

Panasonic

Batteries and Torches

Energizing your Appliances



41st

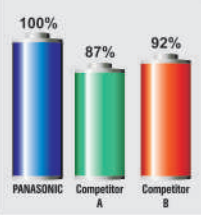
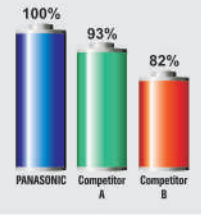
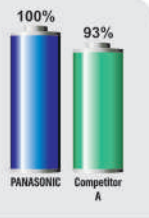
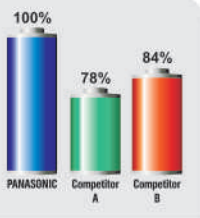
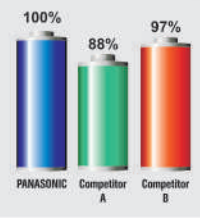
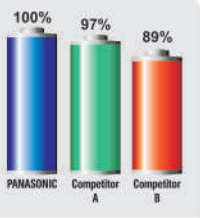
ANNUAL REPORT
2012 - 2013

Panasonic Energy India Co. Ltd.

The **Only** Panasonic Battery Company in India

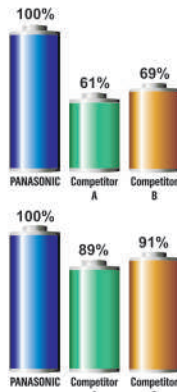
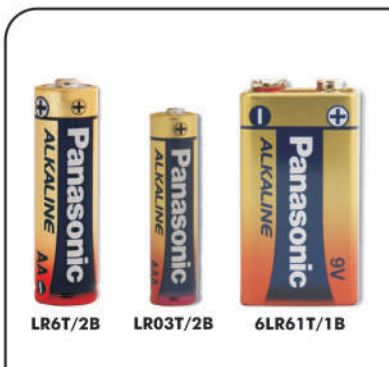


ZINC CARBON BATTERIES



- JAPANESE TECHNOLOGY
- LONG LIFE
- LEAK PROOF
- ENVIRONMENT FRIENDLY BATTERY
- SAFETY OF APPLIANCES
- CONSISTENT QUALITY

ALKALINE RANGE



- Exceptional performance in low, mid and high drain products
- Panasonic outperforms high premium competitors in commonly accepted industry performance tests
- Developed to meet the power needs of today's electronic appliances



* Test frequency - Every quarter * At PCIM Product Validation Lab
* Under standard test conditions

Panasonic Energy India Co. Ltd.

Corporate Information

BOARD OF DIRECTORS

Chairman & Managing Director

Mr. S.K. Khurana

Directors

Mr. P.P. Shah

Mr. D.J. Thakkar

Mr. G.N. Punj

Mr. C.R. Amin

Mr. H. Aota

Mr. T. Nonaka (Director from 25.07.12)

Mr. A. K. Lakhanpal (Chairman upto 30.06.12)

Mr. H. Sugimura (Director upto 25.07.12)

COMPANY SECRETARY

Ms. Susheela Maheshwari

AUDITORS

M/s K. C. Mehta & Co.

Chartered Accountants, Vadodara

BANKERS

State Bank of India

The Bank of Tokyo-Mitshubishi UFJ Ltd.

REGISTRAR & SHARE TRANSFER AGENT

Link Intime India Pvt. Ltd.

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

HDFC Bank, Near Radhakrishna Char Rasta,

Akota, Vadodara – 390 020,

Gujarat – India

REGISTERED OFFICE

GIDC, Makarpura,

Vadodara – 390 010, Gujarat- India

WORKS

1. GIDC Makarpura,
Vadodara – 390 010, Gujarat- India

2. Plot No. 112, Sector III,
Pithampur Industrial Area,
Dist. Dhar-454774, Madhya Pradesh- India

41st Annual General Meeting of the Company is scheduled to be held on **Tuesday, July 23, 2013 at 10:00 a.m. at C. C. Mehta Auditorium, M. S. University, Sayajigunj, Vadodara 390 002.**

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

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NOTICE is hereby given that the **41st ANNUAL GENERAL MEETING** of the members of Panasonic Energy India Co. Ltd. will be held at C. C. Mehta Auditorium, M. S. University, Sayajigunj, Vadodara – 390 002 on Tuesday, July 23, 2013, at 10:00 a.m. to transact, with or without modifications, as may be permissible, the following business:

ORDINARY BUSINESS

1. To consider, approve and adopt the Balance Sheet as on March 31, 2013 and the Profit & Loss Account for the year ended on that date together with the Directors' and Auditor's Report thereon.
2. To declare dividend on equity Shares for the year ended March 31, 2013.
3. To appoint a director in place of Mr. D. J. Thakkar who retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself, for re-appointment.
4. To appoint a director in place of Mr. G N Punj who retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself, for re-appointment.
5. To appoint M/s K. C. Mehta & Co., Chartered Accountants, as Statutory Auditors of the Company and hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

6. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **ORDINARY RESOLUTION** :

“**RESOLVED THAT** Mr. T. Nonaka who was appointed as an additional director of the Company pursuant to section 260 of the Companies Act, 1956 and Article 134 of the Articles of Association of the Company who holds office upto the date of this Annual General Meeting and in respect of whom, the Company has received a notice under section 257 of the Companies Act, 1956 from a member, in writing, proposing his candidature for office of director, be and is hereby appointed as a director of the Company liable to retire by rotation.”

7. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **SPECIAL RESOLUTION**:

“**RESOLVED THAT** in partial modification of the Resolution passed by the members at their 40th Annual General Meeting held on July 25, 2012 and pursuant to the provisions of Section 198, 269, 309, 310, and that of Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956, upon recommendation by the Remuneration Committee, and as approved by the Board of Directors at its meeting held on October 27, 2012, consent of the Company be and is hereby given to increase the remuneration of Mr. S. K. Khurana, Chairman & Managing Director of the Company with effect from October 01, 2012 upto his present tenure i.e. upto September 30, 2013 on the terms as to revised remuneration as set out in the addendum to the agreement made between the Company on the one part and Mr. S. K. Khurana on the other part and broad details of which are given in the Explanatory Statement in respect of this item of the Notice.”

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

**Susheela Maheshwari
Company Secretary & Manager (Legal)**

Mumbai, May 17, 2013

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. The proxy in order to be effective should be lodged with the Company at its Registered Office atleast 48 hours before the commencement of the meeting.
2. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, July 09, 2013 to Tuesday, July 23, 2013 (both days inclusive) for the purpose of determining payment of dividend.
3. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Item Nos. 6 and 7 of the accompanying Notice is annexed hereto.
4. Dividend on Equity Shares as recommended by the Directors, if declared at this Annual General Meeting, will be paid on Friday, August 16, 2013 to those members whose names appear on the Company's Register of Members at the close of business on Tuesday, July 23, 2013.
5. Dividend payment
 - a) Members holding shares in electronic mode may please note that the dividend payable to them would be paid through National Electronic Clearing Services (NECS) at the available RBI locations. The dividend would be credited to their bank account as per the mandate given by the members to their Depository Participants (DPs). In absence of availability of NECS facility, the dividend will be paid through warrants and the Bank details as furnished by the respective Depositories to the Company will be printed on their dividend warrants as per the applicable regulations.
 - b) In respect of shares held in physical form, members desirous of receiving 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.panasonicenergy.in or may write to the Company Secretary at the Registered Office of the Company.
6.
 - a) All unclaimed dividends upto the financial year ended on March 31, 1995 (paid in the year 1995) have been deposited with the General Revenue Account of the Central Government and shareholders may claim the same from the Registrar of Companies, Gujarat.
 - b) Unclaimed dividends for the years 1995-1996 to 2004-2005 have been transferred to the Investor Education and Protection Fund pursuant to Sections 205A and 205C of the Act and that of 2005-2006 will be transferred in July, 2013.
 - c) Shareholders who have not en-cashed their dividend warrants for the year 2005-2006 are requested to claim the amount immediately from the Company before July, 2013 and for the years from 2006-2007 to 2011-2012, are requested to claim the same at the earliest.
7. Members holding shares in physical form and wishing to avail of the nomination facility, are requested to send the duly filled in nomination in the prescribed form (form 2B) to Link Intime India Pvt. Ltd., Vadodara (Company's Registrar & share transfer agent) or to the Company Secretary at the Registered Office of the Company.
8. Members are requested to notify immediately:
 - (a) any change in their residential address.
 - (b) Income-Tax permanent Account Number (PAN).
 - (c) Bank details – Name and address of the Bank; A/c No.; type of A/c.
9. Members holding shares in more than one folio in the same order of name(s) are requested to send the details of their folios alongwith the Share Certificates so as to enable the Company to consolidate their holdings into one folio.
10. Members are requested to bring their copies of the Annual Reports along with duly filled attendance slip to the meeting.
11. Members seeking any information or clarification with regard to the accounts, are requested to write to the Company at least TEN DAYS in advance of the meeting so that the information required can be made readily available at the Meeting.

ANNEXURE TO NOTICE

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

ITEM NO. 6

In terms of the Collaboration Agreement with Panasonic Corporation, Japan, Mr. T. Nonaka had been appointed as an additional director of the Company with effect from July 25, 2012 pursuant to section 260 of the Companies Act, 1956 and Article 134 of the Articles of Association of the Company. Mr. T. Nonaka holds office upto the date of this Annual General Meeting.

The Company has received notice in writing from a member along with a deposit of Rs. 500/- proposing the candidature of Mr. T. Nonaka for the office of director pursuant to section 257 of the Act.

Mr. T. Nonaka is having vast experience in planning, environment and management of overseas Companies. He is also associated with various overseas Companies of our foreign collaborator. Presently he is working as Director (Planning Group, Environment & External Affairs Group) of Panasonic Asia Pacific, Singapore.

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

Pursuant to the requirements of the Listing Agreement on appointment of Director, a statement containing briefly the details of Mr. T. Nonaka is given in Report on Corporate Governance.

None of the Directors except Mr. T. Nonaka, are in any way, concerned or interested in the said resolution.

ITEM NO. 7

The members at their 40th Annual General Meeting held on July 25, 2012 had approved the appointment of Mr. S. K. Khurana as the Managing Director of the Company for a further period of two years with effect from October 01, 2011 and also re-designated him as Chairman & Managing Director from July 01, 2012 to remaining terms of his present appointment i.e. upto September 30, 2013.

Mr. S. K. Khurana is a B.E. (Mechanical), F.I.E., Chartered Engineer and has been working with your Company since December 01, 1972 in different capacities. He was appointed as Managing Director of the Company w.e.f. October 01, 2006. Looking to his vast experience, and in particular, contribution in implementing policies in manufacturing, sales & marketing and administration etc. and upon resignation of Mr. Lakhnupal as Chairman of the Company, Mr. S. K. Khurana was re-designated as Chairman & Managing Director of the Company w.e.f. July 01, 2012 to his present term of appointment i.e. upto September 30, 2013.

Considering Mr. S. K. Khurana's current contribution to the Company and future challenges, Panasonic Corporation, Japan has proposed to increase his remuneration w.e.f. October 01, 2012. Upon recommendations made by the Remuneration Committee, the Board of Directors at their meeting held on October 27, 2012 had approved the increase in remuneration and accordingly his basic monthly salary be revised from Rs. 1,41,500 to Rs. 1,62,000 and Special Allowance from Rs. 48,300 to Rs. 53,000 and that the perquisites shall be restricted to maximum amount of annual salary.

