	Bachelor Of Economics, Kobe University	MA Honors in Industrial Economics and laws, M.S. University, Vadodara	B Com, M.S. University, Vadodara, FCA, ISA
<b>Specific functional Area</b>	:	Company Executive	Independent Director	Chartered Accountant in Practice
<b>Brief Resume of the Director</b>	:	Mr. Hideyuki Okunaga joined Panasonic Corporation in 1988. He is having vast experience in Corporate Planning Group for more than three decades and also worked at various senior positions in the overseas operations.	She is a successful entrepreneur and presently Managing Director of Jewel Consumer Care Pvt. Ltd., Vadodara. She was a Lecturer in M.S. University in Faculty of Commerce from 1984 to 1992. She is actively associated with United Way of Baroda and other educational institutes.	He is a Partner of K. M. Swadia & Company, Chartered Accountants, one of the senior firms of Chartered Accountants in the city of Vadodara. Mr. Swadia has carried out large number of assignments for listed companies, multinational companies, nationalized banks, multinational banks, co-operative banks etc.
<b>Shareholding of the Director</b>	:	Nil	Nil	Nil
<b>Other directorships held</b>	:	<b>Public Companies</b> Panasonic Carbon India Co. Ltd. <b>Private Companies</b> NIL <b>Foreign Companies</b> NIL	<b>Public Companies</b> Gujarat State Fertilizers & Chemicals Ltd. Transpek Industries Ltd. Gujarat State Energy Generation Ltd. <b>Private Companies</b> Jewel Consumer Care Pvt. Ltd. Pioneer Furnaces Pvt. Ltd <b>Foreign Companies</b> NIL	<b>Public Companies</b> NIL <b>Private Companies</b> Sarabhai Holdings Pvt. Ltd. Dhawami Power Systems Pvt. Ltd. JND Mantech Services Pvt. Ltd. <b>Foreign Companies</b> NIL
<b>Other Committees of Directors where membership held</b>	:	None	<b>Audit Committee</b> Panasonic Energy India Co. Ltd.(Member) <b>Nomination and Remuneration Committee</b> Panasonic Energy India Co. Ltd. (Member) <b>Corporate Social Responsibility Committee</b> Panasonic Energy India Co. Ltd.(Chairperson)	<b>Audit Committee</b> Panasonic Energy India Co. Ltd.(Chairman) <b>Stakeholder Relationship Committee</b> Panasonic Energy India Co. Ltd.(Member) <b>Corporate Social Responsibility Committee</b> Panasonic Energy India Co. Ltd. (Member)

## Panasonic Energy India Co. Ltd.

<b>Name of the Director</b>	: <b>Mr. Mikio Morikawa</b>	<b>Mr. Atul Dalmia</b>
<b>Date of Birth</b>	: May 22, 1963	January 05, 1959
<b>Educational Qualification</b>	: Industrial Engineering from Waseda University, Japan	Chemical Engineer from BITS, Pilani
<b>Specific functional Area</b>	: Company Executive	Industrialist
<b>Brief Resume of the Director</b>	: Mr. Morikawa has been associated with Panasonic since 1986 and has worked in different capacities including heading their operations in USA. Currently, he is Chairman and Managing Director of the Company.	Mr. Atul Dalmia is the Chairman & Managing Director of Rubamin Limited. He is a first generation entrepreneur. In addition to providing leadership for the management of chemicals business in India, Mr. Atul Dalmia is credited with orchestrating Rubamin's foray in DR Congo where the group companies are successful in copper smelting, drilling and exploratory services.
<b>Shareholding of the Director</b>	: NIL	NIL
<b>Other directorships held</b>	: <b>Public Companies</b> NIL  <b>Private Companies</b> NIL  <b>Foreign Companies</b> Panasonic Energy Tanzania Co. Ltd.	<b>Public Companies</b> Rubamin Ltd.  <b>Private Companies</b> Metallica Properties Pvt. Ltd. Zincollid (India) Pvt. Ltd. H&Y Properties Pvt. Ltd. Infinity Properties Pvt. Ltd.  <b>Foreign Companies</b> Rubaco SARL, DR Congo Rubamin FZC, Sharjah
<b>Other Committees of Directors where membership held</b>	: <b>Audit Committee</b> Panasonic Energy India Co. Ltd.(Member) <b>Nomination And Remuneration Committee</b> Panasonic Energy India Co. Ltd. (Member) <b>Corporate Social Responsibility Committee</b> Panasonic Energy India Co. Ltd.(Member) <b>Stakeholder Relationship Committee</b> Panasonic Energy India Co. Ltd.(Member)	<b>Audit Committee</b> Panasonic Energy India Co. Ltd.(Member) <b>Nomination And Remuneration Committee</b> Panasonic Energy India Co. Ltd. (Chairman)

### Code of Conduct

The Company has laid down the rules for code of conduct for the Members of the Board and Senior Management Personnel of the Company. The code of conduct has also been posted on Company's website ([www.panasonicenergyindia.in](http://www.panasonicenergyindia.in)). In compliance with this code, the Board Members and Senior Management Personnel have affirmed their compliance with the code for the year ended on March 31, 2019. A declaration to this effect duly signed by the Chairman & Managing Director forms part of this Annual Report.

For and on behalf of the Board

**Mikio Morikawa**  
Chairman & Managing Director

Vadodara  
May 29, 2019

## CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To,  
The Members of  
**PANASONIC ENERGY INDIA COMPANY LIMITED**

We have examined the compliance of conditions of Corporate Governance by **Panasonic Energy India Company Limited** ('the Company'), for the year ended on 31<sup>st</sup> March, 2019, as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with the BSE Limited.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the provisions as specified in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with the BSE Limited.

We further state that this certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**FOR VIJAY BHATT & CO.  
COMPANY SECRETARIES**

**V. J. BHATT  
PROPRIETOR  
CP: 2265**

**Place : Vadodara  
Date : May 29, 2019**

## CEO CERTIFICATE

This is to certify that the Company has laid down the rules for code of conduct for the members of the Board and Senior Management, as per Regulation 26 of SEBI (LODR) Regulations, 2015.

I hereby further certify that the Company has obtained certificate for compliance of rules of code of conduct, from the Board Members and Senior Management personnel for the financial year ended on March 31, 2019.

**For Panasonic Energy India Co. Ltd.,**

**Mikio Morikawa  
Chairman & Managing Director**

**Place : Vadodara  
Date : May 20, 2019**

## CERTIFICATE

**(Pursuant to clause 10 of Part C of Schedule V of SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015.**

In pursuance of sub clause (i) of Clause 10 of Part C of Schedule V of the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015; in respect of Panasonic Energy India Company Limited (CIN: L31400GJ1972PLC002091) we hereby certify that:

On the basis of the written representation/declaration received from the Directors and taken on record by the Board of Directors as on March 31, 2019, none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as Directors of Companies by the SEBI/Ministry of Corporate Affairs/or any such statutory authority.

**FOR VIJAY BHATT & CO.,  
COMPANY SECRETARIES**

**V. J. BHATT  
PROPRIETOR  
CP : 2265**

**Place : Vadodara  
Date : May 29, 2019**

**INDEPENDENT AUDITORS' REPORT**

**To the Members of Panasonic Energy India Company Limited**

**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the financial statements of Panasonic Energy India Company Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2019, and the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of Key Audit Matter

**Contingencies and litigations**

With respect to accounting policies applied, please refer to Note 3(k) to the financial statements

The key audit matter	How the matter was addressed in our audit
<p>As at 31 March 2019, the Company's contingent liabilities were INR 1,052.54 Lakhs (31 March 2018: INR 1,060.80 Lakhs) and provision for the disputed matters aggregating to INR 220.92 Lakhs (31 March 2018: INR 220.92 Lakhs).</p> <p>In the normal course of business, estimates towards provisions for contingencies and litigations may arise from various tax proceedings and investigations (including other claims) involving the Company before various Government / Departmental authorities.</p> <p>These estimates could change substantially over time as new facts emerge and each legal case progresses. Given the inherent complexity and magnitude of likely possibility of liabilities across the Company and the judgement necessary to estimate the amount of provisions required or to determine required disclosures, this is a key audit matter.</p>	<ul style="list-style-type: none"> <li>The Company's management seeks legal advice from the Company's external advisors on various litigation matters, containing their views and conclusions on likely exposures across the Company.</li> <li>With respect to direct and indirect tax litigations, we seek assistance of our own tax specialists.</li> <li>We have inquired the status of significant litigations with the Company's external advisors and senior management personnel who have knowledge of these matters and assessed their responses. We have circulated legal confirmations to external legal advisors of the Company.</li> <li>For matters where the Company's management concluded that no provisions are required, we have reviewed the adequacy and completeness of the disclosures made in the financial statements.</li> </ul>

**Other Information**

The Company's management and Board of Directors are responsible for the other information. The other information comprises the Corporate Governance Report and Board's Report included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we



conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Management's Responsibility for the Financial Statements**

The Company's management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors is also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or

## Panasonic Energy India Co. Ltd.

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when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

A) As required by Section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i) The Company has disclosed the impact of pending litigations as at 31 March 2019 on its financial position in its financial statements - Refer Note 30 to the financial statements;
- ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company; and
- iv) The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2019.

C) With respect to the matter to be included in the Auditors' Report under Section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **B S R & Associates LLP**  
**Chartered Accountants**  
**Firm's Registration No. 116231W/W-100024**

**Jeyur Shah**  
**Partner**  
**Membership No. 045754**

Place : Vadodara  
Date : 29 May 2019

**ANNEXURE-A TO THE INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS - 31 MARCH 2019**

(Referred to in Paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (b) The Company has a regular programme of physical verification of its property, plant and equipment by which all the items of property, plant and equipment are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Accordingly, part of the property, plant and equipment were physically verified by the management in the current year and no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties including leasehold land, included in property, plant and equipment as disclosed in Note 5 to the financial statements are held in the name of the Company.
- (ii) The inventory, except goods-in-transit, has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been dealt with in books of account.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, paragraph 3(iii) of the Order is not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not given any loans, or provided any guarantees or security to the parties covered under Section 185 of the Act. Accordingly, compliance under Section 185 and Section 186 of the Act is not applicable to the Company.
- (v) In our opinion, and according to the information and explanations given to us, the Company has not accepted deposits to which the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and rules framed thereunder apply. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Customs Duty, Goods and Services Tax, Professional Tax and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities. The Company is not having any dues in respect of Cess.
- According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Wealth Tax, Excise Duty, Customs Duty, Value Added Tax, Goods and Services Tax, Professional Tax and other material statutory dues were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable.
- In respect of Provident Fund, as explained in Note 30(f) to the financial statements, pending clarity on the matter, the Company is currently unable to determine the extent of arrears of such Provident Fund outstanding as at 31 March 2019 for a period of more than six months from the date they become payable and hence, we are unable to comment on such Provident Fund arrears, if any.
- (b) According to the information and explanations given to us, there are no dues of Income Tax, Sales Tax, Customs Duty, Excise Duty, Service Tax, Value Added Tax, Goods and Services Tax as at 31 March 2019 which have not been deposited with the appropriate authorities on account of any dispute other than those mentioned in the "Appendix I" to this report.
- (viii) In our opinion and according to the information and explanations given to us, the Company does not have any loans or borrowings from financial institutions or banks or Government or dues to debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable to the Company.
- (ix) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or

## Panasonic Energy India Co. Ltd.

employees, noticed or reported during the year, nor have we been informed of any such case by the Company's management.

- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the managerial remuneration has been paid / provided by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3 (xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.
- (xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3 (xvi) of the Order is not applicable to the Company.

For **B S R & Associates LLP**  
**Chartered Accountants**  
**Firm's Registration No. 116231W/W-100024**

**Place : Vadodara**  
**Date : 29 May 2019**

**Jeyur Shah**  
**Partner**  
**Membership No. 045754**

### Appendix –I

Sr.	Name of Statute	Nature of Dues	Amount (INR Lakhs)*	Period to which amount related	Forum where the Dispute is pending
1	Customs Act, 1962	Custom duty	81.81	March 2011 to September 2012	CESTAT, Ahmedabad
			1.11	June 2008 to November 2009	
2	Finance Act, 1994	Service tax	34.09	March 2006 to March 2010	CESTAT, Mumbai
3	Finance Act, 1994	Service tax	22.37	July 2015 to December 2016	Appeals Authorities, Commissioner (Appeals)
			44.31	2013-14 to June 2015	
			8.66	April 2016 to June 2017	
			14.64	From February 2008 to February 2009	
			2.34	FY 2005-07	
			19.87	From 2013-14 to June 2016	
4	Sales Tax	Sales Tax	89.31	FY 1986 to 2008-09	Sales Tax Tribunal
5	Sales Tax	Sales Tax	7.32	FY 1996-97	High Court
6	Sales Tax	Sales Tax	215.73	FY 2003 to 2016	Appeals Authorities, Commissioner (Appeals)

\* Net of amounts paid under protest for Sales tax matters aggregating to INR 51.81 Lakhs and Service tax aggregating to INR 6.08 Lakhs.