With the revision of the aforesaid component of the remuneration, the respective amount of contribution to the provident fund and superannuation fund would also increase proportionately. Rest all the terms of his appointment remains the same.

Specific approval of the members is now sought to the above revision in the remuneration of Mr. S. K. Khurana. The Board accordingly recommend the passing of the Resolution at Item No. 7 of the accompanied notice.

Any member desirous of having inspection of the addendum to 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.

None of the Directors except Mr. S. K. Khurana, are in any way, concerned or interested in the said resolution.

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

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

**Susheela Maheshwari
Company Secretary & Manager (Legal)**

Mumbai, May 17, 2013

Dear Members,

Your directors have pleasure in presenting the 41st Annual Report together with the Audited Financial Statement along with the Report of the Auditors for the financial year ended on March 31, 2013.

1. FINANCIAL PERFORMANCE

(₹ In lacs)

Particulars	As at March 31, 2013	As at March 31, 2012
Sales Turnover	23822	21058
Profit/(Loss) before Tax	373	406
Less: Provision for Taxation (Net of Deferred Tax)	97	125
Less: Provision for taxation of earlier years (Net of refund/demand)	30	100
Profit/(Loss) after Tax	246	181
Add: Profit brought forward from previous year	143	150
Net available surplus for appropriation	389	331
APPROPRIATIONS		
Proposed Dividend	150	150
Dividend Distribution Tax	25	24
General Reserve No.1 (Statutory)	19	14
General Reserve No. 2	-	-
Surplus carried to Balance Sheet	195	143
	389	331

2. OPERATIONAL REVIEW

The Company's turnover for the year stood at Rs. 23,822 lacs which have increased by 13% as compared to the previous year. The sales quantity has increased by 5% as compared to previous year resulting into increase in the market share. However, the Profit before Tax (PBT) of the Company decreased by 8% and it stood at Rs. 373 lacs as compared to the previous year of Rs. 406 lacs. The major factors that contributed to the reduction of profits of the Company were unprecedented increase of cost of material resulting due to rupee devaluation.

Your Company is committed to manufacture and sell best quality of eco friendly batteries which guarantees "Better Value for Money" to its customers. In order to do so effectively Company focused its attention in educating sales team, channel partners and end users by creating awareness and improving the visibility of product through its proven Display In-Shop activity (DISHA). During the current year sales team continued emphasis on maintenance of product displays and in the process also improved shop coverage.

During the year under review, your Company has achieved for the first time in its history mark of 578 Million pieces of production and over 568 Million pieces of sale and thereby achieved highest production, sales and turnover in its history. We are immensely pleased to inform you about the new milestones your company has achieved during the year i.e. highest monthly production of 58.4 Million and sales of 62.4 Million pieces.

Your Company aims to further improve its market share through productive and innovative ideas and methods of manufacture & sales.

Company's management direction shall be to utilize collective wisdom with team spirit, enhanced reach through strong marketing and sales activities, maintain superiority with regards to quality and religiously follow up of "Customer First" approach.

3. DIVIDEND

Your Directors feel pleasure in recommending dividend at Rs. 2/- per equity share (previous year Rs. 2/- per equity share) on 75,00,000 Equity Shares for the year ended March 31, 2013. The dividend, when approved, will entail payment to shareholders of Rs. 150 lacs. It will be tax free income in the hands of recipients and the Company will have to pay dividend distribution tax thereon in the sum of Rs. 25 lacs.

4. MANAGEMENT DISCUSSION AND ANALYSIS

A. Business Overview

Zinc carbon batteries

During the year under review, battery industry continued to be stagnant. Battery demand remained unchanged. However, sticking to “Customer First” approach and providing “Value for Money” products and services, your Company could increase its market share during the year.

Your Company has challenging plans for improving sales and turnover for the year 2013-14.

Your Company plans to continue strengthening its reach in rural as well as urban markets and shall focus on improving the shop share of Panasonic batteries. For this, Company will implement “One Management” concept which aims at productivity improvement through education, data management and by providing sales tools to the sales team members. Emphasis on visibility improvement through In-Shop Display “DISHA” activity will continue and your Company shall continue to target better maintenance of Disha shops.

Alkaline Batteries

During the year under review, your Company has maintained its presence in alkaline range of batteries. Though alkaline segment at present contributes low to the total battery Industry, it has a strong future. Realizing this, your Company has framed substantially high business plan for the year and to achieve the same, aggressive marketing and sales activities will be implemented.

Flashlights

Flashlight sales contribute immensely to the overall battery business in India. Your Company during the year not only achieved the business plan but also increased sales volume substantially. This has been achieved by introducing several new models during the year.

Flashlight segment has huge potential and offers high growth opportunity. Your Company shall continue to focus on expanding its share substantially and to do so shall continue to add many more eco friendly models during the year.

Rechargeable Batteries

During the year under review, your Company has also started trading of Rechargeable batteries and chargers of “Eneloop” brand being manufactured by Sanyo, a group Company of Panasonic Corporation. The introductory response is quite encouraging and will be supportive in overall business growth of your Company.

B. Industry Structure and Development

As mentioned earlier, during the year Battery Industry growth has been flat.

R20 segment continued to de-grow due to change in consumer usage pattern. During the year the rate of de-growth had been around 13% as compared to previous year.

R6 segment showed some positive trend and it registered a growth at around 2% as compared to previous year.

R03 segment showed noticeable positive trend and it registered a growth at around 6% as compared to previous year. However, the concern for R03 segment is that economy product market grew at a higher rate (109%) than the premium product market (103%).

The whole Indian dry battery market seems to be moving towards economy range of batteries in AA and AAA category and we shall continue to keep monitoring the trend and be responsive to VOC.

C. Opportunities and Threats

Opportunities

Present low per capita consumption of batteries in India evidently indicates scope of high growth which can get activated with changed usage patterns of gadgets and arrival of new appliances.

The changed usage pattern of the gadgets and the current trend towards miniaturization of appliances shall provide growth prospects in all categories of batteries mainly in AA and AAA size.

Threats

Import of huge quantity of low performance cheap chinese batteries poses a big threat to the organized sector of the Industry as it not only puts more pressure on the pricing of economic range of batteries but also activates price competition.

D. Risks & Concerns

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

E. Outlook

Availability of new appliances and improved usage pattern in near future should result into growth in dry battery consumption. It will also require strengthening of product designing, packaging activities along with strong cross functional marketing, sales and manufacturing activities.

F. Internal Control System

The Company has an adequate system of internal control to ensure compliance with policies and procedures. The Internal audit is done by an independent firm of Chartered Accountants. Internal audits are regularly carried out to review the internal control systems. The internal audit reports along with recommendations contained therein are reviewed by the Audit Committee of the Board.

G. Developments in Human Resources and Industrial Relations

Directors wish to place on record their appreciation to all its employees for their sustained efforts and valuable contribution. The total employee strength of the Company as on March 31, 2013 stood at 807.

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

H. Research & Development

In line with the vision of our foreign collaborator all our dry batteries are eco friendly. During the current year, your Company carried out various research and development activities to eliminate various hazardous contents which are very negligible in quantity from dry batteries and related material used in it, in line with RoHS guidelines. You would appreciate the fact that yours is the only manufacturing Company with complete range of eco friendly products. Over and above these activities were extended to our key suppliers who supply the raw materials for making dry batteries.

During the year under review, the raw material prices have gone abnormally high. To counter the cost up, various cost reduction activities were carried out without affecting quality of products which had contributed to great extent. Additionally as a part of continual improvement of our products and processes several activities were undertaken. These were done by using basic Q. C. techniques like small improvement in process through Q. C. Circle and Kaizen activities. These activities were implemented through the involvement of grass root level employees. This had resulted in solving problems arisen during manufacturing process which had also helped in improvement of the confidence level of employees for quality improvement and reduction of rejection during manufacturing process.

During the year under review, your Company has introduced new models of half watt LED torches with high quality which are eco friendly too. Your Company is always making efforts in ensuring optimal energy utilization and thereby reducing Co₂ emission. During the current year, your company improved the recycle rate as per the guidelines of its collaborator for the waste generated.

I. Exports

Continuous efforts are being made to boost exports, particularly in the areas of machinery spare parts and battery components. During the current financial year the Company has earned foreign exchange to the tune of Rs. 104 lacs (previous year Rs. 161 lacs). The Company intends to further improve its exports.

5. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, your Directors confirm that:

- (i) in preparation of the annual accounts for the financial year ended on March 31, 2013 the applicable accounting standards have been followed along with proper explanation relating to material departures;

- (ii) they have 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 at the end of the financial year and of the profit of the Company for the year under review;
- (iii) they have taken proper and sufficient care to maintain adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) they have prepared the accounts for the financial year ended on March 31, 2013 on a going concern basis.

6. CORPORATE GOVERNANCE

A separate report on Corporate Governance is annexed hereto as a part of this report. A certificate from the Company Secretary in Practice regarding compliance of conditions of Corporate Governance as prescribed under clause 49 of the Listing Agreement is attached to this Report.

7. STATEMENT PURSUANT TO LISTING AGREEMENT

The Company's equity shares are listed on the Bombay Stock Exchange Limited (BSE). Annual listing fee for the year 2013-14 has already been paid to BSE.

8. DIRECTORS

Consequent to termination of Joint Venture Agreement with Panasonic Corporation, Mr. A. K. Lakhanpal has tendered his resignation from the office of director w.e.f. June 30, 2012.

After resignation of Mr. A. K. Lakhanpal, Mr. S. K. Khurana has been re-designated as Chairman & Managing Director of the Company w.e.f. July 01, 2012.

During the year under review, Mr. H. Sugimura has resigned from the directorship of the Company w.e.f. July 25, 2012. Mr. T. Nonaka has been appointed as additional director w.e.f. July 25, 2012.

Your directors appreciate the retiring directors for the services rendered during the tenure of their directorship in the Company.

Mr. D. J. Thakkar and Mr. G. N. Punj, retire by rotation and, being eligible, offer themselves for reappointment.

As required by the Listing Agreement with the Stock Exchange, the relevant details in respect of the Directors proposed to be appointed / re-appointed are set out in the Corporate Governance Report forming part of the Directors Report.

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

9. AUDITORS

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

10. ACKNOWLEDGEMENT

Your directors express deep sense of appreciation to Panasonic Corporation, Japan for their valuable support and co-operation provided in day to day affairs. The directors would like to take the opportunity to acknowledge the kind support extended by Govt. authorities, suppliers and banks, trade partners i.e. stockists, wholesale dealers, retailers and consumers. The Directors also wish to place on record their sincere thanks to the shareholders for the confidence reposed by them in the Company.

For and on behalf of the Board

S. K. Khurana
Chairman & Managing Director

Mumbai, May 17, 2013

Annexure I to the Directors' Report

PARTICULARS AS REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF DIRECTORS' REPORT FOR THE YEAR ENDED ON MARCH 31, 2013.

FORM A

(A) CONSERVATION OF ENERGY

Not given as the Company is not covered under the list of specified industries. However, efforts to conserve and optimize the use of energy through improved operational methods and other means will continue.

FORM B

(A) DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION, RESEARCH & DEVELOPMENT (R&D)

1	Specific areas in which R&D carried out by the Company	<ol style="list-style-type: none"> 1. Development of printed PVC from alternate source with RoHS compliance. 2. Introduction of new half watt & one watt high performance LED torch models. 3. Development of new R6 economy range of batteries.
2	Benefit derived as a result of above R&D	<ol style="list-style-type: none"> 1. Complied as per the eco friendly norms of Panasonic. 2. Provided high level of customer satisfaction. 3. Supplied good quality products in economy range & thereby satisfied customers.
3	Future plan of action	<ol style="list-style-type: none"> 1. To further develop cost effective products. 2. Introduction of additional half & one watt LED torch models. 3. Increase recycle ratio & thereby conserve natural resources. 4. Optimum use of energy to reduce the effect of global warming.
4	Expenditure on R&D:	(₹ in lacs)
	(i) Capital	NIL
	(ii) Recurring	119.00
	(iii) Total	<u>119.00</u>
	(iv) Total R&D expenditure as a Percentage of total turnover	0.5%

(B) TECHNOLOGY, ABSORPTION, ADAPTATION AND INNOVATION

1	Effort in brief made towards technology absorption, adaptation and innovation.	<ol style="list-style-type: none"> 1. Developed cost effective economy range product in R6 segment. 2. Introduction of new half watt LED torch. 3. Efforts for energy conservation are made.
2	Benefit derived as a result of the above efforts e.g. Product improvement, cost reduction, product development, import substitution, etc	<ol style="list-style-type: none"> 1. Manufacturing of Panasonic products in terms of quality & environment compliance & thereby contribute to society. 2. Implementation of new cost effective ideas to reduce cost of raw material, component & process. 3. Explore global sourcing for cost reduction.
3	Imported technology (imported during the last 5 years reckoned from the beginning of the financial year)	<ol style="list-style-type: none"> a) Technology imported Technology for manufacturing mercury free paste type R20 & R14 batteries b) Year of import 2010 c) Has technology been fully absorbed? Continuing

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

1	Activities relating to export initiatives taken to increase exports; development of new export markets for products and services; and export plan	During the year Company earned foreign exchange through export of machinery spare parts and Raw materials.
2	Total Foreign Exchange :	(₹ in lacs)
	Used	4568
	Earned	104

For and on behalf of the Board

S. K. Khurana
Chairman & Managing Director

Mumbai, May 17, 2013

1. PHILOSOPHY ON CODE OF GOVERNANCE

The Board of Directors 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, 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 very balanced structure of Board of Directors. As on March 31, 2013 the Board comprises of seven Directors (six being non-executive directors), of which four directors are the Independent Directors. The Non-independent Directors include a Chairman & Managing Director and two Promoter Directors.

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

The notice convening Board Meetings are being sent to each of the Directors along with relevant papers around 7 to 10 days in advance of the meeting date, 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.

The Board generally meets 4 times during the year, with a maximum time gap of 4 months between any two meetings. During the Financial year ended on March 31, 2013 the Board of Directors had 4 Meetings. These were held on May 18, 2012, July 25, 2012, October 27, 2012 and January 25, 2013. The last Annual General Meeting was held on July 25, 2012.

Composition and category of Directors; attendance of each Director at Board Meetings and the last AGM, number of other companies on the Board (excluding private limited companies, foreign companies and section 25 companies) or Committees (only Audit Committee and Investors' Grievance Committee included) of which, a director is a member or chairman is as under:

Name of the Director	Category of Director	No. of Board Meetings attended	Attendance at last AGM	No. of Directorships held in Public Companies	Committees	
					Chairman	Member
Mr. S. K. Khurana*	Chairman & Managing Director	4	Yes	1	-	2
Mr. P. P. Shah	Independent Director	4	Yes	12	1	8
Mr. D. J. Thakkar	Independent Director	4	Yes	14	5	5
Mr. G. N. Punj	Independent Director	2	Yes	6	1	-
Mr. C. R. Amin	Independent Director	NIL	No	11	1	2
Mr. H. Aota	Promoter representative	NIL	No	2	-	-
Mr. T. Nonaka®	Promoter representative	NIL	No	1	-	-
Mr. A. K. Lakhanpal#	Executive Chairman	NIL	No	1	-	1
Mr. H. Sugimura§	Promoter representative	NIL	No	2	-	-

* Mr. S. K. Khurana had been re-designated as Chairman & Managing Director of the Company w.e.f. July 01, 2012.

® Mr. T. Nonaka had been appointed as an additional director w.e.f. July 25, 2012.

Mr. A. K. Lakhanpal had resigned from the directorship w.e.f. June 30, 2012.

§ Mr. H. Sugimura resigned as Director w.e.f. July 25, 2012.

3. COMMITTEES OF THE BOARD

A) Audit Committee

Terms of Reference

The Audit Committee assists the Board in its responsibility for overseeing the quality and integrity of the

accounting, auditing and reporting practices of the Company and its compliance with the legal and regulatory requirements. The terms of reference stipulated by the Board of Directors to the Audit Committee are as contained under clause 49 of the Listing Agreement with the Bombay Stock Exchange read with section 292A of the Companies Act, 1956.

These broadly include the following:

- Effective supervision of the management's financial reporting process.
- To ensure the objectivity and independence of the independent auditor.
- To review the Company's quarterly and annual financial statements before submission to the Board for approval.
- To review the accounting and financial policies and practices.
- To review the efficacy of the internal control mechanism and monitor risk management policies adopted by the Company and ensure compliance with regulatory guidelines.
- To review reports furnished by the internal and statutory auditors and to ensure suitable action is taken.
- To recommend appointment/removal of auditors and fix/approve fees and other payments and
- To review significant related party transactions as per the Accounting Standard 18 (AS18).

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. The Committee comprises of 2 Independent Directors and 1 Non-independent Director.

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. D. J. Thakkar	Chairman	4	4
2	Mr. P. P. Shah	Member	4	4
3	Mr. S. K. Khurana	Member	4	4

The Company's Internal Auditors, Statutory Auditors and Head of Finance Department generally remain present at the Audit Committee Meetings. The Company Secretary acts as the secretary of the Audit Committee. Mr. D. J. Thakkar, Chairman of the Audit Committee was present at the 40th Annual General Meeting of the Company held on July 25, 2012.

The minutes of the meetings of Audit Committee are circulated to the members of the Committee and also placed before the Board.

B) Remuneration Committee

Terms of Reference

The Company has duly constituted Remuneration Committee consisting of Independent Directors. The Remuneration Committee recommends the appointment, re-appointment and remuneration payable to Executive Directors. The packages are 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

As per clause 49 of the Listing Agreement, constitution of Remuneration Committee is non-mandatory requirement. However the Company formed Remuneration Committee on January 23, 2004 and it was reconstituted by the Board of Directors at its meeting held on January 12, 2011.

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. P. P. Shah	Chairman	2	2
2	Mr. D. J. Thakkar	Member	2	2
3	Mr. G. N. Punj	Member	2	1

The minutes of the meetings of Remuneration Committee are circulated to the members of the Committee and are also placed before the Board. The Company Secretary acts as the secretary of the Remuneration Committee.

Executive Directors' Compensation

(i) Pecuniary Relationships

None of the Non-Executive Directors of your Company has any pecuniary relationships or material transactions with the Company except for sitting fees paid to them for attending Board Meetings or Committee Meetings thereof and commission on net profits, if any.

In compliance with the requirements of Accounting Standard 18 (AS – 18) issued by ICAI, transactions with related parties have been furnished under Note No. 34 of Notes to the Accounts of the financial statements.

(ii) Remuneration to Executive Directors

The remuneration of Executive Directors comprises salary, perquisites, contribution to provident & superannuation funds and gratuity.

Sr. No.	Name & Designation	Salary (Rs.) (A)	Perquisites (Rs.) (B)	Total (Rs.) (C=A+B)	Contribution to PF & other funds [Exempted Perks] (Rs.) (D)	Total (Rs.) (E=C+D)
1	Mr. S. K. Khurana Chairman & Managing Director	24,28,800	15,59,745	39,88,545	4,91,670	44,80,215
2	*Mr. A. K. Lakhanpal Chairman	6,82,500	3,05,700	9,88,200	91,125	10,79,325

* ceased to be Director w.e.f. June 30, 2012.

Note:

- No commission was paid to the Executive Directors during the year under review.
- The aforesaid figures exclude the accruals for gratuity as it is funded on the basis of an actuarial valuation of the Company as a whole.

(iii) Remuneration to Non - Executive Directors and the no. of shares held by them

The Non-Executive Directors were paid sitting fees of Rs. 10,000 for attending each of the Board and its Committee meeting. The Chairman and Managing Director being Executive Directors of the Company are not paid any sitting fees.

Sr. No.	Name	Category of Director	Sitting Fess (Rs.) (A)	Commission (Rs.) (B)	Total (Rs.) (C=A+B)	No. of shares
1	Mr. P. P. Shah	Independent	1,10,000	71,821	1,81,821	5,000
2	Mr. D. J. Thakkar	Independent	1,00,000	71,821	1,71,821	–
3	Mr. G. N. Punj	Independent	30,000	71,821	1,01,821	264
4	Mr. C. R. Amin	Independent	–	71,821	71,821	–
5	Mr. H. Aota	Promoter	–	71,821	71,821	–
6	Mr. T. Nonaka	Promoter	–	48,996	48,996	–
7	Mr. H. Sugimura	Promoter	–	22,825	22,825	–

No Severance fee is paid to any of the Executive Directors during the year.

The Company has not issued stock options to any of its Directors.

C) Investors' Grievance Committee

Terms of Reference

As per the requirement of clause 49 of Listing Agreement, Investors' Grievance Committee was formed in the Board Meeting held on January 23, 2001 and it was reconstituted by the Board of Directors at its meeting held on January 12, 2011 and October 27, 2012. The Committee specifically looks into issues relating to investors including share related matters and redressal thereof.

Composition

The Committee comprises of 2 Independent Directors and 1 Non-Independent Director. 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. G. N. Punj	Chairman	1	–
2	Mr. P. P. Shah	Member	1	1
3	Mr. S. K. Khurana	Member	1	1

The Company Secretary has been designated as the Compliance Officer and also acts as secretary of the Committee. The minutes of the meetings of Investors' Grievance Committee are circulated to the members of the Committee and are also placed before the Board.

As per the Circular No. CIR/MIRSD/8/2012 dtd. July 05, 2012 issued by Securities & Exchange Board of India (SEBI), effective from October 01, 2012 SEBI had fixed a time-line of 15 days for registering the transfer of shares.

In view of the above and in order to ensure that the process is completed within prescribed period of 15 days, the Board had authorised M/s. Link Intime India Pvt. Ltd. Registrar & Share Transfer Agents of the Company for the purpose of approval of share transfer requests and signature on the endorsements made on share certificates.