**ANNEXURE-B TO THE INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS - 31 MARCH 2019**

**Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013**

**(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

**Opinion**

We have audited the internal financial controls with reference to financial statements of Panasonic Energy India Company Limited ("the Company") as of 31 March 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the Guidance Note").

**Management's Responsibility for Internal Financial Controls**

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

**Meaning of Internal Financial Controls with reference to Financial Statements**

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls with reference to Financial Statements**

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Place : Vadodara  
Date : 29 May 2019

For **B S R & Associates LLP**  
**Chartered Accountants**  
**Firm's Registration No. 116231W/W-100024**

**Jeyur Shah**  
**Partner**  
**Membership No. 045754**

# Panasonic Energy India Co. Ltd.

(Amount in INR Lakhs)  
31 March 2018

	Note No.	31 March 2019	31 March 2018
<b>I ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Property, plant and equipment	5	1,595.69	1,835.48
(b) Other Intangible assets	5	24.84	22.61
(c) Capital Work-in-progress	5	504.92	3.99
(d) Financial assets			
(i) Loans	6	54.31	67.83
(e) Non-Current Tax Assets	8	711.24	623.95
(f) Other non-current assets	9	2.43	7.00
<b>Total Non-current Assets</b>		<b>2,893.43</b>	<b>2,560.86</b>
<b>2 Current assets</b>			
(a) Inventories	10	2,976.08	2,894.27
(b) Financial assets			
(i) Trade receivables	11	311.40	529.30
(ii) Cash and cash equivalents	12	2,223.79	1,064.56
(iii) Bank balances other than (iii) above	13	3,289.96	4,581.00
(iv) Loans	6	50.50	41.95
(v) Others	7	391.40	614.45
(c) Other current assets	9	525.91	1,025.19
<b>Total Current Assets</b>		<b>9,769.04</b>	<b>10,750.72</b>
<b>TOTAL ASSETS</b>		<b>12,662.47</b>	<b>13,311.58</b>
<b>II EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Share capital	14	750.00	750.00
(b) Other equity	15	9,344.82	9,507.69
<b>Total equity</b>		<b>10,094.82</b>	<b>10,257.69</b>
<b>LIABILITIES</b>			
<b>1 Non-Current Liabilities</b>			
Deferred tax liabilities (net)	20	89.61	134.65
<b>Total non current liabilities</b>		<b>89.61</b>	<b>134.65</b>
<b>2 Current liabilities</b>			
(a) Financial liabilities			
(i) Trade payables	16		
(A) total outstanding dues of micro enterprises and small enterprises; and		147.22	126.56
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		684.81	769.98
(ii) Other financial liabilities	17	1,149.61	1,089.71
(b) Other current liabilities	19	237.55	635.46
(c) Short-term provisions	18	258.85	297.53
<b>Total Current Liabilities</b>		<b>2,478.04</b>	<b>2,919.24</b>
<b>Total liabilities</b>		<b>2,567.65</b>	<b>3,053.89</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>12,662.47</b>	<b>13,311.58</b>
Significant accounting policies	3		
The accompanying notes are an integral part of the financial statements.	4 - 40		

As per our report of even date

For B S R & Associates LLP  
Chartered Accountants  
Firm Registration No: 116231W/W-100024

Jeyur Shah  
Partner  
Membership No. 045754

Place : Vadodara  
Date : 29 May 2019

For and on behalf of the Board of Directors

Mikio Morikawa  
Chairman & Managing Director  
DIN:02611904

Susheela Maheshwari  
Company Secretary & Manager (Legal)

Place : Vadodara  
Date : 29 May 2019

Mayur K. Swadia  
Director  
DIN:01237189

Anjan Shah  
DGM (Finance)

	Note	For the year ended 31 March 2019	(Amount in INR Lakhs) For the year ended 31 March 2018
<b>Income</b>			
Revenue from operations	21	20,746.35	21,083.24
Other income	22	419.98	383.55
<b>Total Income (I)</b>		<b>21,166.33</b>	<b>21,466.79</b>
<b>Expenses</b>			
Cost of materials consumed	23	10,315.85	10,007.26
Purchases of stock-in-trade		2,002.71	1,335.94
Changes in inventories of finished goods, work-in-progress and stock-in-trade	24	(263.11)	163.04
Other manufacturing expenses	25	566.34	582.56
Employee benefits expense	26	3,770.57	3,445.74
Excise duty		-	509.69
Finance costs	27	4.86	2.41
Depreciation and amortization expenses	5	276.89	237.31
Other expenses	28	3,907.48	3,814.97
<b>Total Expenses (II)</b>		<b>20,581.59</b>	<b>20,098.92</b>
<b>Profit before tax (I - II)</b>		<b>584.74</b>	<b>1,367.87</b>
<b>Tax expense:</b>			
Current Tax		198.75	518.64
Adjustments of tax for earlier years		(26.86)	(68.59)
Deferred Tax	20	(48.43)	(61.92)
<b>Profit after tax for the year</b>		<b>461.28</b>	<b>979.74</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Re-measurement gains/(losses) on defined employee benefit plan		12.16	(24.30)
Tax related to items that will not be reclassified to profit or loss		(3.38)	7.08
<b>Other comprehensive income for the year</b>		<b>8.78</b>	<b>(17.22)</b>
<b>Total comprehensive income for the year</b>		<b>470.06</b>	<b>962.52</b>
<b>Earnings per share</b> {Face value INR 10 per share (Previous year: INR 10 per share)}			
Basic	29	6.15	13.06
Diluted	29	6.15	13.06
Significant accounting policies	3		
The accompanying notes are an integral part of the financial statements.	4 - 40		

**As per our report of even date**

**For B S R & Associates LLP**  
Chartered Accountants  
Firm Registration No: 116231W/W-100024

Jeyur Shah  
Partner  
Membership No. 045754

Place : Vadodara  
Date : 29 May 2019

**For and on behalf of the Board of Directors**

Mikio Morikawa  
Chairman & Managing Director  
DIN:02611904

Susheela Maheshwari  
Company Secretary & Manager (Legal)

Place : Vadodara  
Date : 29 May 2019

Mayur K. Swadia  
Director  
DIN:01237189

Anjan Shah  
DGM (Finance)

# Panasonic Energy India Co. Ltd.

(Amount in INR Lakhs)

	For the year ended 31 March 2019	For the year ended 31 March 2018
<b>Cash flow from operating activities</b>		
<b>Profit before tax</b>	<b>584.74</b>	<b>1,367.87</b>
<i>Adjustments for:</i>		
Depreciation and amortisation expense	276.89	237.31
Finance costs	4.86	2.41
Loss/(Gain) on sale of assets (net)	55.35	(2.18)
Interest income	(318.70)	(347.49)
Remeasurement of employee benefits	12.16	(24.30)
Unrealised foreign exchange gain (net)	0.83	-
<b>Operating profit before working capital changes</b>	<b>616.13</b>	<b>1,233.62</b>
<b>Changes in working capital adjustments:</b>		
(Increase) in financial assets - loans	(8.55)	(2.96)
Decrease in trade receivables	217.67	273.67
Decrease/(increase) in other financial assets	233.03	(596.25)
Decrease/(increase) in other non-current and current assets	503.85	(485.26)
(Increase)/decrease in inventories	(81.81)	251.75
Increase in trade payables	(65.08)	(116.15)
Increase/(Decrease) in other financial liabilities	82.38	(89.87)
(Decrease)/increase in other non-current and current liabilities	(397.91)	54.95
(Decrease) in provisions	(38.68)	(79.39)
<b>Cash generated from operations</b>	<b>1,061.03</b>	<b>444.11</b>
Less: Taxes paid	(258.67)	(613.03)
<b>Net cash from / (used in) operating activities [A]</b>	<b>802.36</b>	<b>(168.92)</b>
<b>Cash flow from investing activities</b>		
Purchase of property, plant and equipment including capital work-in-progress	(617.49)	(292.44)
Proceeds from sale of property, plant and equipment	2.92	3.02
Proceeds/(Investments) from/in bank deposits	1,291.04	488.58
Interest income	318.19	347.49
<b>Net cash from investing activities [B]</b>	<b>994.66</b>	<b>546.65</b>
<b>Cash flow from financing activities</b>		
Interest expenses	(4.86)	(2.41)
Dividend paid	(632.93)	(496.48)
<b>Net cash (used in) financing activities [C]</b>	<b>(637.79)</b>	<b>(498.89)</b>
<b>Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>1,159.23</b>	<b>(121.16)</b>
Cash & Cash Equivalents at beginning of period (refer note 1 below)	1,064.56	1,185.72
Cash and Cash Equivalents at end of period (refer note 1 below)	2,223.79	1,064.56
	<b>1,159.23</b>	<b>(121.16)</b>

**Notes:**

**1) Cash and cash equivalents comprise of:**

Cash on hand	1.51	2.42
Balances with banks:		
on current accounts	334.74	405.50
on deposit accounts	1,885.20	594.28
Remittances in transit	2.34	62.36
	<b>2,223.79</b>	<b>1,064.56</b>

- 2) The Cashflow statement has been prepared by the indirect method as set out in the Ind AS 7 on "Cash Flow Statements".
- 3) The Company does not have any current or non-current borrowings. The only outflow from financing activities is on account of payment of dividend, which has been disclosed separately in the Statement of Changes in Equity. Accordingly, a disclosure for reconciliation of balances in borrowings and financial liabilities has not been provided separately.

**As per our report of even date**

**For B S R & Associates LLP**  
Chartered Accountants  
Firm Registration No: 116231W/W-100024

Jeyur Shah  
Partner  
Membership No. 045754

Place : Vadodara  
Date : 29 May 2019

**For and on behalf of the Board of Directors**

Mikio Morikawa  
Chairman & Managing Director  
DIN:02611904

Susheela Maheshwari  
Company Secretary & Manager (Legal)

Place : Vadodara  
Date : 29 May 2019

Mayur K. Swadia  
Director  
DIN:01237189

Anjan Shah  
DGM (Finance)



Statement of Changes in Equity for the year ended March 31, 2019

A) Equity Share Capital

	(Amounts in INR Lakhs)
As at 1 April 2017	750.00
Changes during the year	-
As at 31 March 2018	750.00
Changes during the year	-
As at 31 March 2019	750.00

B) Other Equity

(Amount in INR Lakhs)

	Reserves and Surplus				Other Comprehensive Income (OCI)	TOTAL
	Capital reserve	Securities premium	General reserve	Retained earnings	Remeasurement of defined benefits	
As at 1 April 2017	25.00	928.13	7,534.47	671.75	(117.70)	9,041.65
Net profit for the year	-	-	-	979.74	-	979.74
Other comprehensive income for the year (net of tax)	-	-	-	-	(17.22)	(17.22)
Total comprehensive income for the year	-	-	-	979.74	(17.22)	962.52
Dividend paid	-	-	-	412.50	-	412.50
Tax on dividend	-	-	-	83.98	-	83.98
As at 31 March 2018	25.00	928.13	7,534.47	1,155.01	(134.92)	9,507.69
Net profit for the year	-	-	-	461.28	-	461.28
Other comprehensive income for the year (net of tax)	-	-	-	-	8.78	8.78
Total comprehensive income for the year	-	-	-	461.28	8.78	470.06
Dividend paid	-	-	-	525.00	-	525.00
Tax on dividend	-	-	-	107.93	-	107.93
As at 31 March 2019	25.00	928.13	7,534.47	983.36	(126.14)	9,344.82
Significant accounting policies	3					
The accompanying notes are an integral part of the financial statements.	4 - 40					

As per our report of even date

For B S R & Associates LLP  
Chartered Accountants  
Firm Registration No: 116231W/W-100024

Jeyur Shah  
Partner  
Membership No. 045754

Place : Vadodara  
Date : 29 May 2019

For and on behalf of the Board of Directors

Mikio Morikawa  
Chairman & Managing Director  
DIN:02611904

Susheela Maheshwari  
Company Secretary & Manager (Legal)

Place : Vadodara  
Date : 29 May 2019

Mayur K. Swadia  
Director  
DIN:01237189

Anjan Shah  
DGM (Finance)

## Notes to the financial statements for the year ended 31 March, 2019

### Note 1

#### Company overview

Panasonic Energy India Company Limited ('the Company') is a company domiciled in India and incorporated under the provisions of Companies Act, 1956. The Company has its registered office at GIDC Makarpura, Vadodara - 390010, Gujarat. The Company is engaged in business of manufacturing dry cell batteries and lighting products.