The details of shareholder's queries and requests received and replied during financial year 2012-13 are detailed as under:

Sr. No.	Nature of Correspondence	Received (Nos.)	Responded satisfactorily (Nos.)	Pending as on 31-Mar-13 (Nos.)
1	Change of Address	24	24	NIL
2	Bank Mandate	NIL	NIL	
3	Registration of NECS / ECS Details	12	12	
4	Nomination Request	01	01	
5	Stop Transfer / Procedure for Issuance of Duplicate Share Certificates	08	08	
6	Correction in Name / Address	03	03	
7	Change of Signature	NIL	NIL	
8	Stop Transfer Removal	NIL	NIL	
9	Procedure for Transmission / Deletion / Transposition	03	03	
10	Issuance of Duplicate Shares	02	02	
11	Cancellation of Bank Details	NIL	NIL	
12	Transfer Requests	24	24	
13	Transmission Requests	05	05	
14	Name Deletion	05	05	
15	Revalidation / Issuance of Duplicate Dividend Warrants	41	41	
16	Registration of PAN Card	NIL	NIL	
17	Demat Requests/ Remat Requests	67	67	
TOTAL		195	195	NIL

No investor correspondence remains unattended for more than 30 days.

4. GENERAL BODY MEETING

Particulars of last three AGM's & Special Resolutions passed thereto

Financial Year	Date & Time	Venue	Special Resolutions passed
2009-2010 (38 th AGM)	July 23, 2010 11:00 AM	C.C.Mehta Auditorium, M.S.University, Vadodara	➤ Payment of commission, in addition to the sitting fees and reimbursement of expenses, to the Non-Executive Directors for a period of five years i.e. from April 01, 2010 to March 31, 2015.
2010-2011 (39 th AGM)	July 25, 2011 10:00 AM	C.C.Mehta Auditorium, M.S.University, Vadodara	➤ No Special Resolution was passed at the 39 th AGM.
2011-2012 (40 th AGM)	July 25, 2012 10:00 AM	C.C.Mehta Auditorium, M.S.University, Vadodara	➤ Re-appointment of Mr.A.K.Lakhanpal for a further period from January 06, 2012 to June 30, 2012. ➤ Re-designation of Mr. S.K.Khurana as Chairman and Managing Director of the Company from July 01, 2012 to September 30, 2013. ➤ Alteration & Amendment in Articles of Association of the Company.

All the aforesaid resolutions were passed on show of hands.

Postal Ballot Resolution

No special resolution through postal ballot was passed during the year 2012-13.

5. DISCLOSURES

a) Related Party Transaction

Related party transactions between Company and related parties as per the Accounting Standard (AS-18) "Related Party Disclosures" issued by the Institute of Chartered Accountants of India are given at note No. 34 of Notes to the Financial Statements.

Among the related party transactions entered into by the Company from time to time in which Directors of the Company are interested are entered into the Register of Contracts maintained under section 301 of the Companies Act, 1956 and the Register is placed before the Audit Committee and Board.

In the opinion of the Management there are no related party transactions which are prejudicial to the interests of the Company.

b) Non Compliance

There were no non compliance by the Company 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.

c) CEO / CFO Certification

The Company has complied with and adopted the mandatory requirements stipulated under clause 49 of the Listing Agreement. The Company has obtained CEO / CFO Certificate from the Chairman and Managing Director and the person heading the finance function in terms of the clause 49 of the Listing Agreement entered into with the Stock Exchange.

d) Secretarial Audit

A qualified Practicing Company Secretary carried out the Secretarial Audit on quarterly basis to reconcile the share capital with National Securities Depository Services Ltd (NSDL) and Central Depository Services (India) Ltd. (CDSL) and the total issued and listed capital. The audit confirms that the total issued / paid up capital is in agreement with total number of shares in physical forms and total number of shares held with NSDL and CDSL in demat forms.

e) Accounting Standard

The Accounting Standards laid down by the Institute of Chartered Accountants of India and applicable to the Company were followed by the Company in preparation of the financial statements of the Company.

f) Details of shares in the suspense account including freeze on their voting rights

There are no unclaimed shares and hence no suspense account is required to be opened and credited with such shares and there is no freeze on voting rights of any shares.

g) Non – Mandatory Requirements

The Board may consider adopting the non – mandatory requirements in due course of time. However during the year under review the status of compliance with non – mandatory requirements of Clause 49 are given below:

i) Remuneration Committee

Details are given under the heading "Remuneration Committee".

ii) Audit Qualifications

During the year under review, there were no audit qualifications in the Company's financial statements. The Company continues to adopt best practices to ensure a regime of unqualified financial statements.

6. CODE OF CONDUCT

a) Code of Conduct for Directors and Senior Management Personnel

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.panasonicenergy.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, 2013. A declaration to this effect duly signed by the Chairman & Managing Director forms part of this Annual Report.

b) Code of Conduct for Prevention of Insider Trading

Pursuant to the requirements of SEBI (Prohibition of Insider Trading) Regulations, 1992, the Company has adopted a code of conduct for prevention of insider trading w.e.f. January 29, 2003.

The Company Secretary acts as the Compliance Officer. This Code is applicable to all Directors and such identified employees of the Company who are expected to have access to unpublished price sensitive information relating to the Company.

7. MEANS OF COMMUNICATIONS

- Quarterly, Half yearly and Annual audited results have been submitted to BSE as well as published in dailies having wide coverage in English & Vernacular Language.
- The results are also uploaded on the Company's website (www.panasonicenergy.in).
- Management Discussion & Analysis forms part of the Annual Report which is posted to the shareholders of the Company.

8. PARTICULARS OF DIRECTORS SEEKING RE-APPOINTMENT AT THE ENSUING 41ST ANNUAL GENERAL MEETING OF THE COMPANY

Details of Directors who retire by rotation and seek re-appointment or regularize the appointment

Name of the Director	Mr. D. J. Thakkar	Mr. G. N. Punj	Mr. T. Nonaka
Date of Birth	: October 01, 1936	: January 08, 1974	: September 26, 1963
Education Qualification	: B.Com, LL.B, FCA	: 'A' Level Oxford & Cambridge Board, U.K., Law Graduate from the London School of Economics & Political Science, U.K.	: Graduate from Kobe University of Japan
Specific functional Area	: Practicing Chartered Accountant	: Industrialist	: Company Executive
Brief Resume of Directors	: Mr. Thakkar received B.Com and LLB degrees from Bombay University in 1957 and 1959 respectively. He has vast experience as a Chartered Accountant and is a senior partner of M/s. Jayantilal Thakkar & Co. & M/s. Jayantilal Thakkar Associates, Mumbai. He specializes in the Foreign Exchange Management Act, and has advised many overseas corporations and large Indian companies on investments, taxation and collaboration related issues. He has been on the Board of your Company since February 5, 1994.	: Mr. Punj is an Industrialist. He has vast experience in administration and management of Companies. He has been on the Board of your Company since January 30, 2002.	: Mr. Nonaka is a graduate from Kobe University of Japan. He is having vast experience in planning, environment and management of overseas Companies. He is associated with various overseas companies of our foreign collaborator. Presently he is working as Director (planning group, environment & external affairs group) of Panasonic Asia & Pacific, Singapore. He was appointed as an additional director w.e.f. July 25, 2012 by the Board.
Shareholding of Directors	: Nil	: 264	: Nil
Other Directorships held	: Public Companies Poddar Developers Ltd. Essar Oil Ltd. The Ruby Mills Ltd. PAE Ltd. Himatsingka Seide Ltd. Indo Count Industries Ltd. Walchandnager Industries Ltd. Garware Polyester Ltd. Essar Ports Ltd. Modern India Ltd. Premier Ltd. Magus Estates & Hotels Ltd. Westlife Development Ltd.	: Public Companies Punj Star Properties Ltd. Isolloyd Engineering Technologies Ltd. Lloyd Insulations (India) Ltd. T&T Motors Ltd. Ineco Engineering Ltd. Private Companies Cosmo Capital and Investments Pvt. Ltd. Punj Star Industries Pvt. Ltd. Subhavan Investments Pvt. Ltd. Nitam Investments Pvt. Ltd. Punj Star Infotech Pvt. Ltd. Dyaus Power Project Co. Pvt. Ltd.	: Public companies Nil Private Companies Nil Foreign Companies Panasonic Energy (Thailand) Co. Ltd. Panasonic Asia Pacific Pte. Ltd. Panasonic Vietnam Co. Ltd. Panasonic Manufacturing Philippines Corporation

Name of the Director	Mr. D. J. Thakkar	Mr. G. N. Punj	Mr. T. Nonaka
	<p>Private Companies Rajasvi Properties Holdings Pvt. Ltd. Starrock Investments & Trading Co. Pvt. Ltd. Blueberry Trading Co. Pvt. Ltd. Township Real Estate Developers (India) Pvt. Ltd. Hamlet Constructions (India) Pvt. Ltd. Windmere Hospitality (India) Pvt. Ltd. Skidata (India) Pvt. Ltd. Ameya Logistics Pvt. Ltd. Universal Trustees Pvt. Ltd.</p> <p>Mutual Fund HSBC Mutual Fund</p>		
Other Committees of Directors where membership held	<p>Audit Committee Essar Oil Ltd. (Chairman) PAE Ltd. (Chairman) Himatsingka Seide Ltd. (Chairman) Whalchand Nagar Industries Ltd. (Chairman) Premier Ltd. (Member) Magus Estates & Hotels Ltd. (Member) Westlife Development Ltd. (Member)</p> <p>Investors Grievance Committee Essar Oil Ltd. (Member) Whalchand Nagar Industries Ltd. (Member)</p>	None	None

9. GENERAL SHAREHOLDER'S INFORMATION

a) Annual General Meeting

Day, date and time	Tuesday, July 23, 2013 at 10.00 A.M.
Venue	C. C. Mehta Auditorium, M.S. University, Sayajigunj, Vadodara - 390 005.

b) Financial Calendar

For the financial year 2013-14, financial results will be announced as per the following tentative schedule:

1 st quarter ended on June 30, 2013	Third week of July, 2013
2 nd quarter ended on September 30, 2013	Third week of October, 2013
3 rd quarter ended on December 31, 2013	Third week of January, 2014
Audited financial results for the year ended on March 31, 2014	Third week of May, 2014

c) Date of Book Closure

The Company's Register of Members and Share Transfer Books will remain closed from Tuesday, July 09, 2013 to Tuesday, July 23, 2013 (both days inclusive).

d) Dividend payment date

The dividend for the financial year 2012-13 shall be declared under agenda No. 2 of the forthcoming 41st Annual General Meeting scheduled on Tuesday, July 23, 2013. The mandate date on the dividend warrants shall be Friday, August 16, 2013.

e) Listing on Stock Exchange

Company's Equity Shares are listed on The Bombay Stock Exchange Ltd. (BSE)

The Company has paid the listing fees for the year 2013 -14 to BSE.

f) **Stock Code**

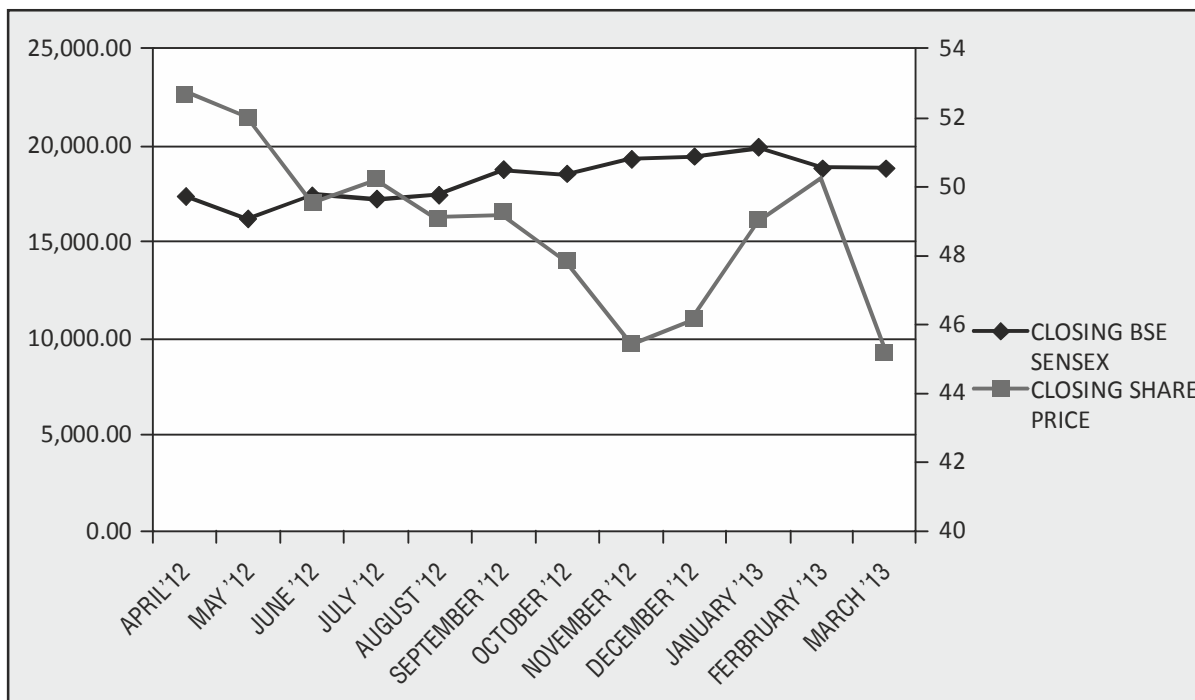
The Bombay Stock Exchange Ltd.	504093
International Securities Identification No. (ISIN)	INE795A01017

g) **Market price data for the year 2012-2013 of the Company on BSE**

Month	Months High price (₹)	Months low price (₹)	Sensex	
			High	Low
April' 12	58.00	46.00	17,664.10	17,010.16
May'12	55.00	44.75	17,432.33	15,809.71
June'12	55.00	48.00	17,448.48	15,748.98
July'12	56.95	46.10	17,631.19	16,598.48
August'12	52.00	45.70	17,972.54	17,026.97
September'12	51.00	45.25	18,869.94	17,250.80
October'12	53.20	45.25	19,137.29	18,393.42
November'12	48.95	44.15	19,372.70	18,255.69
December'12	49.00	44.30	19,612.18	19,149.03
January'13	52.75	45.05	20,203.66	19,508.93
February'13	58.70	48.15	19,966.69	18,793.97
March'13	54.90	44.10	19,754.66	18,568.43

h) **Company's closing share price movement during the financial year 2012 – 13 on BSE vis-à-vis Sensex**

Share Price V/S BSE Sensex



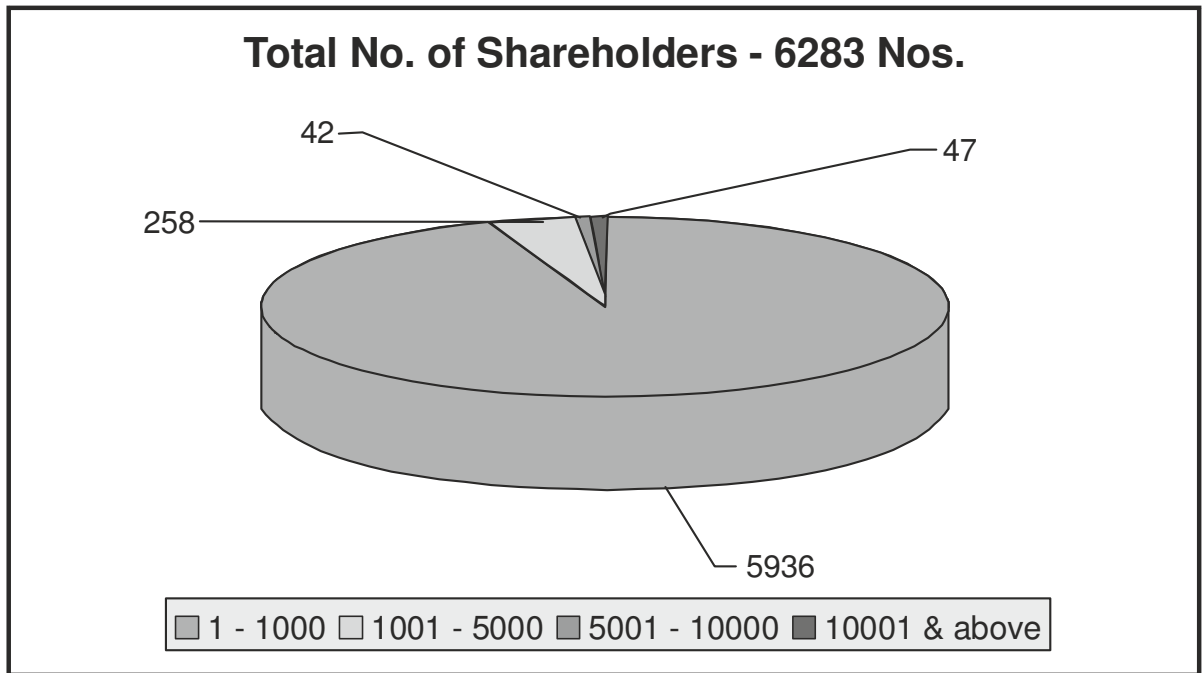
i) **Registrar & Transfer Agent**

Share transfer, dividend payment and all other investor related matters are attended to and processed by our Registrar and Share Transfer Agent (RTA) viz. Link Intime India Pvt. Ltd. The correspondence address of our RTA has been given elsewhere in the Corporate Governance Report.

j) 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.

k) Distribution of shareholding as on March 31, 2013



l) Dematerialization of Shares and Liquidity

At the end of the year 67,19,101 shares were held in dematerialized form which comes to 89.59% of total capital. Trading in equity shares is permitted only in dematerialized form from August 28, 2000 as per notification issued by Securities & Exchange Board of India. The Company has Demat connectivity with National Securities Depository Ltd. (NSDL) & Central Depository Services (India) Ltd. (CDSL).

m) Custodial fee to Depositories

The Company has paid custodian fees for the year 2013-14 to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

n) Audits in 2012-13

Sr. No.	Audit	Audit Firm
1	Statutory Audit	M/s. K. C. Mehta & Co., Chartered Accountants, Vadodara
2	Tax Audit	
3	Internal Audit	M/s. Talati & Talati, Chartered Accountants, Vadodara
4	Cost Audit	M/s. Diwanji & Associates, Cost Auditors, Vadodara
5	Reconciliation of Share Capital Audit	M/s. Vijay Bhatt & Co., Company Secretaries, Vadodara

o) Compliance Officer

Ms. Susheela Maheshwari, Company Secretary is the Compliance Officer of the Company. Contact details have been given elsewhere in this report.

p) 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.)

q) Address for correspondence

Registered Office	Registrar & Share Transfer Agent
Company Secretary Panasonic Energy India Co. Ltd. G.I.D.C., Makarpura, Vadodara – 390 010, Gujarat, India. Tele.: (0265) 264 2661/ 263 8888 Fax: (0265) 263 8890 E-Mail: susheela.maheshwari@in.panasonic.com Website: www.panasonicenergy.in	Link Intime India Pvt. Ltd. B-102 & 103, Shangrila Complex, First Floor Opp HDFC Bank, Near Radha Krishna Char Rasta, Akota, Vadodara – 390 020, Gujarat, India. Tele.: (0265) 325 6573/ 235 6794 Fax: (0265) 235 6791 E-mail: alpesh.gandhi@linkintime.co.in

r) Information on dividend of past years

Pursuant to section 205A of the Companies Act, 1956 dividend that remained unpaid or unclaimed for the financial year ended on March 31, 2006 will be transferred to “Investor Education & Protection Fund” (IEPF) a fund constituted by the Central Government under section 205C of the Companies Act, 1956.

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
2005-06	15	17.07.2013
2006-07	15	11.07.2014
2007-08	30	17.07.2015
2008-09	10	22.07.2016
2009-10	20	22.07.2017
2010-11	20	24.07.2018
2011-12	20	24.07.2019

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.

s) Other facilities of interest to shareholders holding shares in physical form

(i) Nomination facility

Shareholders who wish to make / change the nomination in respect of their shares as permitted under section 109A of the Companies Act, 1956, may submit to the Company / Registrar & Share Transfer Agent, the prescribed form 2B. Form 2B can be downloaded from the Company’s website at www.panasonicenergy.in

(ii) Bank details

Shareholders are requested to notify / send the following details to the Company / RTA to facilitate better services:

- Any change in their address; and
- Bank Account Details or any change thereto.

Shareholders are advised that respective bank details and address be furnished by them to the Company as it would be printed on their dividend warrants as a measure of protection against fraudulent encashment.

(iii) NECS facility

Shareholders who are desirous of receiving dividends by way of direct credit to their bank account through ECS may authorize the Company by way of their ECS mandate. The shareholders desirous to obtain ECS mandate form may download it from the website of the Company at www.panasonicenergy.in or may write to the Company Secretary at the Registered Office of the Company.

(iv) PAN card

Pursuant to SEBI circular, the shareholders holding shares in physical form are requested to submit self certified copy of PAN at the time of sending their request for share transfer/ transmission of name/ transposition of name.

t) Shareholders holding shares in electronic mode should address all their correspondence to their respective Depository Participants (DPs).

For and on behalf of the Board

S. K. Khurana
Chairman & Managing Director

Mumbai, May 17, 2013

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To,

The Members of Panasonic Energy India Co. Ltd.,

We have examined the compliance of conditions of Corporate Governance by Panasonic Energy India Co. Ltd., for the year ended March 31, 2013 as stipulated in clause 49 of the Listing Agreement of the said Company with the Stock Exchange.

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

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

We state that no investor grievances are pending for a period exceeding one month against the Company as per records maintained by the Company.

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

**For Vijay Bhatt & Co.
Company Secretaries**

**Place: Vadodara
Date: May 17, 2013**

**V. J. Bhatt
Proprietor
CP:2265**

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 the revised Clause 49 of the Listing Agreement.

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, 2013.

For Panasonic Energy India Co. Ltd.

**Place: Vadodara
Date: April 30, 2013**

**S.K.Khurana
Chairman & Managing Director**

To,
The Members of Panasonic Energy India Company Ltd.,
Report on the Financial Statements

We have audited the accompanying financial statements of **Panasonic Energy India Company Limited ("the Company")**, which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Emphasis of matter paragraph, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) in the case of Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section(3C) of section 211 of the Companies Act, 1956; and
 - e. on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For K. C. Mehta & Co.
Chartered Accountants
Firm's Registration No. 106237W

Vishal P. Doshi
Partner
Membership No. 101533

Place: Mumbai
Date: May 17, 2013

(ANNEXURE TO THE AUDITORS' REPORT)

(referred to in paragraph (3) thereof)

The annexure referred to in our report to the members of **Panasonic Energy India Company Limited** ("the Company") for the year ended March 31, 2013.