### Note 2

#### Basis of preparation of Ind AS financial statements

##### Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards ('Ind AS') as per the Companies (Indian Accounting Standards) Rules, 2015 prescribed under Section 133 of Companies Act, 2013 ('the Act') and rules issued thereunder.

These financial statements were authorised for issue by the Company's Board of Directors on 29 May 2019

##### Functional and presentation currency

These financial statements are presented in Indian Rupees (INR) which is the Company's functional currency.

##### Basis of measurement

These financial statements have been prepared on the historical cost basis except for defined benefit plans - net defined benefit (asset) / liabilities which have been measured at fair value based on principles of Ind AS 19 - "Employee benefits".

##### Use of estimates and judgement

The preparation and presentation of financial statements requires the Company's Management ('the Management') to make certain judgments, estimates and assumptions that affect the amounts reported in the financial statements and notes thereto. Such estimates and assumptions are based on Management's evaluation of relevant facts and circumstances as on the date of financial statements. The actual outcome may differ from these estimates. Management believes these assumptions are reasonable and prudent.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to the accounting estimates are recognised prospectively.

##### Significant accounting judgments, estimates and assumptions

The preparation of financial statements in conformity with Ind AS requires Management to make estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities. Actual results could differ from those estimates.

Estimates and judgments are reviewed on an ongoing basis. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstance. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

The key assumptions concerning the future and other key sources of estimating uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

#### a) Impairment of Property, Plant and Equipment (PPE)

The evaluation of applicability of indicators of impairment of assets requires assessment of external factors (significant decline in asset's value, significant changes in the technological, market, economic or legal environment, market interest rates etc.) and internal factors (obsolescence or physical damage of an asset, poor economic performance of the asset etc.) which could result in significant change in recoverable amount of the PPE.

#### b) Determination of the estimated useful lives

Useful lives of all PPE are based on the estimation done by the Management which is in line with the useful lives as prescribed in Part 'C' of Schedule II to the Act. In cases, where the useful lives are different from those prescribed in Schedule II and in case of intangible assets, they are estimated by Management based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support.

#### c) Current and deferred taxes

Significant management judgment is required to determine the amount of current and deferred taxes that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

#### d) Employee benefits

Management's estimate of the Company's obligation is determined based on actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These

include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds. Future salary increases and gratuity increases are based on expected future inflation rates for India. Refer note 38 for details of the key assumptions used in determining the accounting of these plans.

**Note 3**

**Significant accounting policies**

**a) Property, plant and equipment (PPE)**

*Recognition and measurement*

Items of PPE are measured at cost less accumulated depreciation and accumulated impairment losses, if any. Cost of an item of PPE comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Capital work-in-progress is stated at cost. All the direct expenditure related to implementation including incidental expenditure incurred during the period of implementation of a project, till it is commissioned, is accounted as Capital work-in-progress and after commissioning the same is transferred / allocated to the respective item of PPE. Pre-operative costs, being indirect in nature, are expensed to the Statement of Profit and Loss as and when incurred.

If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.

Any gain or loss on disposal of an item of PPE is recognised in the Statement of Profit and Loss.

*Subsequent expenditure*

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

**b) Depreciation**

Depreciation on tangible assets has been provided on Straight Line Method / Written Down Value method as per the useful life of respective PPE, as determined by the Management of the Company. In respect of PPE purchased or put to use during the year, depreciation is provided on pro-rata basis from the date on which such asset is purchased or put to use. Freehold land is not depreciated. Leasehold land is amortised over the period of lease.

Assets description	Useful life (in years)
Factory buildings	30
Other buildings	60
Plant and machinery (including Dies)	20
Electrical installations	10
Office equipments	5
Computers	3
Furniture and fixtures	10
Vehicles	8

The residual value, useful life and method of depreciation of PPE are reviewed at each reporting date and adjusted prospectively, as appropriate.

**c) Intangible assets**

*Recognition and measurement*

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the assets will flow to the Company and the cost of the asset can be measured reliably. Intangible assets are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

*Subsequent expenditure*

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in the Statement of Profit and Loss as incurred.

### *Amortisation*

Intangible assets are amortised over the estimated period of benefit i.e. 3 to 5 years.

#### **d) Impairment of non-financial assets**

The Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

The Company's corporate assets (e.g., central office building for providing support to various CGUs) do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the Statement of Profit and Loss except for properties previously revalued with the revaluation surplus taken to Other Comprehensive Income (OCI). For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.

An impairment loss in respect of assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognized.

#### **e) Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

##### **Financial assets**

###### *Initial recognition and measurement*

A financial asset is recognised in the balance sheet when the Company becomes party to the contractual provisions of the instrument. At initial recognition, the Company measures a financial asset at its fair value plus or minus, in the case of a financial asset not at fair value through statement of profit and loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset.

###### *Subsequent measurement*

For purpose of subsequent measurement, financial assets are classified into:

- a) Financial assets measured at amortised cost;
- b) Financial assets measured at fair value through other comprehensive income (FVTOCI);
- c) Financial assets measured at fair value through statement of profit and loss (FVTPL)

The Company classifies its financial assets in the above mentioned categories based on:

- a) The Company's business model for managing the financial assets;
- b) The contractual cash flows characteristics of the financial asset.

##### **Financial assets measured at amortised cost**

A financial asset is measured at amortised cost if both of the following conditions are met:

- a) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- b) The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit and

loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables.

#### **Financial assets measured at fair value through other comprehensive income (FVTOCI)**

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

- a) The financial asset is held within a business model whose objective is achieved by both collecting the contractual cash flows and selling financial assets; and
- b) The asset's contractual cash flows represent SPPI.

#### **Financial assets measured at fair value through the statement of profit and loss (FVTPL)**

FVTPL is a residual category. Any financial asset, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. In addition, the Company may elect to designate a financial asset, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

#### *Derecognition*

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- a) The contractual rights to the cash flows from the financial asset have expired, or
- b) The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
  - i) The Company has transferred substantially all the risks and rewards of the asset, or
  - ii) The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

#### *Impairment of financial assets*

The Company assesses impairment based on expected credit loss (ECL) model to the following:

- a) Financial assets measured at amortised cost;
- b) Financial assets measured at fair value through other comprehensive income

Expected credit losses are measured through a loss allowance at an amount equal to:

- a) The 12 month's expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- b) Full time expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. Under the simplified approach, the Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable which is adjusted for management's estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

#### **Financial Liabilities**

##### *Initial recognition and measurement*

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through statement of profit and loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value.

The Company's financial liabilities include trade and other payables.

##### *Subsequent measurement*

- a) Financial liabilities measured at amortised cost;
- b) Financial liabilities subsequently measured at fair value through statement of profit and loss (FVTPL)

#### **Trade and other payables**

These amounts represent liability for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

**Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

**Offsetting financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet when, and only when, there is a legally enforceable right to offset the recognised amount and there is intention either to settle on net basis or to realise the assets and to settle the liabilities simultaneously.

**f) Inventories**

Inventories are valued at cost or net realizable value, whichever is lower. The basis of determining cost for various categories of inventories is as follows:

<b>Inventory</b>	<b>Cost Formula</b>
Raw materials & traded goods	First-In-First-Out basis.
Material, traded goods in transit	At Cost to date
Work-in-process	At raw material cost plus conversion cost, wherever applicable
Finished goods	Cost represents material, labour and manufacturing expenses and other incidental costs to bring the inventory in present location and condition.
Stores, Spares and Tools	First-In-First-Out basis.

**g) Employee Benefits**

**i) Short-term employee benefits**

Employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits and are recognised in the period in which the employee renders the related service.

**ii) Post-employment benefits**

*Defined contribution plans*

A defined contribution plan is a post-employment benefit plan under which the Company makes specified contributions towards Government administered provident fund scheme. The contributions are charged to the Statement of Profit and Loss of the year, when the contributions to the respective funds are due. There are no obligations other than the contributions payable to the respective fund.

*Defined benefit plans*

All employees are covered under Employees' Gratuity Scheme, which is a defined benefit plan. The Company contributes to a fund maintained with Life Insurance Corporation of India (LIC) on the basis of the year-end liability determined based on actuarial valuation using the Projected Unit Cost Method. Remeasurements of the net defined benefit liability, which comprise actuarial gains/losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest) are recognized in Other Comprehensive Income. Net interest expense and other expenses related to defined benefit plans are recognised in the Statement of Profit and Loss. In respect of all employees, the Company makes contributions determined based on specified percentage of salaries, towards Provident Fund to a Company managed Provident Fund Trust. These contributions are charged to Statement of Profit and Loss as they accrue. The Company has an obligation to fund any shortfall in the Trust Fund, as determined based on the year end actuarial valuation using the projected unit credit method.

*Long-term employee benefits*

Provision for long-term employee benefits comprise of compensated absences. These are measured on the basis of year-end actuarial valuation in line with the Company's policy for compensated absences. Remeasurement gains or losses are recognized in the Statement of Profit or Loss in the period in which they arise.

**h) Revenue recognition**

*Sale of goods*

Revenue is recognised upon transfer of control of promised goods to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those goods. Revenue from the sale of goods is recognised at the point in time when control is transferred to the customer which is usually on dispatch / delivery. Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, price concessions, incentives, and returns, if any, as specified in the contracts with the customers.

Revenue excludes taxes collected from customers on behalf of the government. Accruals for discounts/incentives and returns are estimated (using the most likely method) based on accumulated experience and underlying schemes and agreements with customers. Due to the short nature of credit period given to customers, there is no financing component in the contract.

Ind AS 115 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaces existing revenue recognition guidance, including Ind AS 18 Revenue and Ins AS 11 Construction Contracts. The core principle of the new standard that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further, the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. This Standard permits two possible methods of transition i.e. retrospective approach and modified retrospective method. Based on the preliminary assessment, the company does not expect any significant impacts on transition to Ind AS 115. This assessment is based on currently available information and may be subject to changes arising from further reasonable and supportable information when the standard will be adopted. The quantitative impacts would be finalized based on a detailed assessment which has been initiated to identify the key impacts along with evaluation of appropriate transition options to be considered.

Interest income is accounted for on a time proportion basis taking into account the amount outstanding and the rate applicable.

#### *Export incentives*

Export incentives are accounted on accrual basis based in shipment of eligible exports and there is no significant uncertainty regarding realization.

#### *Claims*

Insurance and other claims are accounted to the extent lodged with the appropriate authorities and only when it is reasonably certain that the ultimate collection will be made.

### **i) Foreign currency transactions**

#### *Transactions and balances:*

Transactions denominated in foreign currencies are translated into functional currency at the exchange rates prevailing at the time of transaction.

Monetary items denominated in foreign currencies at the year-end are translated into the functional currency at the exchange rate prevailing on the balance sheet date.

Non-monetary items are carried at historical cost using the exchange rates on the date of transaction, other than those measured at fair value. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

Any income or expense on account of foreign exchange difference either on settlement or on translation is recognized in the Statement of Profit and Loss.

### **j) Taxes**

Income tax comprises current and deferred tax. It is recognised in the Statement of Profit and Loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

#### *Current Tax*

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using Income tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

#### *Deferred Tax*

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date to evaluate if the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on the Income tax laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

### k) Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursements.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liability is disclosed in the case of:

- a) A present obligation arising from the past events, when it is not probable that an outflow of resources will be required to settle the obligation;
- b) A present obligation arising from the past events, when no reliable estimate is possible;
- c) A possible obligation arising from the past events, unless the probability of outflow of resources is remote.

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets. Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

### l) Leases

*Company as a lessee*

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

### m) Fair Value Measurement

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as under, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level I - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level II - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level III - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The Company does not have any financial instruments which are measured at fair value. The market rate used for this purpose is based on Level III valuation techniques.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes (Refer Note 35):

1. Disclosures for valuation methods, significant estimates and assumptions
2. Quantitative disclosures of fair value measurement hierarchy
3. Financial instruments (including those carried at amortised cost)



**n) Segment reporting**

The Company's Chairman and Managing Director alongwith Board of Directors allocate resources and assess the performance of the Company. Thus, they are the Chief Operating Decision Maker (CODM). The CODM monitor the operating results of the business as one segment, hence no separate segments need to be disclosed.

**Note 4**

**Recent accounting pronouncement**

**Ind AS 116, Leases**

The Company is required to adopt Ind AS 116, Leases from 1 April 2019. Ind AS 116 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases. It replaces existing leases guidance, Ind AS 17, Leases.

The Company has completed an initial assessment of the potential impact on its financial statements but has not yet completed its detailed assessment. The quantitative impact of adoption of Ind AS 116 on the financial statements in the period of initial application is not reasonably estimable as at present.

**i. Leases in which the Company is a lessee**

The Company will recognise new assets and liabilities for its operating leases of offices, warehouse and factory facilities. The nature of expenses related to those leases will now change because the Company will recognise a depreciation charge for right-of-use assets and interest expense on lease liabilities.

Previously, the Company recognised operating lease expense on a straight-line basis over the term of the lease, and recognised assets and liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognised.

In addition, the Company will no longer recognise provisions for operating leases that it assesses to be onerous. Instead, the Company will include the payments due under the lease in its lease liability and apply Ind AS 36, Impairment of Assets to determine whether the right-of-use asset is impaired and to account for any impairment.

No significant impact is expected for the Company's finance leases.

**ii. Transition**

The Company plans to apply the practical expedient to grandfather the definition of a lease on transition. This means that it will apply Ind AS 116 to all contracts entered into before 1 April 2019 and identified as leases in accordance with Ind AS 17.

**IND AS 12 Income Taxes Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)**

This interpretation, which will be effective from April 1, 2019, The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12. The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability clarifies how entities should evaluate and reflect uncertainties over income tax treatments, in particular when assessing the outcome a tax authority might reach with full knowledge and information if it were to make an examination. The Company is currently in process of evaluating the impact of this amendment on its financial statements.

**Ind AS 19 Employee Benefits**

This amendment requires:

- To use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- To recognise in profit or loss as part of past service cost, or gain or loss on settlement, any reduction in surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

# Notes to the Financial Statements

### 5 Property, plant and equipment, Other Intangible assets and Capital work-in-progress

(Amount in INR Lakhs)

	Property, Plant and equipment											Other Intangible Assets		Grand Total			
	Leasehold land	Buildings	Plant and machinery	Dies	Electricals Installation	Air Conditioners & Office equipments	Computers	Furniture & Fixtures	Vehicles	Total	Software	Total					
<b>Cost</b>																	
As at 01 April 2017	27.48	285.07	1,414.40	16.98	8.24	28.34	18.82	9.95	40.35	1,849.63	20.13	20.13	1,869.76				
Additions	-	193.72	84.38	0.54	28.75	43.70	12.32	56.98	8.22	428.61	16.04	16.04	444.65				
Deductions / adjustments	-	-	-	-	0.05	0.01	0.11	0.28	1.12	1.57	-	-	1.57				
As at 31 March 2018	27.48	478.79	1,498.78	17.52	36.94	72.03	31.03	66.65	47.45	2,276.67	36.17	36.17	2,312.84				
Additions	-	15.16	26.21	1.96	3.64	24.21	7.57	2.45	4.57	85.77	11.84	11.84	97.61				
Deductions / adjustments	-	-	45.61	2.98	1.98	1.60	1.99	3.93	0.18	58.27	-	-	58.27				
As at 31 March 2019	27.48	493.95	1,479.38	16.50	38.60	94.64	36.61	65.17	51.84	2,304.17	48.01	48.01	2,352.18				
<b>Depreciation / Amortisation</b>																	
As at 01 April 2017	0.41	18.67	165.80	1.15	0.95	6.94	5.76	0.25	11.82	211.75	6.42	6.42	218.17				
Charge for the year	0.41	23.10	147.51	1.05	6.23	24.16	7.18	11.66	8.87	230.17	7.14	7.14	237.31				
Deductions / adjustments	-	-	-	-	-	-	-	-	0.73	0.73	-	-	0.73				
As at 31 March 2018	0.82	41.77	313.31	2.20	7.18	31.10	12.94	11.91	19.96	441.19	13.56	13.56	454.75				
Charge for the year	0.40	29.92	182.82	0.98	6.26	19.23	8.78	12.52	6.37	267.28	9.61	9.61	276.89				
Deductions / adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-				
As at 31 March 2019	1.22	71.69	496.13	3.18	13.44	50.33	21.72	24.43	26.33	708.47	23.17	23.17	731.64				
<b>Net Block</b>																	
As at 31 March 2018	26.66	437.02	1,185.47	15.32	29.76	40.93	18.09	54.74	27.49	1,835.48	22.61	22.61	1,858.09				
As at 31 March 2019	26.26	422.26	983.25	13.32	25.16	44.31	14.89	40.74	25.51	1,595.69	24.84	24.84	1,620.53				
<b>Capital work-in-progress</b>																	
As at 31 March 2018	-	-	3.99	-	-	-	-	-	-	3.99	-	-	3.99				
As at 31 March 2019	-	-	504.92	-	-	-	-	-	-	504.92	-	-	504.92				

**6 Financial Assets - Loans** *(Amounts in INR Lakhs)*

	As at 31 March 2019	As at 31 March 2018
<b>Non-current</b>		
Security and other deposits	54.31	67.83
<b>Total</b>	<b>54.31</b>	<b>67.83</b>
<b>Current</b>		
Security and other deposits	16.38	4.59
Loans to employees	34.12	37.36
<b>Total</b>	<b>50.50</b>	<b>41.95</b>

**7 Financial Assets - Others** *(Amounts in INR Lakhs)*

	As at 31 March 2019	As at 31 March 2018
<b>Current</b>		
Receivable from related parties (refer Note 37)	360.23	576.06
Other receivables	23.19	27.64
Discounts receivable	7.98	10.75
<b>Total</b>	<b>391.40</b>	<b>614.45</b>

**8 Tax Assets** *(Amounts in INR Lakhs)*

	As at 31 March 2019	As at 31 March 2018
<b>Non-current</b>		
Advance tax and TDS (net of provisions)	711.24	623.95
<b>Total</b>	<b>711.24</b>	<b>623.95</b>

**9 Other Assets** *(Amounts in INR Lakhs)*

	As at 31 March 2019	As at 31 March 2018
<b>Non-current</b>		
Capital advances	1.23	4.76
Prepaid expenses	1.20	2.24
<b>Total</b>	<b>2.43</b>	<b>7.00</b>
<b>Current</b>		
Prepaid expenses	52.76	40.39
Advance to suppliers	11.96	13.75
Balances with Government authorities	445.69	971.05
LIC gratuity fund balance (refer Note 38)	15.50	-
<b>Total</b>	<b>525.91</b>	<b>1,025.19</b>

**10 Inventories** *(Amounts in INR Lakhs)*

	As at 31 March 2019	As at 31 March 2018
Raw materials	610.58	768.82
Work-in-progress	239.90	328.85
Finished goods	1,276.33	1,138.81
Stores & spares	131.00	142.33
Stock-in-trade	624.29	411.01
<b>Goods-in-transit</b>		
Raw materials	74.45	86.18
Traded goods	19.53	18.27
<b>Total</b>	<b>2,976.08</b>	<b>2,894.27</b>

Refer Note 3(f) on significant accounting policy for basis of inventory valuation.

**11 Current Financial Assets - Trade receivables**

*(Amounts in INR Lakhs)*

	As at 31 March 2019	As at 31 March 2018
From Others		
(a) Trade Receivables considered good - Secured	-	-
(b) Trade Receivables considered good - Unsecured	288.15	473.81
(c) Trade Receivables which have significant increase in Credit Risk; and	-	-
(d) Trade Receivables - credit impaired	-	-
From related parties (refer Note 37)		
(a) Trade Receivables considered good - Unsecured	23.25	55.49
<b>Total</b>	<b>311.40</b>	<b>529.30</b>

Refer Note 35 on financial instruments.

**12 Current Financial Assets - Cash and cash equivalents**

*(Amounts in INR Lakhs)*

	As at 31 March 2019	As at 31 March 2018
Cash on hand	1.51	2.42
Balances with banks		
on current accounts	334.74	405.50
on deposit accounts	1,885.20	594.28
Remittances in transit	2.34	62.36
<b>Total</b>	<b>2,223.79</b>	<b>1,064.56</b>

**13 Current Financial Assets - Other Bank Balances**

*(Amounts in INR Lakhs)*

	As at 31 March 2019	As at 31 March 2018
Deposits with original maturity over 3 months but less than 12 months	3,026.55	4,389.31
Deposits with original maturity over 12 months	102.01	-
Margin money deposits	100.72	151.15
Unpaid dividend accounts	60.68	40.54
<b>Total</b>	<b>3,289.96</b>	<b>4,581.00</b>

- a) Deposits maintained by the Company with banks comprise of time deposits which can be withdrawn by the Company at any point without prior notice or penalty on the principal amount.
- b) Earmarked balances pertain to amounts deposited in unclaimed dividend accounts which are earmarked for payment of dividends and cannot be used for any other purpose.
- c) Margin money deposits consists of margin money against bank guarantees.

**14 Share Capital**

	No. of shares	Amounts in INR Lakhs
<b>Authorised Capital</b>		
<b>Equity shares of INR 10 each</b>		
<b>As at 1 April 2017</b>	<b>1,00,00,000</b>	<b>1,000.00</b>
Increase/(decrease) during the year	-	-
<b>As at 31 March 2018</b>	<b>1,00,00,000</b>	<b>1,000.00</b>
Increase/(decrease) during the year	-	-
<b>As at 31 March 2019</b>	<b>1,00,00,000</b>	<b>1,000.00</b>

	No. of shares	Amounts in INR Lakhs
<b>Issued, Subscribed and Paid-up Capital</b>		
<b>Equity shares of INR 10 each</b>		
<b>As at 1 April 2017</b>	<b>75,00,000</b>	<b>750.00</b>
Increase/(decrease) during the year	-	-
<b>As at 31 March 2018</b>	<b>75,00,000</b>	<b>750.00</b>
Increase/(decrease) during the year	-	-
<b>As at 31 March 2019</b>	<b>75,00,000</b>	<b>750.00</b>

#### Terms/Rights attached to Equity Shares

For all matters submitted to vote in a shareholders meeting of the Company, every holder of an equity share as reflected in the records of the Company on the date of the shareholders meeting shall have one vote in respect of each share held. Any dividend declared by the company shall be paid to each holder of Equity shares in proportion to the number of shares held to total equity shares outstanding as on that date. In the event of liquidation of the Company all preferential amounts if any shall be discharged by the Company. The remaining assets of the Company shall be distributed to the holders of equity shares in proportion to the number of shares held to the total equity shares outstanding as on that date.

#### Details of shares held by parent company & ultimate parent company and their subsidiaries:

Name of equity shareholder	No. of Shares	% of holding
<b>Panasonic Corporation, Japan (the holding company)</b>		
As at 31 March 2019	43,54,144	58.06%
As at 31 March 2018	43,54,144	58.06%

#### Details of shareholders holding more than 5% shares in the Company are as under:

Name of equity shareholder	No. of Shares	% of holding
<b>Panasonic Corporation, Japan (the holding company)</b>		
As at 31 March 2019	43,54,144	58.06%
As at 31 March 2018	43,54,144	58.06%

#### 15 Other Equity

(Amounts in INR Lakhs)

	As at 31 March 2019	As at 31 March 2018
<b>Capital state subsidy reserve (A)</b>	<b>25.00</b>	<b>25.00</b>
<b>Securities premium (B)</b>	<b>928.13</b>	<b>928.13</b>
<b>General reserve (C)</b>	<b>7,534.47</b>	<b>7,534.47</b>
<b>Retained earnings</b>		
At the commencement of the year	1,155.01	671.75
Add: Net profit for the year	461.28	979.74
Less: Appropriations		
Dividend paid	(525.00)	(412.50)
Tax on dividend paid	(107.93)	(83.98)
<b>Closing balance (D)</b>	<b>983.36</b>	<b>1,155.01</b>
<b>Other Comprehensive Income (OCI)</b>		
At the commencement of the year	(134.92)	(117.70)
Remeasurements of defined benefit liability / asset (net of tax) (FVTOCI)	8.78	(17.22)
<b>Closing balance (E)</b>	<b>(126.14)</b>	<b>(134.92)</b>
<b>Total (A+B+C+D+E)</b>	<b>9,344.82</b>	<b>9,507.69</b>

#### Nature and purpose of reserves:

- Capital state subsidy reserve represents reserve created in earlier years on receipt of State Investment Subsidy from The Directorate of Industries, Madhya Pradesh.
- Securities premium is used to record the premium on issue of equity shares. The reserve is utilised in accordance with the provisions of the Act.
- General reserve is created out of profits earned by the Company by way of transfer from surplus in the Statement of Profit and Loss. The Company can use this reserve for payment of dividend and issue of fully paid-up shares.

## Panasonic Energy India Co. Ltd.

- 4) Retained earnings are the profits that the Company has earned till date, less any transfers to General reserve and payment of dividend. The amount that can be distributed by the Company as dividends to its equity shareholders is determined as per the provisions of the Act and the dividend distribution policy of the Company. In respect of the year ended 31 March 2019, the Board of Directors has proposed a final dividend of INR 4.00 (31 March 2018 INR 7.00) per share to be paid on fully paid equity shares. This equity dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these Ind AS financial statements. The total estimated equity dividend to be paid is INR 300 Lakhs (31 March 2018 INR 525.00 Lakhs) and the dividend distribution tax thereon amounts to INR 61.67 Lakhs (31 March 2018 INR 107.93 Lakhs). The proposed dividend for the previous year was INR 7.00p per equity share.
- 5) Remeasurements of defined benefit liability / asset comprises of actuarial gains and losses and return on plan asset (excluding interest income).