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular program of physical verification of fixed assets which, in our opinion is reasonable. The assets which were to be covered as per the said program have been physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) The Company has not disposed off substantial part of its fixed assets during the year and therefore, do not affect the going concern assumption.
- ii. (a) During the year, the inventories have been physically verified by the management except for inventory lying with third parties where confirmations have been received in most of the cases. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of the records of inventory and according to the information and explanations given to us, we are of the opinion that the Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stock and the book records were not material.
- iii. According to the information and explanations given to us, the company has not granted / taken any loans, secured or unsecured to / from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956 and therefore, the provisions of clause (iii) of the Order are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and nature of its business with regard to purchase of inventories and fixed assets and sale of goods. Further on the basis of our examination and according to the information and explanations given to us, we have neither come across nor have been informed of any instance of major weaknesses in the aforesaid internal control system.
- v. (a) To the best of our knowledge and belief and according to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that section.
- (b) In our opinion and according to the information and explanation given to us, the transactions made in pursuance of contracts or arrangements entered in the registers maintained under section 301 of the Companies Act, 1956 and exceeding the value of Rs.5 lacs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- vi. The Company has not accepted any deposits during the year from the public within the meaning of provisions of section 58A and 58AA of the Companies Act, 1956 and the rules framed there under and therefore, the provisions of clause (vi) of the Order are not applicable to the Company.
- vii. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
- viii. We have broadly reviewed the books of account and records maintained by the Company pursuant to the rules prescribed by the Central Government for the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 in respect of material, labour & other items of cost and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate or complete.
- ix. (a) The Company has been regular in depositing with appropriate authorities undisputed statutory dues, including provident fund, investor education protection fund, income-tax, sales-tax, wealth tax, service tax, custom duty and other material statutory dues as applicable to it. According to the information and explanations given to us, no undisputed amounts as payable in respect of income tax, sales tax, wealth tax, service tax, custom duty and excise duty were in arrears, as at 31st March, 2013 for a period of more than six months from the date it has become payable.

- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no disputed dues in respect of Income tax, Wealth tax, Custom duty and cess which have not been deposited. The following are the particulars of Service tax, Sales tax and Central Excise dues not deposited by the company on account of dispute as at 31st March, 2013:

Nature of dues	Amount (Rs. in lacs)	Period to which the amount relates	Forum where pending
Service Tax	110.37	F.Y. 2005 to F.Y. 2012-13	Assessing Authorities, Commissioner (Appeals) and CESTAT, Ahmedabad
Central Excise	1.55	F.Y. 2007-08 & 2008-09	Assistant Commissioner, Commissioner (Appeals)
Sales Tax	287.95	F.Y. 1986 to F.Y. 2009-10	Sales tax Tribunal, Commissioner of Sales Tax (Appeals), Dy. Commissioner of Commercial Tax at different Jurisdiction.

- x. In our opinion and according to information and explanations given to us, the company does not have any accumulated losses as at the end of the year. The Company has not incurred cash losses during the financial year and in immediately preceding financial year.
- xi. In our opinion and according to the information and explanations given to us, the Company has not obtained any borrowings from bank, financial institutions or by way of debentures and therefore, the provisions of clause (xi) of the Order are not applicable to the Company.
- xii. According to the information and explanation given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities and therefore, the provisions of clause (xii) of the Order are not applicable to the Company.
- xiii. In our opinion and according to information and explanations given to us, the company is not a chit fund or a nidhi / mutual benefit fund society and therefore, the provisions of clause (xiii) of the Order are not applicable to the Company.
- xiv. In our opinion and according to the information and explanations given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments and therefore, the provisions of clause (xiv) of the Order are not applicable to the Company.
- xv. According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks and financial institutions and therefore, the provisions of clause (xv) of the Order are not applicable to the Company.
- xvi. According to the information and explanations given to us, the company did not have any term loans outstanding during the year and therefore, the provisions of clause (xvi) of the Order are not applicable to the Company.
- xvii. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the funds raised on short term basis have not been used for long term investment.
- xviii. The company has not made any preferential allotment of shares to companies/firms/parties covered in the register maintained under section 301 of the Companies Act, 1956 and therefore, the provisions of clause (xviii) of the Order are not applicable to the Company.
- xix. According to the information and explanations given to us, during the period of audit the Company has not issued any secured debentures and therefore, the provisions of clause (xix) of the Order are not applicable to the Company.
- xx. The company has not raised any money by public issues during the year and therefore, the provisions of clause (xx) of the Order are not applicable to the Company.
- xxi. According to information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For K. C. Mehta & Co.
Chartered Accountants
Firm's Registration No. 106237W

Vishal P. Doshi
Partner
Membership No. 101533

Place : Mumbai
Date : May 17, 2013

	Note No.	As at March 31, 2013	As at March 31, 2012
I EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share Capital	2	750.00	750.00
(b) Reserves and Surplus	3	6,107.29	6,036.74
2 Non-current liabilities			
(a) Deferred tax liabilities (Net)	4	230.49	253.99
(b) Long-term provisions	5	301.11	398.82
3 Current liabilities			
(a) Trade payables	6	811.56	482.83
(b) Other current liabilities	7	1,457.65	1,355.18
(c) Short-term provisions	8	347.31	290.05
	TOTAL	10,005.41	9,567.61
II ASSETS			
1 Non - Current Assets			
(a) Fixed Assets	9		
(i) Tangible Assets		1,640.30	1,841.75
(ii) Intangible Assets		180.20	131.06
(iii) Capital Work in Progress		-	0.79
(b) Non - Current Investments	10	-	17.00
(c) Long term loans & advances	11	49.13	51.08
2 Current Assets			
(a) Inventories	12	2,554.58	1,968.17
(b) Trade receivables	13	2,474.48	1,984.08
(c) Cash and Bank Balances	14	1,686.14	2,093.79
(b) Current Investments	15	17.00	-
(d) Short-term loans and advances	16	1,345.80	1,440.36
(e) Other current assets	17	57.78	39.53
	TOTAL	10,005.41	9,567.61
Significant Accounting Policies and Notes	1 to 40		

As per our report of even date attached.

For K. C. Mehta & Co.
Chartered Accountants

Vishal P. Doshi
Partner
Membership No. 101533

Place : Mumbai
Date : May 17, 2013

For and on behalf of the Board of Directors

S. K. Khurana
Chairman & Managing Director

D. J. Thakkar
Director

Susheela Maheshwari
Company Secretary & Manager (Legal)

Place : Mumbai
Date : May 17, 2013

(Amount in ₹ in lacs)

	Note No.	For the year ended March 31, 2013	For the year ended March 31, 2012
I. Revenue from operations			
(a) Sale of products	18	23,822.39	21,057.99
Less: Excise Duty		3,236.92	2,574.54
		20,585.47	18,483.45
(b) Other operating Revenues		40.25	26.47
		20,625.72	18,509.92
II. Other income	19	150.66	231.10
III. Total Revenue (I + II)		20,776.38	18,741.02
IV. EXPENSES			
Cost of materials consumed	20	12,841.99	10,540.85
Purchases of Stock-in-Trade	21	996.91	1,513.53
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	22	(273.27)	(176.79)
Other Manufacturing Expenses	23	692.97	576.34
Employee benefits expenses	24	2,382.30	2,198.01
Finance costs	25	15.59	12.87
Depreciation and amortization expenses		308.41	302.59
Other expenses	26	3,441.26	3,352.20
Total expenses		20,406.16	18,319.60
V. Profit before Prior period items and tax (III-IV)		370.22	421.42
VI. Less: Prior period Items	27	(2.30)	15.96
VII. Profit before tax (V-VI)		372.52	405.46
VIII. Tax expense:			
(1) Current tax		120.61	108.87
(2) Deferred tax		(23.50)	16.34
(3) Taxation adjustments for earlier years		29.37	99.29
IX. Profit for the period (VII-VIII)		246.04	180.96
X. Earnings per equity share:			
(a) Basic		3.28	2.41
(b) Diluted		3.28	2.41
Significant Accounting Policies and Notes	1 to 40		

As per our report of even date attached.

For K. C. Mehta & Co.
Chartered Accountants

Vishal P. Doshi
Partner
Membership No. 101533

Place : Mumbai
Date : May 17, 2013

For and on behalf of the Board of Directors

S. K. Khurana
Chairman & Managing Director

D. J. Thakkar
Director

Susheela Maheshwari
Company Secretary & Manager (Legal)

Place : Mumbai
Date : May 17, 2013

	For the year ended March 31, 2013	For the year ended March 31, 2012
[A] CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax	372.52	405.46
Adjustments for :		
Prior Period Expense / (Income)	(2.30)	-
Provision for wealth tax	-	0.06
Reversal of Provision for Doubtful debt	-	(6.25)
Depreciation / Amortisation	308.41	302.59
Interest received	(103.40)	(184.39)
Interest paid	9.83	6.07
Provision for Doubtful Debt and Guarantee	0.42	6.04
Profit on sale of Fixed Assets	(5.80)	(4.52)
Loss on sale of Fixed assets	0.29	3.39
Cash flow from operations before working capital changes	579.97	528.45
Increase / (Decrease) in Current Liabilities:		
Trade Payables	328.73	53.04
Other Liabilities	102.47	(152.68)
Provisions	(41.61)	(32.69)
(Increase)/ Decrease in Current Assets:		
Inventories	(586.41)	(173.90)
Trade receivables	(489.98)	(219.42)
Loans and advances and other assets	(85.83)	(17.18)
Cash flow from operations after working capital changes	(192.66)	(14.38)
Direct Taxes Paid	14.07	(135.90)
Net Cash Flow from Operating Activities	(178.59)	(150.28)
[B] CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(155.16)	(70.37)
Sale of Tangible Assets	7.11	7.27
Interest received	103.15	137.37
Net Cash Flow from Investing Activities	(44.90)	74.27
[C] CASH FLOW FROM FINANCING ACTIVITIES		
Interest Paid	(9.83)	(1.00)
Dividend Paid	(174.33)	(174.33)
Net Cash Flow from Financing Activities	(184.16)	(175.33)
Net Increase/ (Decrease) in Cash and Cash Equivalents	(407.65)	(251.34)
Opening Cash & Cash Equivalents	2,093.79	2,345.13
Closing Cash & Cash Equivalents	1,686.14	2,093.79

Notes:

- Cash and Cash equivalents comprise of:

Cash/Cheques on Hand	370.92	385.58
Balance with Scheduled Banks in Current Accounts	300.04	278.43
Closing Cash and Cash Equivalents	670.96	664.01
Earmarked balances with banks	13.48	16.83
Fixed Deposits/Margin Money	1,001.70	1,412.95
Cash and cash balance at the end of year	1,686.14	2,093.79
- The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard 3 (AS-3) "Cash Flow Statement".
- Previous year figures have been regrouped wherever necessary.

As per our report of even date attached.

For K. C. Mehta & Co.
Chartered Accountants

Vishal P. Doshi
Partner
Membership No. 101533

Place : Mumbai
Date : May 17, 2013

For and on behalf of the Board of Directors

S. K. Khurana
Chairman & Managing Director

D. J. Thakkar
Director

Susheela Maheshwari
Company Secretary & Manager (Legal)

Place : Mumbai
Date : May 17, 2013

Accompanying notes to the financial statements**1 Significant accounting policies****i) Basis of preparation of financial statements**

The financial statements are prepared as per historical cost convention and in accordance with the generally accepted accounting principles in India, the provisions of the Companies Act, 1956 and the applicable accounting standards.

ii) Use of estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Differences between the actual results and the estimates are recognized in the period in which the same are known / materialized.

iii) Revenue recognition**a. Sales**

Sales are recognized on shipment or dispatch to customer, net of sales return and discounts and exclusive of VAT/CST and other charges.

b. Other Income

Other Income is recognized only when it is reasonably certain that the ultimate collection will be made.