### 16 Current Financial Liabilities - Trade payables

(Amounts in INR Lakhs)

	As at 31 March 2019	As at 31 March 2018
Dues to micro, small and medium enterprises	147.22	126.56
Dues to other than micro, small and medium enterprises	350.18	369.99
Dues to related parties (refer Note 37)	334.63	399.99
<b>Total</b>	<b>832.03</b>	<b>896.54</b>

#### Notes:

- a) Payment towards trade payables is made as per the terms and conditions of the contract / purchase orders. The average credit period for purchase of materials and traded products ranges from 30 to 45 days.
- b) The Company's exposure to currency and liquidity risks related to trade payables is disclosed in Note 35.
- c) Under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED) which came into force from 2 October 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. On the basis of the information and records available with the Management, dues to Micro, Small and Medium Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management till date and relied upon by the auditors. The disclosures as required by Section 22 of the MSMED Act are given below:

(Amounts in INR Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
a) Principal amount payable to suppliers as at year end	147.22	126.56
b) Interest due thereon as at year end	-	-
c) Amount of interest paid under MSMED Act, 2006 along with the amounts of the payment made to the suppliers beyond the appointed day during each accounting year.	118.44	119.31
d) Amount of interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid)	3.85	1.32
e) Amount of interest accrued and remaining unpaid at the end of the accounting year.	3.85	1.32
f) The amount of further interest due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act, 2006.	-	-

### 17 Current Financial Liabilities - Others

(Amounts in INR Lakhs)

	As at 31 March 2019	As at 31 March 2018
Deposits	39.32	31.85
Payable for capital assets	16.53	39.01
Unpaid dividends	60.68	40.54
Other accrued liabilities	1,033.08	978.31
<b>Total</b>	<b>1,149.61</b>	<b>1,089.71</b>

18 Provisions (Amounts in INR Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
<b>Current</b>		
Provision for gratuity (refer Note 38)	-	50.68
Provision for compensated absences	258.85	246.85
<b>Total</b>	<b>258.85</b>	<b>297.53</b>

19 Other Current Liabilities (Amounts in INR Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
Advances from customers	84.95	54.76
Advances from scrap traders	2.02	1.08
Duties and taxes payable	150.58	579.62
<b>Total</b>	<b>237.55</b>	<b>635.46</b>

20 Deferred Tax (Liabilities) / Assets (Net)

Deferred tax assets and liabilities are attributable to the following:

(Amounts in INR Lakhs)

	As at 31 March 2019	As at 31 March 2018
<b>Deferred Tax Liabilities</b>		
Excess of depreciation / amortisation on PPE under tax law over depreciation / amortisation provided in accounts	159.45	214.87
Others	-	8.36
<b>Total Deferred Tax Liabilities (A)</b>	<b>159.45</b>	<b>223.23</b>
<b>Deferred Tax Assets</b>		
Unpaid liabilities allowable on payment basis under Section 43B of Income Tax Act, 1961	67.98	86.64
Others	1.86	1.94
<b>Total Deferred Tax Assets (B)</b>	<b>69.84</b>	<b>88.58</b>
<b>Net Deferred Tax Liabilities (A-B)</b>	<b>89.61</b>	<b>134.65</b>

(i) Movements in Deferred Tax Liabilities (net)

(Amounts in INR Lakhs)

	Excess of depreciation / amortisation on PPE under tax law over depreciation / amortisation provided in accounts	Disallowances under Income tax	Others	Net Deferred Tax Liabilities/ (Assets)
<b>As at 1 April 2017</b>	<b>278.86</b>	<b>(132.74)</b>	<b>57.53</b>	<b>203.65</b>
Charged / (Credited)				
- to statement of profit and loss	(63.99)	50.88	(48.81)	(61.92)
- to other comprehensive income	-	(7.08)	-	(7.08)
<b>As at 31 March 2018</b>	<b>214.87</b>	<b>(88.94)</b>	<b>8.72</b>	<b>134.65</b>
Charged / (Credited)				
- to statement of profit and loss	(55.43)	15.27	(8.27)	(48.43)
- to other comprehensive income	-	3.39	-	3.39
<b>As at 31 March 2019</b>	<b>159.44</b>	<b>(70.28)</b>	<b>0.45</b>	<b>89.61</b>

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### 21 Revenue from operations (Amounts in INR Lakhs)

	Year ended 31 March 2019	Year ended 31 March 2018
Sale of products	20,686.52	21,036.52
Other operating income	59.83	46.72
<b>Total</b>	<b>20,746.35</b>	<b>21,083.24</b>

### 22 Other income (Amounts in INR Lakhs)

	Year ended 31 March 2019	Year ended 31 March 2018
Profit on sale of assets	1.97	2.23
Interest income on deposits	318.70	347.49
Foreign exchange gains (net)	33.05	19.69
Miscellaneous income	66.26	14.14
<b>Total</b>	<b>419.98</b>	<b>383.55</b>

### 23 Cost of materials consumed (Amounts in INR Lakhs)

	Year ended 31 March 2019	Year ended 31 March 2018
Opening stock	855.00	819.76
Add : Purchases	10,145.88	10,042.50
Less : Closing stock	685.03	855.00
<b>Total</b>	<b>10,315.85</b>	<b>10,007.26</b>

### 24 Changes in inventories of finished goods work-in-progress and Stock-in-Trade (Amounts in INR Lakhs)

	Year ended 31 March 2019	Year ended 31 March 2018
<b>Inventories at the beginning of the year:</b>		
Finished goods (including stock in trade and materials in transit)	1,568.09	1,914.13
Work in progress	328.85	271.70
	<b>1,896.94</b>	<b>2,185.83</b>
<b>Inventories at the end of the year:</b>		
Finished goods (including stock in trade and materials in transit)	1,920.15	1,568.09
Work in progress	239.90	328.85
	<b>2,160.05</b>	<b>1,896.94</b>
Excise duty variation on opening/closing stocks of finished goods	-	(125.85)
<b>Total Net (Increase) / Decrease</b>	<b>(263.11)</b>	<b>163.04</b>

### 25 Other manufacturing expenses (Amounts in INR Lakhs)

	Year ended 31 March 2019	Year ended 31 March 2018
Consumption of stores and spares	104.45	112.57
Power and fuel	245.38	252.02
Water, gas and oil	133.43	124.95
Repairs to machineries	73.19	86.96
Repairs to buildings	9.89	6.06
<b>Total</b>	<b>566.34</b>	<b>582.56</b>



**26 Employee benefit expenses** *(Amounts in INR Lakhs)*

	Year ended 31 March 2019	Year ended 31 March 2018
Salaries, wages and bonus	3,430.84	3,115.63
Contribution to provident and other funds (refer Note 38)	215.91	203.48
Staff welfare expenses	123.82	126.63
<b>Total</b>	<b>3,770.57</b>	<b>3,445.74</b>

**27 Finance costs** *(Amounts in INR Lakhs)*

	Year ended 31 March 2019	Year ended 31 March 2018
Other finance costs	4.86	2.41
<b>Total</b>	<b>4.86</b>	<b>2.41</b>

**28 Other expenses** *(Amounts in INR Lakhs)*

	Year ended 31 March 2019	Year ended 31 March 2018
Rent	90.61	78.68
General repairs	27.63	22.92
Insurance	26.85	17.45
Rates and taxes	43.98	47.65
Legal and professional charges	265.75	233.56
Transportation expense	575.40	601.89
Travelling and conveyance	738.63	679.87
Other bank charges	8.33	7.29
CSR expenses	31.04	40.02
Post, telegrams and telephone expenses	52.65	51.36
Sales promotion expenses	1,112.10	1,177.83
Royalty and brand fees	641.78	628.13
Loss on sale of assets (net)	57.32	0.05
Research and development expenses	10.71	12.07
Directors' commission (refer Note 37)	7.53	15.22
Director's sitting fees (refer Note 37)	6.20	6.80
Auditors' remuneration (refer Note below)	14.80	14.94
Miscellaneous expenses	196.17	179.24
<b>Total</b>	<b>3,907.48</b>	<b>3,814.97</b>

**(i) Payment to Auditors\*** *(Amounts in INR Lakhs)*

	Year ended 31 March 2019	Year ended 31 March 2018
<b>Payment to Auditors</b>		
Statutory audit	14.25	14.25
Reimbursement of expenses	0.55	0.69

\* excluding applicable taxes

(ii) Corporate Social Responsibility (CSR) expenses (Amounts in INR Lakhs)

	Year ended 31 March 2019	Year ended 31 March 2018
Amount required to be spent by the Company during the year	31.04	40.02
Amount spent during the year on:		
Construction /acquisition of any asset	-	-
On purpose other than above	31.04	40.02
Amount yet to be spent:		
Construction /acquisition of any asset	-	-
On purpose other than above	-	-
<b>Total</b>	<b>31.04</b>	<b>40.02</b>

29 Earnings per share (EPS) (Amounts in INR Lakhs)

	Year ended 31 March 2019	Year ended 31 March 2018
<b>Profit attributable to equity shareholders:</b>		
Net profit after tax attributable to equity shareholders (Amount in INR Lakhs)	461.28	979.74
Adjusted for the effect of dilution (Amount in INR Lakhs)	461.28	979.74
<b>Weighted average number of equity shares for:</b>		
Basic EPS	75,00,000	75,00,000
Adjusted for the effect of dilution	75,00,000	75,00,000
<b>Earnings Per Share (INR):</b>		
Basic	6.15	13.06
Diluted	6.15	13.06

30 Contingent liabilities (Amounts in INR Lakhs)

	As at 31 March 2019	As at 31 March 2018
a) Disputed Excise / Service tax matters pending before Assessing/Appellate Authorities	228.33	188.06
b) Income tax matters	410.86	444.45
c) Sales Tax / VAT matters	323.54	349.43
d) Others	89.81	78.86
e) Claims from employees and former employees	Amount unascertainable	Amount unascertainable
f) The Hon'ble Supreme Court of India vide its order dated 28 February 2019, in the matter of Surya Roshani Limited & Others v/s EPFO, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. Subsequently, a review petition against this decision has been filed and is pending before the Hon'ble Supreme Court of India for disposal. Based on the Management's best estimate and judgement, any additional liability for the period from date of the Hon'ble Supreme Court of India Order i.e. 28 February 2019 to 31 March 2019 is not considered significant to the financial statements. In addition, pending outcome of the Hon'ble Supreme Court of India on review petition filed and necessary directions from the EPFO authorities, the overall impact for previous periods, if any, is not ascertainable and consequently, no financial effect has been provided for in the financial statements and accordingly, the aforesaid matter is disclosed as a contingent liability in these financial statements.	Amount unascertainable	Amount unascertainable

### 31 Commitments

Estimated amount of capital contracts remaining to be executed and not provided for (net of advances) is INR 2.01 Lakhs (31 March 2018: INR 0.28 Lakhs)

32 The Company's international and domestic transactions with associated enterprises are at arm's length, as per the independent accountant's report for the year ended 31 March 2018. The Management believes that the Company's international and domestic transactions with associated enterprises post 31 March 2018 continue to be at arm's length and that transfer pricing legislations will not have any impact on the Ind AS financial statements, particularly on the amount of tax expenses for the year and the amount of provision for taxation at the year end.

33 The Competition Commission of India ('the Commission') under Regulation 5 of the Competition Commission of India (Lesser Penalty) Regulations, 2009 ('Lesser Penalty Regulations') read with Section 46 of the Competition Act, 2002, carried out investigations involving the Company and other Indian manufacturer companies in contravention of the provisions of the Competition Act, 2002. The Commission's investigations have been completed wherein the Commission granted relief to the Company under Regulation 5 of Lesser Penalty Regulations read with Section 46 of the Competition Act, 2002 by confirming 100% reduction in penalty leviable on the Company under the Competition Act, 2002. The investigations of the Commission also included other Indian manufacturer companies, who have preferred an appeal before the National Company Law Appellate Tribunal (NCLAT) for reduction in quantum of penalty levied on them by the Commission. Appeals have also been filed by the individuals of those respective companies for reduction in penalty. Based on the assessment of hearings at the NCLAT till date, the Company's external counsel have observed that relief granted by the Commission to the Company has not been challenged by the other parties. The matter is currently pending before the NCLAT and accordingly, no adjustments are required to be made in these financial statements.

### 34 Operating segments

The business of the Company mainly comprises of sale of "Dry Cell Batteries and Torches" which has been identified as a single reportable segment for the purpose of Ind AS 108 on 'Operating Segments'.