Insurance Claims lodged with the insurance company in respect of risks covered are accounted for as and when admitted by the insurance company.

c. Interest Income

Interest income is booked on a time proportion basis taking into account the amounts invested and the rate of interest.

iv) Fixed Assets

Fixed Assets are stated at cost, net of CENVAT / VAT credit, if any, after reducing accumulated depreciation until the date of Balance Sheet. Direct costs are capitalized until the assets are ready for use and include financing costs relating to any borrowing attributable to acquisition. Capital work-in-progress includes the cost of fixed assets that are not yet ready for the intended use and the cost of assets not put to use before the balance sheet date.

v) Depreciation

Depreciation on tangible assets has been provided as under:

Vadodara Unit:

Cost of leasehold land is amortized over the period of lease.

On assets purchased prior to January 1st, 1987 on written down value method at the rates specified under the Income Tax Rules and on assets purchased subsequent to January 1st, 1987 on written down value method at the rates specified in Schedule XIV of the Companies Act, 1956, on pro-rata basis.

Pithampur Unit:

Cost of leasehold land is amortized over the period of lease.

Depreciation is provided on straight-line method at the rates specified in Schedule XIV of the Companies Act, 1956, on pro-rata basis, and in case of capitalization of exchange fluctuations, over the remaining life of such assets.

vi) Impairment of assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Statement of Profit and Loss. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

vii) Intangible Assets

Intangible Assets are recognized only if it is probable that the future economic benefits that are attributable to the assets will flow to the enterprise and the cost of the assets can be measured reliably. The intangible assets are recorded at cost and are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Intangible assets are amortized over the estimated period of benefit, not exceeding ten years.

viii) Investments

Investments meant for long term are carried at cost together with all incidental cost of acquisition. However,

when there is decline, other than temporary in the value of a long term investments, the carrying amount is reduced to recognize the decline.

ix) 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 -

Inventories	Cost Formula
Raw materials	First-In-First-Out basis.
Material & Consumables in Transit	At Invoice price.
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.
Consumable Stores, Spares and Tools	First-In-First-Out basis.

x) Foreign Currency Transactions

Foreign currency transactions are recorded at the rate of exchange prevailing on the date of the transactions. At the year end, all the monetary assets and liabilities denominated in foreign currency are restated at the closing exchange rates. Exchange differences resulting from the translation of such monetary assets and liabilities and also the exchange differences on settlement of foreign currency transactions are recognized in the Statement of Profit and Loss.

xi) Research & Development

Expenditure on the design and production of prototypes relating to research & development has been charged to profit & loss account. Capital expenditure relating to research & development is treated as fixed assets.

xii) Leases

Assets acquired on leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to the Statement of Profit and Loss on accrual basis.

xiii) Taxation

a. Current Tax

Provision for Income Tax is ascertained on the basis of assessable profit computed in accordance with the provisions of Income Tax Act, 1961.

b. Deferred Tax

Deferred tax assets and liabilities are recognised for future tax consequence attributable to timing differences between taxable income and accounting income that are measured at relevant enacted tax rates. However, deferred tax assets on the timing differences when unabsorbed depreciation and losses carried forward exist, are recognised only to the extent that there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. At each balance sheet date the company reassesses unrecognised deferred tax assets, to the extent they become reasonably certain or virtually certain of realisation, as the case may be.

xiv) Employee Benefits

a. Post-employment benefits

i Defined Contribution plan

Company's contribution paid/payable for the year to defined contribution retirement benefit schemes are charged to Statement of Profit and Loss.

ii Defined Benefit plan

Company's liabilities towards defined benefit schemes are determined using the Projected Unit Credit Method. Actuarial valuations under the Projected Unit Credit Method are carried out at the balance sheet date. Actuarial gains and losses are recognized in the Statement of Profit and Loss in the period of occurrence of such gains and losses. Past service cost is recognized immediately to the extent that the benefits are already vested and otherwise it is amortized on straight-line basis over the remaining average period until the benefits become vested.

The retirement benefit obligation recognized in the balance sheet represents the present value of the defined benefit obligation as reduced by the fair value of plan assets.

b. Short-term employee benefits

Short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized undiscounted during the period employee renders services. These benefits include special allowance.

c. Long term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognized as an actuarially determined liability at present value of the defined benefit obligation at the balance sheet date.

xv) Government Grants

State subsidy received from Madhya Pradesh State Industrial Development Corporation for setting up unit in the specified backward area has been credited to Capital State Subsidy Reserves Account.

xvi) Provisions, contingent liabilities and contingent assets

The Company recognizes a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent assets are neither recognised, nor disclosed.

2 Share Capital

a. Share capital consists of the following:

(Amount in ₹ in lacs)

Particulars	As at March 31, 2013	As at March 31, 2012
Authorised		
1,00,00,000 Equity Shares of ₹ 10/- each	1,000.00	1,000.00
Issued Subscribed and Paid Up		
75,00,000 Equity Shares of ₹ 10/- each	750.00	750.00

b. Right, preferences and restrictions attached to 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.

c. A reconciliation of number of shares outstanding at the beginning and at the end of reporting period is as under:

(Amount in ₹ in lacs)

Particulars	No. of Shares	Share Capital- ₹
As at April 01, 2011	7,500,000	750.00
Additions/(Reductions)	-	-
As at March 31, 2012	7,500,000	750.00
As at April 01, 2012	7,500,000	750.00
Additions/(Reductions)	-	-
As at March 31, 2013	7,500,000	750.00

d. Shares held by holding & other associated companies are as under:

Particulars	As at March 31, 2013		As at March 31, 2012	
	No. of shares	Extent of Holding	No. of shares	Extent of Holding
Holding Company:				
Panasonic Corporation	4,354,144	58.06%	3,825,000	51.00%

e. Shares in the Company held by shareholders holding more than 5% are as under:

Particulars	As at March 31, 2013		As at March 31, 2012	
	No. of shares	Extent of Holding	No. of shares	Extent of Holding
Panasonic Corporation	4,354,144	58.06%	3,825,000	51.00%

3 Reserves & Surplus

Reserves & surplus consists of the following:

(Amount in ₹ in lacs)

Particulars	As at March 31, 2013	As at March 31, 2012
Capital Reserve	12.89	12.89
Capital State Subsidy Reserve	25.00	25.00
Securities Premium Account	928.12	928.12
General Reserve	-	-
Opening balance	4,928.10	4,914.10
(+) Transfer from Statement of Profit and Loss	18.50	14.00
Closing Balance	4,946.60	4,928.10
Surplus in Statement of Profit and Loss		
Opening balance	142.63	150.00
(+) Net Profit for the current year	246.04	180.96
(-) Proposed Dividends	150.00	150.00
(-) Corporate Dividend Tax	25.49	24.33
(-) Transfer to General Reserve	18.50	14.00
Closing Balance	194.68	142.63
Total	6,107.29	6,036.74

4 Deferred Tax Provision

The deferred tax liabilities/(assets) arising out of significant timing differences are as under:

(Amount in ₹ in lacs)

Particulars	As at March 31, 2013		As at March 31, 2012	
	Deferred Tax Asset	Deferred Tax Liability	Deferred Tax Asset	Deferred Tax Liability
Difference between book depreciation and tax depreciation	-	344.05	-	347.01
Unpaid liability allowable on payment basis under Section 43B of Income Tax act, 1961	113.56	-	92.73	-
Others	-	-	0.29	-
Total	113.56	344.05	93.02	347.01
Net Deferred Tax Liability/(Asset)	-	230.49	-	253.99

5 Long Term Provisions

Long term provisions consists of the following:

(Amount in ₹ in lacs)

Particulars	As at March 31, 2013	As at March 31, 2012
Provision for Employee Benefits	301.11	398.82
Total	301.11	398.82

6 Trade Payables

Trade payables consists of the following:

(Amount in ₹ in lacs)

Particulars	As at March 31, 2013	As at March 31, 2012
Trade Payables		
Due to Micro & Small Enterprise	56.20	26.20
Due to others	755.36	456.63
Total	811.56	482.83

The amount due to Micro & Small Enterprise, as defined under the "Micro Small and Medium Enterprise

Development Act, 2006" stated above is based on the information available with the Company. Payment made to suppliers beyond the due dates during the year was ₹ 115.08 Lacs (Previous Year ₹ 45.64 Lacs). No interest during the year has been paid to Micro and Small Enterprise on delayed payments. Further interest accrued and remaining unpaid at the year end ₹ 1.19 Lacs (Previous year ₹ 0.25 Lacs) is not provided in the books as the management is of the opinion that due to contractual terms they will not be required to pay the same.

7 Other Current liabilities

Other current liabilities consists of the following:

(Amount in ₹ in lacs)

Particulars	As at March 31, 2013	As at March 31, 2012
Advance from Customers	9.37	4.51
Unpaid Dividends*	13.48	13.27
Security Deposits	22.00	23.95
Advance from Scrap Traders	1.56	0.99
Expenses Payable	945.97	882.45
Duties & taxes payable	442.17	405.81
Other Payables	23.10	24.20
Total	1,457.65	1,355.18

* No amount is due for Payment to Investor Education & Protection Fund

8 Short Term Provisions

Short term provisions consists of the following:

(Amount in ₹ in lacs)

Particulars	As at March 31, 2013	As at March 31, 2012
Provision for Employee Benefits Scheme	171.82	115.72
Proposed Dividend	150.00	150.00
Provision for Corporate Dividend Tax	25.49	24.33
Total	347.31	290.05

9. Fixed assets consists of following:

(Amount in ₹ in lacs)

PARTICULARS	GROSS BLOCK				DEPRECIATION BLOCK				NET BLOCK	
	Cost as at 01-04-2012	Additions During the year	Sales/ Deductions During the year	Cost as at 31-03-2013	Amount as at 01-04-2012	Depreci- ation for the year	Adjustment during the year	Deprecia- tion up to 31-3-2013	As at 31-03-2013	As at 31-03-2012
TANGIBLE ASSETS :										
Building	919.77	-	-	919.77	598.55	23.76	-	622.31	297.46	321.22
Leasehold land	38.30	-	-	38.30	9.19	0.41	-	9.60	28.70	29.11
Plant & Machinery	8,325.38	0.78	21.22	8,304.94	6,987.63	149.05	26.06	7,110.62	1,194.32	1,337.75
Dies	163.01	-	-	163.01	138.39	4.86	-	143.25	19.76	24.62
Electric Installation	122.78	-	-	122.78	110.24	1.61	-	111.85	10.93	12.54
Computers	171.05	1.50	0.33	172.22	133.74	14.25	(3.04)	151.03	21.19	37.31
Air conditioners & Refrigerators	37.43	-	-	37.43	28.33	0.95	-	29.28	8.15	9.10
Furniture & Fixtures	161.79	0.21	-	162.00	148.40	1.44	-	149.84	12.16	13.39
Office Equipments & Other Equipments	98.97	2.31	1.48	99.80	77.30	2.86	1.15	79.01	20.79	21.67
Vehicles & Delivery Equipments	126.32	-	3.73	122.59	91.28	8.00	3.53	95.75	26.84	35.04
								Total (A)	1,640.30	1,841.75
INTANGIBLE ASSETS :										
Know - how	590.00	-	-	590.00	472.97	58.51	-	531.48	58.52	117.03
Non Compete Fees	-	150.00	-	150.00	-	37.50	-	37.50	112.50	-
Software	41.24	0.36	-	41.60	27.21	5.21	-	32.42	9.18	14.03
								Total (B)	180.20	131.06
TOTAL	10,796.04	155.16	26.76	10,924.44	8,823.23	308.41	27.70	9,103.94	1,820.50	1,972.81
Previous Year	10,831.33	72.89	108.20	10,796.02	8,622.69	302.59	102.06	8,823.22	1,972.81	-
Capital Work in progress									-	0.79

10 Non Current Investments

Non current investments consists of the following:

(Amount in ₹ in lacs)

Particulars	As at March 31, 2013	As at March 31, 2012
Other Investments		
Investment in Bonds or Debentures		
Rural Electrification Corporation (REC) Bonds [Nil (P.Y. 170 units) of ₹ 1000/- each fully paid up maturing on August 01, 2013]	-	17.00
Total	-	17.00

Investment is unquoted and valued at cost.