**Entity-wide disclosures as required under Ind AS 108 are as under:**

Segment revenue from "Dry Cell Batteries and Torches" represents revenue generated from external customers which are less than 10% of the total revenues of the Company. Accordingly, the Company has only single geographical segment to be reported.

All assets are located in the company's country of domicile.

Further, the Company does not have revenue more than 10% of total revenue from single customer.

### 35 Financial Instruments - Fair Value and Risk Measurements

#### A) Accounting classification and fair values

(Amounts in INR Lakhs)

As at March 31, 2019	Carrying amount				Fair value			
	FVTPL	FVOCI	Amortised Cost	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	Total
<b>Financial Assets</b>								
Loans								
Current	-	-	50.50	50.50	-	-	-	-
Trade receivables	-	-	311.40	311.40	-	-	-	-
Cash and cash equivalents	-	-	2,223.79	2,223.79	-	-	-	-
Other bank balances	-	-	3,289.96	3,289.96	-	-	-	-
Other financial assets								
Non-current	-	-	54.31	54.31	-	-	-	-
Current	-	-	391.40	391.40	-	-	-	-
<b>Total Financial Assets</b>	-	-	<b>6,321.36</b>	<b>6,321.36</b>	-	-	-	-
<b>Financial Liabilities</b>								
Trade payables	-	-	832.03	832.03	-	-	-	-
Other financial liabilities	-	-	1,149.61	1,149.61	-	-	-	-
<b>Total Financial Liabilities</b>	-	-	<b>1,981.64</b>	<b>1,981.64</b>	-	-	-	-

# Fair value of financial assets and liabilities measured at amortised cost is not materially different from the amortised cost. Further, impact of time value of money is not significant for the financial instruments classified as current. Accordingly, the fair value has not been disclosed separately.

(Amounts in INR Lakhs)

As at March 31, 2018	Carrying amount				Fair value			
	FVTPL	FVOCI	Amortised Cost	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	Total
<b>Financial Assets</b>								
Loans								
Current	-	-	41.95	41.95	-	-	-	-
Trade receivables	-	-	529.30	529.30	-	-	-	-
Cash and cash equivalents	-	-	1,064.56	1,064.56	-	-	-	-
Other bank balances	-	-	4,581.00	4,581.00	-	-	-	-
Other financial assets								
Non-current	-	-	67.83	67.83	-	-	-	-
Current	-	-	614.45	614.45	-	-	-	-
<b>Total Financial Assets</b>	-	-	<b>6,899.09</b>	<b>6,899.09</b>	-	-	-	-
<b>Financial Liabilities</b>								
Trade payables	-	-	896.54	896.54	-	-	-	-
Other financial liabilities	-	-	1,089.71	1,089.71	-	-	-	-
<b>Total Financial Liabilities</b>	-	-	<b>1,986.25</b>	<b>1,986.25</b>	-	-	-	-

# Fair value of financial assets and liabilities measured at amortised cost is not materially different from the amortised cost. Further, impact of time value of money is not significant for the financial instruments classified as current. Accordingly, the fair value has not been disclosed separately.

**Types of inputs are as under:**

**Input Level I (Directly Observable)** : which includes quoted prices in active markets for identical assets such as quoted price for an equity security on Security Exchanges.

**Input Level II (Indirectly Observable)** : which includes prices in active markets for similar assets such as quoted price for similar assets in active markets, valuation multiple derived from prices in observed transactions involving similar businesses, etc.

**Input Level III (Unobservable)**: which includes management's own assumptions for arriving at a fair value such as projected cash flows used to value a business, etc.

#### B. Measurement of fair values

##### i) Valuation techniques and significant unobservable inputs

Since there are no financial instruments measured at Fair Value, this is not relevant.

##### ii) Transfers between Levels I and II

Since there are no financial instruments measured at Fair Value, this is not relevant.

##### iii) Level III fair values

There are no items in Level III fair values.

#### C. Financial risk management

The Company has a well-defined risk management framework. The Board of Directors of the Company has adopted a Risk Management Policy. The Company has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ; and
- Market risk

##### Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors evaluate and exercise independent control over the entire process of market risk management. The board also recommends risk management objectives and policies.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies

and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

**(i) Credit risk**

Credit risk is the risk that a customer or counterparty to a financial instrument will fail to perform or fail to pay amounts due causing financial loss to the company. The potential activities where credit risks may arise include from cash and cash equivalents and security deposits or other deposits and principally from credit exposures to customers relating to outstanding receivables. The maximum credit exposure associated with financial assets is equal to the carrying amount. Details of the credit risk specific to the company along with relevant mitigation procedures adopted have been enumerated below:

**Trade and other receivables**

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base. Majority of the customers have been associated with the company for a considerable period of time. Company has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. Sale limits are established for each customer and reviewed regularly.

An impairment analysis is performed at each reporting date based on the facts and circumstances existing on that date to identify expected losses on account of time value of money and credit risk. The company reviews the receivables in light of their historical payment patterns and adjusts the same to estimate the expected loss on account of credit worthiness of the customer or delay in payments leading to loss of time value of money.

As at the end of the reporting periods, the maximum exposure to credit risk for trade and other receivables by geographic region was as follows:

(Amounts in INR Lakhs)

	As at 31 March 2019	As at 31 March 2018
India	293.06	476.93
Overseas	18.34	52.37

The company does not have any concentration of credit risk as the customers / dealers are widely dispersed. Receivables from any single customer / dealer does not exceed 10% of the total sales.

**Impairment**

As at the end of the reporting periods, the ageing of trade and other receivables that were not impaired was as follows:

**Age of Receivables**

(Amounts in INR Lakhs)

	As at 31 March 2019	As at 31 March 2018
Not Due	242.15	303.99
0-30 days	56.60	110.66
31-60 days	7.24	8.69
61-90 days	5.05	1.03
91-180 days	0.37	19.34
> 180 days	-	85.59

The above receivables which are past due but not impaired are assessed on case-to-case basis. The instances pertain to third party customers which have a proven creditworthiness record. Management is of the view that these financial assets are not impaired as there has not been any adverse change in credit quality and are envisaged as recoverable based on the historical payment behaviour and extensive analysis of customer credit risk, including underlying customers' credit ratings, if they are available. Consequently, no additional provision has been created on account of expected credit loss on the receivables. There are no other classes of financial assets that are past due but not impaired. The provision for impairment of trade receivables, movement of which has been provided below, is not significant / material. The concentration of credit risk is limited due to fact that the customer base is large and unrelated.

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### Movements in Expected Credit Loss Allowance:

	As at 31 March 2019	As at 31 March 2018
Balance at the beginning of the year	-	-
Movements in allowance	-	-
	-	-

### Other financial assets

Other financial assets includes loan to employees, security deposits, cash and cash equivalents, other bank balance, etc. Cash and cash equivalents and Bank deposits are placed with banks having good reputation and past track record with adequate credit rating. The amounts for other financial assets is not material and hence, exposure to credit risk is not considered to be significant.

### (ii) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are proposed to be settled by delivering cash or other financial asset. The Company's financial planning has ensured, as far as possible, that there is sufficient liquidity to meet the liabilities whenever due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Management monitors the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company's liquidity management policy involves periodic reviews of cash flow projections and considering the level of liquid assets necessary, monitoring balance sheet, liquidity ratios against internal and external regulatory requirements.

### Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

(Amounts in INR Lakhs)

March 31, 2019	Carrying amount	Contractual maturities				
		Total	Less than 12 months	1-2 years	2-5 years	More than 5 years
Trade payables	832.03	832.03	832.03	-	-	-
Other financial liabilities	1,149.61	1,149.61	1,149.61	-	-	-
March 31, 2018	Carrying amount	Contractual maturities				
		Total	Less than 12 months	1-2 years	2-5 years	More than 5 years
Trade payables	896.54	896.54	896.54	-	-	-
Other financial liabilities	1,089.71	1,089.71	1,089.71	-	-	-

### (iii) Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates and interest rates – will affect the Company's income. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and debt. The Company does not enter into any derivatives.

#### (a) Currency Risk

The functional currency of the Company is Indian Rupees. The Company has exposure of receivables and payables in foreign currency (USD). However, the exposure is not significant looking at the present business of the Company.

Unhedged Exposures	Foreign Currency Denomination	As at 31 March 2019		As at 31 March 2018	
		Foreign Currency	Reporting Currency (Amounts in INR Lakhs)	Foreign Currency	Reporting Currency (Amounts in INR Lakhs)
Trade Receivable	USD	26,527.00	18.35	80,983.10	52.67
Trade Payable	USD	3,98,565.00	68.18	52,395.63	34.08
Net Foreign Currency Exposure [Asset / (Liability)]		0.07	0.27	1.55	1.55
Trade Receivable	JPY	-	-	-	-
Trade Payable	JPY	88,71,897.00	54.70	-	-
Net Foreign Currency Exposure [Asset / (Liability)]		-	-	-	-

The following significant exchange rates have been applied during the year:

	Average rate		Year-end spot rate	
	For year ended 31 March 2019	For year ended 31 March 2018	As at 31 March 2019	As at 31 March 2018
1 USD	70.94	64.45	69.17	65.04
100 JPY	63.65	58.14	62.52	61.54

Sensitivity analysis based on Net Foreign Currency Exposure provided herein above:

Effect in Rupees	Profit / (Loss)		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
<b>31 March 2019</b>				
USD (3% movement)	0.55	(0.55)	0.40	(0.40)
JPY (3% movement)	-	-	-	-

Effect in Rupees	Profit / (Loss)		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
<b>31 March 2018</b>				
USD (3% movement)	1.58	(1.58)	1.03	(1.03)
JPY (3% movement)	-	-	-	-

**(b) Interest rate risk**

There are no financial assets or financial liabilities which are at floating interest rate. Accordingly, there is no interest risk.

**36 Capital Management**

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position. The Company's debt to equity ratio as at the end of the reporting periods are as follows:

(Amounts in INR Lakhs)

	As at 31 March 2019	As at 31 March 2018
Total Non-current liabilities	-	-
Less: Cash and bank balances	5,513.75	5,645.56
<b>Adjusted net debt</b>	<b>(5,513.75)</b>	<b>(5,645.56)</b>
Borrowings	-	-
<b>Total equity</b>	<b>10,094.82</b>	<b>10,257.69</b>
<b>Adjusted net debt to adjusted equity ratio</b>	<b>(0.55)</b>	<b>(0.55)</b>
<b>Debt equity considering only borrowings as debt</b>	<b>-</b>	<b>-</b>

**37 Related party disclosures**

Disclosures as required by Indian Accounting Standard (Ind AS 24) are given below :

Name of the Related Party	Nature of Relationship
Panasonic Corporation	Holding company
Panasonic Carbon India Co. Ltd	Fellow subsidiary
P.T. Panasonic Gobel Energy Indonesia	Fellow subsidiary
Panasonic Energy Tanzania Co. Ltd.	Fellow subsidiary
Panasonic Energy Thailand Co. Ltd.	Fellow subsidiary
Panasonic Peruana SA	Fellow subsidiary
Panasonic India Pvt. Ltd.	Fellow subsidiary
Panasonic Procurement Asia Pacific (Division of Panasonic Asia Pacific Pte. Ltd.)	Fellow subsidiary
Panasonic Energy (Shanghai) Co. Ltd.	Fellow subsidiary
Panasonic Hong Kong Co. Ltd.	Fellow subsidiary
Panasonic Procurement (China) Co. Ltd.	Fellow subsidiary
Panasonic Energy (Wuxi) Co. Ltd.	Fellow subsidiary
Panasonic Do Brasil Limitada	Fellow subsidiary
Relo Panasonic Excel International Co. Ltd	Fellow subsidiary
Panasonic Energy Poland S A	Fellow subsidiary
Panasonic Life Solutions India P Ltd	Fellow subsidiary
Panasonic Marketing Middle East & Africa FZE	Fellow subsidiary

## Panasonic Energy India Co. Ltd.

Key Management Personnel (KMP)	
Mr. Mikio Morikawa	Chairman and Managing Director
Mr. Gautam Punj	Independent Director (upto 31 March 2019)
Ms. Geeta Goradia	Independent Director
Mr. Mayur Swadia	Independent Director
Mr. Atul Dalmia	Independent Director
Mr. Toshihiro Nakamura	Additional Director (w.e.f 13 February 2018 and upto 31 March 2019)
Mr. Motoaki Shimamura	Additional Director (w.e.f 13 February 2018 and upto 13 August 2018)
Mr. Kazuo Tadanobu	Executive Director (w.e.f 01 August 2017 and upto 1 January 2019)
Mr. Tadasuke Hosoya	Executive Director (effective from 1 September 2018)

### Transactions with related parties during the year

(Amounts in INR Lakhs)

Nature of Transaction	Holding Company	Fellow Subsidiary	Key Management Personnel	Total
<b>Sale of products</b>	-	<b>412.69</b>	-	<b>412.69</b>
	-	(439.18)	-	(439.18)
Panasonic Peruana SA	-	<b>41.16</b>	-	<b>41.16</b>
	-	(43.47)	-	(43.47)
Panasonic Energy Tanzania Co. Ltd.	-	<b>342.26</b>	-	<b>342.26</b>
	-	(321.32)	-	(321.32)
Panasonic Energy Poland S A	-	<b>4.42</b>	-	<b>4.42</b>
	-	(4.29)	-	(4.29)
Panasonic Do Brasil Limitada	-	<b>5.18</b>	-	<b>5.18</b>
	-	(59.34)	-	(59.34)
Panasonic Marketing Midle East & Afrika FZE	-	<b>5.40</b>	-	<b>5.40</b>
	-	-	-	-
Panasonic Life Solutions India P Ltd	-	<b>0.23</b>	-	<b>0.23</b>
	-	-	-	-
Panasonic India Pvt. Ltd.	-	<b>14.04</b>	-	<b>14.04</b>
	-	(10.76)	-	(10.76)
<b>Reimbursement of expenses received/receivable</b>	<b>0.39</b>	<b>2.25</b>	-	<b>2.64</b>
	-	(4.11)	-	(4.11)
Panasonic Corporation	<b>0.39</b>	-	-	<b>0.39</b>
	-	-	-	-
Panasonic Peruana SA	-	-	-	-
	-	(3.00)	-	(3.00)
Panasonic Energy Tanzania Co. Ltd.	-	<b>2.25</b>	-	<b>2.25</b>
	-	(0.63)	-	(0.63)
Panasonic Energy Poland S A	-	-	-	-
	-	(0.48)	-	(0.48)
<b>Dividends paid</b>	<b>304.82</b>	-	-	<b>304.82</b>
	(239.48)	-	-	(239.48)
Panasonic Corporation	<b>304.82</b>	-	-	<b>304.82</b>
	(239.48)	-	-	(239.48)
<b>Raw material purchases</b>	-	<b>767.86</b>	-	<b>767.86</b>
	-	(680.87)	-	(680.87)
Panasonic Carbon India Co. Ltd..	-	<b>699.18</b>	-	<b>699.18</b>
	-	(631.72)	-	(631.72)
Panasonic Procurement Asia Pacific	-	<b>68.68</b>	-	<b>68.68</b>
	-	(45.18)	-	(45.18)



Transactions with related parties during the year (continued)

(Amounts in INR Lakhs)

Nature of Transaction	Holding Company	Fellow Subsidiary	Key Management Personnel	Total
Panasonic Procurement (China) Co. Ltd	-	-	-	-
	-	(3.97)	-	(3.97)
<b>Purchase of traded goods</b>	<b>50.93</b>	<b>1,566.93</b>	-	<b>1,617.86</b>
	(19.92)	(764.29)	-	(784.21)
Panasonic Energy (Shanghai) Co. Ltd	-	<b>62.68</b>	-	<b>62.68</b>
	-	(41.77)	-	(41.77)
Panasonic Corporation	<b>50.93</b>	-	-	<b>50.93</b>
	(19.92)	-	-	(19.92)
Panasonic Hong Kong Co. Ltd.	-	-	-	-
	-	(148.79)	-	(148.79)
Panasonic Energy Thailand Co. Ltd.	-	<b>718.28</b>	-	<b>718.28</b>
	-	(320.09)	-	(320.09)
PT Panasonic Gobel Energy Indonesia	-	<b>90.67</b>	-	<b>90.67</b>
	-	(80.86)	-	(80.86)
Panasonic Energy (Wuxi) Co. Ltd.	-	<b>695.30</b>	-	<b>695.30</b>
	-	(172.78)	-	(172.78)
<b>Purchase of Machinery</b>	<b>18.09</b>	<b>374.61</b>	-	<b>392.70</b>
	-	-	-	-
Panasonic Corporation	<b>18.09</b>	-	-	<b>18.09</b>
	-	-	-	-
Panasonic Energy (Shanghai) Co Ltd	-	<b>374.61</b>	-	<b>374.61</b>
	-	-	-	-
<b>Purchase of spares</b>	<b>0.35</b>	-	-	<b>0.35</b>
	(0.89)	-	-	(0.89)
Panasonic Corporation	<b>0.35</b>	-	-	<b>0.35</b>
	(0.89)	-	-	(0.89)
<b>Royalty and brand fees paid / payable</b>	<b>641.78</b>	-	-	<b>641.78</b>
	(627.34)	-	-	(627.34)
Panasonic Corporation	<b>641.78</b>	-	-	<b>641.78</b>
	(627.34)	-	-	(627.34)
<b>Legal and professional charges - Management fees paid / payable</b>	<b>1.96</b>	<b>38.67</b>	-	<b>40.63</b>
	-	(36.34)	-	(36.34)
Panasonic Corporation	<b>1.96</b>	-	-	<b>1.96</b>
	-	-	-	-
Panasonic India Pvt. Ltd.	-	<b>38.67</b>	-	<b>38.67</b>
	-	(36.34)	-	(36.34)
<b>Reimbursement of expenses paid/payable</b>	<b>119.90</b>	<b>33.18</b>	-	<b>153.08</b>
	(2.72)	(22.37)	-	(25.09)
Panasonic India Pvt. Ltd.	-	<b>28.18</b>	-	<b>28.18</b>
	-	(22.37)	-	(22.37)
Panasonic Corporation	<b>119.90</b>	-	-	<b>119.90</b>
	(2.72)	-	-	(2.72)
Relo Panasonic Excel International Co. Ltd.	-	<b>5.00</b>	-	<b>5.00</b>
	-	-	-	-

# Panasonic Energy India Co. Ltd.

## Transactions with related parties during the year (continued)

(Amounts in INR Lakhs)

Nature of Transaction	Holding Company	Fellow Subsidiary	Key Management Personnel	Total
<b>Reimbursement of brand building expenses received / receivable</b>	<b>758.53</b>	-	-	<b>758.53</b>
	(901.39)	-	-	(901.39)
Panasonic Corporation	<b>758.53</b>	-	-	<b>758.53</b>
	(901.39)	-	-	(901.39)
<b>Remuneration paid / payable to KMP *</b>	-	-	<b>182.31</b>	<b>182.31</b>
	-	-	(137.41)	(137.41)
Mr. Mikio Morikawa	-	-	<b>144.82</b>	<b>144.82</b>
	-	-	(137.41)	(137.41)
Mr. Tadasuke Hosoya	-	-	<b>37.49</b>	<b>37.49</b>
	-	-	-	-
<b>Sitting fees paid / payable to KMP</b>	-	-	<b>6.20</b>	<b>6.20</b>
	-	-	(6.80)	(6.80)
Mr. Gautam Punj	-	-	<b>0.40</b>	<b>0.40</b>
	-	-	(0.20)	(0.20)
Ms. Geeta Goradia	-	-	<b>2.20</b>	<b>2.20</b>
	-	-	(2.40)	(2.40)
Mr. Mayur Swadia	-	-	<b>1.60</b>	<b>1.60</b>
	-	-	(2.00)	(2.00)
Mr. Atul Dalmia	-	-	<b>2.00</b>	<b>2.00</b>
	-	-	(2.20)	(2.20)
<b>Commission paid / payable to KMP</b>	-	-	<b>7.53</b>	<b>7.53</b>
	-	-	(15.22)	(15.22)
Mr. Gautam Punj	-	-	<b>1.23</b>	<b>1.23</b>
	-	-	(2.99)	(2.99)
Ms. Geeta Goradia	-	-	<b>1.23</b>	<b>1.23</b>
	-	-	(2.99)	(2.99)
Mr. Mayur Swadia	-	-	<b>1.23</b>	<b>1.23</b>
	-	-	(2.99)	(2.99)
Mr. Atul Dalmia	-	-	<b>1.23</b>	<b>1.23</b>
	-	-	(2.99)	(2.99)
Mr. Toshihiro Nakamura	-	-	<b>1.23</b>	<b>1.23</b>
	-	-	(0.38)	(0.38)
Mr. Motoaki Shimamura	-	-	<b>0.45</b>	<b>0.45</b>
	-	-	(0.38)	(0.38)
Mr. Kazuo Tadanobu	-	-	<b>0.93</b>	<b>0.93</b>
	-	-	(2.50)	(2.50)

\* Includes INR 120.62 Lakhs (Previous year: INR 100.07 Lakhs) reimbursed to Panasonic Corporation for remuneration paid/payable to Mr. Mikio Morikawa and Mr. Tadasuke Hosoya during the year

## Balances as at year end

(Amounts in INR Lakhs)

	Holding Company	Fellow Subsidiary	Key Management Personnel	Total
<b>Current financial assets-Trade Receivables</b>	-	<b>23.25</b>	-	<b>23.25</b>
	-	(55.49)	-	(55.49)
Panasonic Peruna S A	-	<b>18.35</b>	-	<b>18.35</b>
	-	(32.87)	-	(32.87)
Panasonic India Pvt. Ltd.	-	<b>2.66</b>	-	<b>2.66</b>
	-	(3.12)	-	(3.12)

Transactions with related parties during the year (continued)

(Amounts in INR Lakhs)

	Holding Company	Fellow Subsidiary	Key Management Personnel	Total
Panasonic Energy Tanzania Co. Ltd.	-	2.24	-	2.24
	-	(19.50)	-	(19.50)
<b>Current financial assets - Others</b>	<b>360.23</b>	-	-	<b>360.23</b>
	(576.06)	-	-	(576.06)
Panasonic Corporation	360.23	-	-	360.23
	(576.06)	-	-	(576.06)
<b>Current financial liabilities - Trade Payables</b>	<b>301.56</b>	<b>33.07</b>	-	<b>334.63</b>
	(298.47)	(101.52)	-	(399.99)
Panasonic Corporation	301.56	-	-	301.56
	(298.47)	-	-	(298.47)
Panasonic Carbon India Co. Ltd.	-	6.86	-	6.86
	-	(8.27)	-	(8.27)
Panasonic India Pvt. Ltd.	-	15.29	-	15.29
	-	(3.22)	-	(3.22)
Panasonic Energy Thailand Co. Ltd.	-	-	-	-
	-	(11.79)	-	(11.79)
Panasonic Procurement Asia Pacific	-	5.71	-	5.71
	-	(5.24)	-	(5.24)
Panasonic Energy (Wuxi) Co. Ltd.	-	-	-	-
	-	(64.20)	-	(64.20)
PT Panasonic Gobel Energy Indonesia	-	5.21	-	5.21
	-	(8.80)	-	(8.80)
<b>Current financial liabilities - Others</b>	-	<b>1.44</b>	<b>5.81</b>	<b>7.25</b>
	-	-	(2.02)	(2.02)
Panasonic Energy (Shanghai) Co Ltd	-	1.44	-	1.44
	-	-	-	-
Mr. Mikio Morikawa	-	-	3.49	3.49
	-	-	(2.02)	(2.02)
Mr. Tadasuke Hosoya	-	-	2.32	2.32
	-	-	-	-

**38 Employee benefits**

In accordance with the stipulations of the Indian Accounting Standard 19 "Employee Benefits", the disclosures of employee benefits as defined in the Indian Accounting Standard are given below:

**Defined Contribution Plans**

The Company makes contributions towards provident fund to defined contribution retirement benefit plan for qualifying employees. The provident fund is administered by the trust owned and managed by the Company. Under the plan, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit plan to fund the benefits.

The provident fund plan is operated by the "Panasonic Energy India Company Limited Employees Provident Fund Trust" (the "Trust"). Eligible employees receive benefits from the said Provident Fund Trust which is a defined contribution plan. Both the employees and the Company make monthly contributions to the Provident Fund Plan equal to a specified percentage of the covered employee's salary. The minimum interest rate payable by the Trust to the beneficiaries every year is being notified by the Government. The Company has an obligation to make good the short fall, if any, between the return from the investments of the trust and the notified interest rate.

The Company recognized INR 139.32 Lakhs (Previous year: INR 122.79 Lakhs) for provident fund contributions.

**Defined Benefit Plans**

**1) Gratuity**

15 days salary (Basic + RA) for each completed year of service. Vesting period is 5 years and the payment is at actual on retirement, resignation, termination, disablement or death.

## Panasonic Energy India Co. Ltd.

Scheme is funded with LIC. The liability for gratuity as below is recognised on the basis of actuarial valuation.

The Company makes contribution to LIC for gratuity benefits according to the Payment of Gratuity Act, 1972.

The Company recognizes the liability towards the gratuity at each Balance Sheet date.

The most recent actuarial valuation of the defined benefit obligation for gratuity was carried out at 31 March 2019 by an actuary. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Scheme is funded through LIC.

These plans typically expose the Company to actuarial risks such as: Salary Risk, investment risk, liquidity risk, legislative risk and market risk.

<b>Salary Risk</b>	Salary hikes that are higher than the assumed salary escalation will result into an increase in obligation at a rate that is higher than expected.
<b>Investment Risk</b>	For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. this can result in wide fluctuations in the net liability or funded status if there are significant changes in the discount rate during the inter-valuation period.
<b>Liquidity Risk</b>	Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign/retire from the company there can be strain on the cashflow.
<b>Legislative Risk</b>	It is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the regulation. The government may amend the payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined benefit Obligation and the same will have to be recognized immediately in the year when any such amendment is effective.
<b>Market Risk</b>	It is a collective term for risks that are related to changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in defined benefit obligation of the plan benefits & vice versa. this assumption depends on the yields on the corporate bonds and hence the valuation of liability is exposed to fluctuations in the yields at the valuation date.

No other post-retirement benefits are provided to employees.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

	As at 31 March 2019	As at 31 March 2018
<b>Gratuity</b>		
Discount rate (%)	7.69%	7.73%
Salary escalation rate (%)	6.00%	6.00%
Attrition rate (%)		
For Service 2 years and below	21.50%	
For Service 3 years to 4 years	2.25%	2.00%
For Service 5 years and above	2.00%	
Expected rate of return on plan assets	7.69%	7.73%

The following table sets out the status of the gratuity and the amounts recognized in the Company's financial statements as at 31 March 2019:

(Amounts in INR Lakhs)

Sr. No.	Particulars	As at 31 March 2019	As at 31 March 2018
I)	<b>Reconciliation in present value of obligations (PVO) – defined benefit obligation:</b>		
	Current Service Cost	42.07	40.95
	Interest Cost	78.22	74.51
	Actuarial (gain) / losses	0.40	17.81
	Benefits paid	(115.44)	(147.62)
	PVO at the beginning of the year	1,011.95	1,026.30
	<b>PVO at end of the year</b>	<b>1,017.20</b>	<b>1,011.95</b>
II)	<b>Change in fair value of assets:</b>		
	Expected return on plan assets	74.31	63.65
	Actuarial gain/(losses)	12.56	(6.49)
	Contributions by the employer	100.00	175.00
	Benefits paid	(115.44)	(147.63)
	Fair value of plan assets at beginning of the year	961.27	876.74
	<b>Fair value of plan assets at end of the year</b>	<b>1,032.70</b>	<b>961.27</b>
III)	<b>Reconciliation of Present value of obligation and fair value of assets:</b>		
	PVO at end of period	1,017.20	1,011.95
	Fair Value of planned assets at end of year	1,032.70	961.27
	Funded status	15.50	(50.68)
	<b>Net asset/(liability) recognised in the balance sheet</b>	<b>15.50</b>	<b>(50.68)</b>
IV)	<b>Expenses recognised in Statement of Profit and Loss</b>		
	Current Service cost	42.07	40.95
	Interest cost	78.22	74.51
	Expected return on plan assets	(74.31)	(63.65)
	<b>Components of defined benefit costs recognised in Employee Benefit expenses</b>	<b>45.98</b>	<b>51.81</b>
	<b>Expenses recognised in Other Comprehensive Income (OCI)</b>		
	Actuarial (gains) / losses arising from experience adjustments	0.40	17.81
	Return on Plan Assets excluding amount included in net interest cost	(12.56)	6.49
	<b>Total</b>	<b>(12.16)</b>	<b>24.30</b>
V)	<b>Category of assets as at 31st March:</b>		
	Insurer Managed Funds (100%)	<b>100%</b>	<b>100%</b>

The above information is certified by an actuary.

**Sensitivity analysis as on 31 March 2019 (for Gratuity)**

(Amounts in INR Lakhs)

Gratuity	31 March 2019	31 March 2018
<b>Projected Benefit Obligation on Current Assumptions</b>	1,017.20	1,011.94
Delta Effect of +1% Change in Rate of Discounting	(52.03)	(26.48)
Delta Effect of -1% Change in Rate of Discounting	58.66	28.09
Delta Effect of +1% Change in Rate of Salary Increase	59.06	28.43
Delta Effect of -1% Change in Rate of Salary Increase	(53.28)	(27.02)
Delta Effect of +1% Change in Rate of Employee Turnover	6.11	3.13
Delta Effect of -1% Change in Rate of Employee Turnover	(6.77)	(3.29)

## Panasonic Energy India Co. Ltd.

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Sensitivity due to mortality & withdrawals are not material & hence impact of change not calculated.

Maturity Analysis of Projected Benefit Obligation are as under:

(Amounts in INR Lakhs)

Gratuity	31 March 2019	31 March 2018
<b>Projected Benefits Payable in Future Years From the Date of Reporting</b>		
1st Following Year	158.57	150.86
2nd Following Year	138.55	104.96
3rd Following Year	153.74	163.99
4th Following Year	132.77	143.79
5th Following Year	56.23	124.34
Sum of years 6th To 10th Year	314.96	272.25
Sum of years 11 & above Year	810.90	791.68

### 2) Provident Fund

The Company has established an Employee Provident Fund Trust administered by the Company to which both the employee and employer make monthly contribution equal to 12% of basic salary of employee respectively. The Company's contribution to the Provident Fund for all employees is charged to Statement of Profit and Loss. In case of any liability arising due to shortfall between the return from its investments and the administered interest rate, the same is required to be provided by the Company. The actuary has provided an actuarial valuation and indicated that the interest shortfall liability is INR Nil. The Company has contributed the following amounts towards Provident Fund during the respective period ended:

(Amounts in INR Lakhs)

Expenses recognised for the year ended 31 March 2019 (included in Note 26)	31 March 2019	31 March 2018
i) Defined benefit obligation	4,720.80	4,465.85
ii) Fund	5,010.60	4,717.84
iii) Net asset / (liability)	289.80	251.99
iv) Charge to the Statement of Profit and Loss during the year	139.32	122.79

The assumptions used in determining the present value of obligation of the interest rate guarantee under deterministic approach are:

	31 March 2019	31 March 2018
i) Mortality rate (2006-08) ultimate table	Indian Assured Lives Mortality Ultimate	
ii) Withdrawal rates	5.00%	5.00%
iii) Rate of discount	7.69%	7.73%
iv) Expected rate of interest	8.65%	8.55%
iv) Retirement age	60 Years	60 Years
vi) Guaranteed rate of interest	8.65%	8.55%

### 39 Tax expense

(Amounts in INR Lakhs)

	Year ended 31 March 2019	Year ended 31 March 2018
<b>Statement of Profit and Loss</b>		
<b>(a) Current tax</b>		
Current tax on profit during the year	198.75	518.64
Tax adjustments of earlier years	(26.86)	(68.59)
<b>Total Current tax expense</b>	<b>171.89</b>	<b>450.05</b>

	Year ended 31 March 2019	Year ended 31 March 2018
<b>(b) Deferred tax</b>		
Deferred tax (credit) attributable to origination and reversal of temporary differences	(45.05)	(68.99)
<b>Income tax expense reported in the Statement of Profit and Loss</b>	<b>126.84</b>	<b>381.06</b>
<b>Reconciliation of effective tax rate</b>		
Profit before tax	584.74	1,367.87
Current tax at the statutory tax rate of 27.82% (31 March 2018: 34.608%)	162.67	473.39
<b>Tax effects of:</b>		
Adjustment of tax expense relating to earlier periods	(26.86)	(68.59)
Tax impact on expense not allowable as deduction under income tax (net)	(4.71)	8.71
Impact due to change in tax rate enacted for subsequent year	(4.26)	(32.45)
<b>Tax expense</b>	<b>126.84</b>	<b>381.06</b>

#### 40 Operating leases

The operating lease arrangements are cancellable subject to the stipulated notice period which generally does not exceed 12 months. Thus, the management of the Company is of the view that there is no right to receive or obligation to pay the agreed lease rentals in case of termination. Thus, the disclosure of minimum lease rentals payable or receivable has not been provided.

#### As per our report of even date

For B S R & Associates LLP  
Chartered Accountants  
Firm Registration No: 116231W/W-100024

Jeyur Shah  
Partner  
Membership No. 045754

Place : Vadodara  
Date : 29 May 2019

#### For and on behalf of the Board of Directors

Mikio Morikawa  
Chairman & Managing Director  
DIN:02611904

Susheela Maheshwari  
Company Secretary & Manager (Legal)

Place : Vadodara  
Date : 29 May 2019

Mayur K. Swadia  
Director  
DIN:01237189

Anjan Shah  
DGM (Finance)





# Panasonic Energy India Co. Ltd.

CIN: L31400GJ1972PLC002091

GIDC, Makarpura, P.B. No.: 719, Vadodara - 390 010, Gujarat - India

Phone: (0265) 2642661-62, 2638887, 2638888

Website: panasonicenergyindia.in, Email: contact.pecin@in.panasonic.com

## Form No. MGT-11

### PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN: L31400GJ1972PLC002091

Name of the Company: Panasonic Energy India Co. Ltd.

Regd. Office: GIDC, Makarpura, P.B. No.: 719, Vadodara - 390 010, Gujarat, India

Name of Share Holder(s)	
Registered Address	
Email ID.	
Folio No./ DP ID/ Client ID	

I / We, being the Member(s) of \_\_\_\_\_ Shares of the above named Company, hereby appoint

- (1) Name: \_\_\_\_\_ Address: \_\_\_\_\_  
Email ID: \_\_\_\_\_ Signature: \_\_\_\_\_  
or failing him/her
- (2) Name: \_\_\_\_\_ Address: \_\_\_\_\_  
Email ID: \_\_\_\_\_ Signature: \_\_\_\_\_  
or failing him/her
- (3) Name: \_\_\_\_\_ Address: \_\_\_\_\_  
Email ID: \_\_\_\_\_ Signature: \_\_\_\_\_

as my/our proxy to attend and (on a poll) vote for me/us and on my/our behalf at the 47<sup>th</sup> Annual General Meeting of the Company to be held on Tuesday, September 10, 2019 at 10 a.m. at Grand Mercure Vadodara Surya Palace, Opp. Parsi Agiyari, Sayajigunj, Vadodara - 390 020 and at any adjournment thereof in respect of such resolutions as are indicated below:

Sr. No.	Resolutions	Type of Resolution
1	Approval of Annual Accounts	Ordinary
2	Declaration of Dividend	Ordinary
3	Re-appointment of Mr. Mikio Morikawa as Chairman & Managing Director	Ordinary
4	Ratification of Remuneration to Cost Auditors	Ordinary
5	Appointment of Mr. Hideyuki Okunaga as Non-Executive Director	Ordinary
6	Re-appointment of Ms. Geeta Goradia as Independent Director for second term	Special
7	Re-appointment of Mr. Atul Dalmia as Independent Director for second term	Special
8	Re-appointment of Mr. Mayur Swadia as Independent Director for second term	Special
9	Re-appointment of Mr. Mikio Morikawa as Chairman & Managing Director	Special
10	Ratification of remuneration payable to Mr. Mikio Morikawa as Chairman & Managing Director	Special
11	Ratification of remuneration payable to Mr. Tadasuke Hosoya as Executive Director	Special

Signed this \_\_\_\_\_ day of August / September, 2019

Signature of shareholder

Signature of Proxy holder(s)

Affix ₹ 1  
Revenue  
Stamp

#### NOTE:

This form of Proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.

## Panasonic Energy India Co. Ltd.

<b>Registered Office :</b>	GIDC, Makarpura, Vadodara – 390 010 Gujarat, India. Phone : (0265) 2642661-62, 2638887, 2638888 Fax : (0265) 2638890, 2638892 • Website : www.panasonicenergyindia.in
<b>CIN :</b>	L31400GJ1972PLC002091

### ATTENDANCE SLIP

(To be handed over at the entrance of Meeting Hall)

I certify that I am a registered shareholder/proxy for the registered shareholder of the Company.

I hereby record my presence at the 47<sup>th</sup> Annual General Meeting of the Company at Grand Mercure Vadodara Surya Palace, Opp. Parsi Agiyari, Sayajigunj, Vadodara - 390 020, on Tuesday, September 10, 2019 at 10.00 a.m.

Name of Shareholder(s)	
DP ID*	
Client ID*	
Folio No.	
No of Shares	

\* Applicable only for Investors holding shares in Electronic Form.

**Note :** Please fill in this attendance slip and hand it over at the ENTRANCE OF THE HALL.

Shareholders attending the meeting are requested to bring their copies of the Annual Report with them.

Member's/Proxy's Signature

Route-Map of the Venue of AGM



**Grand Mercure Vadodara Surya Palace**  
Sayajigunj, Vadodara.





*If undelivered, please return to:*

**Panasonic Energy India Co. Ltd.**

G.I.D.C., Makarpura, Vadodara - 390 010 Gujarat-INDIA.

Scan QR code for more information:



WEBSITE



TVC