(Amount in ₹ in lacs)

Particulars	As at March 31, 2013	As at March 31, 2012
Aggregate amount of unquoted Investments	-	17.00

11 Long Term Loans & Advances

Long term loans & advances consists of the following:

(Amount in ₹ in lacs)

Particulars	As at March 31, 2013	As at March 31, 2012
Unsecured considered good		
Security Deposits	48.61	49.49
Advance to Employees	0.52	1.34
Capital Advances	-	0.25
Total	49.13	51.08

12 Inventories

a. Inventories consists of the following:

(Amount in ₹ in lacs)

Particulars	As at March 31, 2013	As at March 31, 2012
Raw Materials	955.15	836.33
Work-in-Progress	151.06	103.83
Finished Goods	879.64	721.20
Stores & Spares	134.55	130.07
Stock in Trade		
-Stores & Spares	2.35	2.41
-Others	234.66	167.00
Goods in Transit		
-Raw Materials	197.17	7.33
-Others	-	-
Total	2,554.58	1,968.17

Refer note 1(ix) of Significant Accounting Policies for Basis of valuation

b. Inventory details have been classified under broad heads as follows:

(Amount in ₹ in lacs)

Particulars	Closing Inventory	
	For the year ended March 31, 2013	For the year ended March 31, 2012
[A] Finished Goods		
Dry Cell Batteries	879.65	721.20
Total [A]	879.65	721.20
[B] Stock in Trade		
Flashlight	107.76	93.69
Dry Cell Batteries	-	31.30
Compact Fluorescent Lamp	28.71	18.79
Eneloop (Rechargeable Battery)	79.95	-
Others*	20.65	25.63
Total [B]	237.07	169.41
Total [A+B]	1,116.72	890.61

*None of the items individually account for more than 10% of total purchase of traded goods.

13 Trade Receivables

Trade receivables consists of the following:

(Amount in ₹ in lacs)

Particulars	As at March 31, 2013	As at March 31, 2012
Trade Receivables not due/overdue for a period less than 6 months		
Unsecured considered good	2,471.31	1,973.36
Trade Receivables overdue for a period more than 6 months		
Unsecured considered good	3.17	10.72
Doubtful	0.42	-
Less: Provision for doubtful debts	0.42	-
	3.17	10.72
Total	2,474.48	1,984.08

14 Cash & Bank Balances

Cash & bank balances consists of the following:

(Amount in ₹ in lacs)

Particulars	As at March 31, 2013	As at March 31, 2012
[A] Cash & Cash Equivalents		
a. Balances with Banks in		
- Current account	300.04	278.43
- Deposit account	947.42	1,370.82
b. Cheques / Drafts on hand	-	2.36
c. Cash on hand	3.84	3.03
d. Remittance in Transit	367.08	380.19
Total [A]	1,618.38	2,034.83
[B] Other Bank Balances		
(i) Earmarked Balances with Banks	13.48	16.83
(ii) Bank Deposits held as margin money against guarantees	54.28	42.13
Total [B]	67.76	58.96
Total[A+B]	1,686.14	2,093.79

15 Current Investments

current investments consists of the following:

(Amount in ₹ in lacs)

Particulars	As at March 31, 2013	As at March 31, 2012
Other Investments		
Investment in Bonds or Debentures		
Rural Electrification Corporation (REC) Bonds	17.00	-
[170 units (P.Y. Nil) of ₹ 1000/- each fully paid up maturing on August 01, 2013]		
Total	17.00	-

Investment is unquoted and valued at cost.

(Amount in ₹ in lacs)

Particulars	As at March 31, 2013	As at March 31, 2012
Aggregate amount of unquoted Investments	17.00	-

16 Short Term Loans & Advances

Short term loans & advances consists of the following:

(Amount in ₹ in lacs)

Particulars	As at March 31, 2013	As at March 31, 2012
Unsecured Considered Good		
Advance to suppliers	104.53	46.39
Advance to Employees	26.27	25.65
Prepaid Expenses	44.27	44.76

Particulars	As at March 31, 2013	As at March 31, 2012
Balances with Government Authorities	107.01	96.61
Deposits	6.05	5.15
Advance Tax (Net of Provisions)	1,057.67	1,221.78
Total [A]	1,345.80	1,440.36
Unsecured Considered Doubtful		
Bank Guarantees with Custom Department	12.08	12.08
Less: Provision for doubtful guarantees	12.08	12.08
Total [B]	-	-
Total [A+B]	1,345.80	1,440.36

17 Other Current Assets

Other current assets consists of the following:

(Amount in ₹ in lacs)

Particulars	As at March 31, 2013	As at March 31, 2012
Accrued Interest	35.42	30.21
Discount Receivable	22.36	9.32
Total	57.78	39.53

18 Sale of products

Sale of product details have been classified under broad heads as follows:

(Amount in ₹ in lacs)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
[A] Finished Goods		
Dry Cell Batteries	22,586.60	18,880.23
Total [A]	22,586.60	18,880.23
[B] Traded Goods		
Flashlight	706.94	453.14
Dry Cell Batteries	38.09	1,381.60
Compact Fluorescent Lamp	182.90	97.21
Eneloop (Rechargeable Battery)	126.20	-
Others*	181.66	245.81
Total [B]	1,235.79	2,177.76
Total [A+B]	23,822.39	21,057.99

*None of the items individually account for more than 10% of Total Sales Value of Traded Goods.

19 Other Income

Other income consists of the following:

(Amount in ₹ in lacs)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Interest Income		
-Long term investments	1.02	1.02
-Others	102.38	183.37
	103.40	184.39
Profit on sale of Fixed Assets	5.80	4.52
Other non-operating Income	41.46	42.19
Total	150.66	231.10

20 Cost of material consumed

Material consumed has been classified under broad heads as follows:

(Amount in ₹ in lacs)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Zinc	2,306.30	2,715.25
Printed Metal Sheets	1,663.11	1,670.25
Others*	8,872.58	6,155.35
Total	12,841.99	10,540.85

*None of the items individually account for more than 10% of total consumption.

21 Purchase of stock in trade

Stock-in-trade purchased has been classified under broad heads as follows: (Amount in ₹ in lacs)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Flashlight	565.99	369.85
Dry Cell Batteries	-	961.74
Compact Fluorescent Lamp	170.38	93.26
Eneloop (Rechargeable Battery)	185.02	-
Others*	75.52	88.68
Total	996.91	1,513.53

*None of the items individually account for more than 10% of total Purchase.

22 (Increase)/decrease in inventories of finished goods work-in-progress and Stock-in-Trade

Changes in inventories consists of the following: (Amount in ₹ in lacs)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Opening Stock		
Work-in-Process	103.83	116.09
Stock-in-trade	169.41	123.12
Finished Goods	721.20	578.44
Total [A]	994.44	817.65
Less:		
Closing Stock		
Work-in-Process	151.06	103.83
Stock-in-trade	237.01	169.41
Finished Goods	879.64	721.20
Total [B]	1,267.71	994.44
Total [A-B]	(273.27)	(176.79)

23 Other Manufacturing Expenses

Other manufacturing expenses consists of the following: (Amount in ₹ in lacs)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Consumption of stores and spare parts	109.63	115.29
Power & Fuel	264.99	226.33
Repairs to buildings	20.63	10.13
Repairs to machinery	67.51	62.06
Duties & Taxes	74.43	42.56
Water gas & oil expense	155.78	119.97
Total	692.97	576.34

24 Employee Benefits Expenses

Employee benefits expenses consists of the following: (Amount in ₹ in lacs)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Salaries & Wages	1,883.13	1,719.44
Contribution to Provident & Other Funds	200.57	202.45
Staff Welfare Expenses	298.60	276.12
Total	2,382.30	2,198.01

25 Finance Costs

Finance costs consists of the following:

(Amount in ₹ in lacs)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Interest Expense	9.83	6.07
Other Finance Costs	5.76	6.80
Total	15.59	12.87

26 Other Expenses

a. Other expenses consists of the following:

(Amount in ₹ in lacs)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Rent*	55.56	52.77
Insurance	36.36	22.09
Rates and taxes	83.39	94.83
Net loss on foreign Currency translation & transactions	10.08	42.26
Transportation expense	598.05	492.14
Travelling & Conveyance expense	526.17	521.81
Sales promotion expense	1,252.50	1,308.18
Royalty & Brand fees	623.53	536.36
General Repairs	17.55	18.23
Post, Telegrams & Telephone Expenses	52.09	59.36
Directors' Commission	4.31	4.97
Provision for doubtful debt and guarantee	0.42	6.04
Legal & Professional Fees	85.63	80.90
R & D Expenses	4.90	6.46
Loss on Sale of Fixed Assets	0.29	3.39
Directors' Sitting Fee	2.40	2.60
Sundry balance write off	0.83	0.18
Miscellaneous expenses **	87.20	99.63
Total	3,441.26	3,352.20

*All Lease payments are recognized under the head "Rent".

** None of the item individually accounts for more than Rs. 1 lac or 1% of revenue whichever is higher.

b. Details of payment to auditors is classified as under:

(Amount in ₹ in lacs)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Payment to Auditors (excluding service tax)		
-As Auditor	2.80	2.55
-For Tax Audit	0.85	0.80
-For Other Services (Certification & Taxation)	6.15	6.25
-For Reimbursement of Expenses	0.55	0.69
Payment to Cost Auditors (excluding service tax)		
-As Auditor	0.90	0.90
-For Other Services (Certification)	0.22	-
-For Reimbursement of Expenses	0.19	0.08

27 Prior Period Items

Prior period items consists of the following:

(Amount in ₹ in lacs)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
[A] Prior Period Expenses		
Infrastructure cost to GIDC	-	15.56
Welfare expenses	-	0.12
Freight inward	-	0.13
Interest income	0.25	-
Legal and professional expenses	-	0.15
Total [A]	0.25	15.96
Less: [B] Prior Period Income		
Depreciation	2.55	-
Total [B]	2.55	-
Total [A-B]	(2.30)	15.96

- 28 a. Estimated amount of contracts remaining to be executed and not provided for (net of advances) is ₹ Nil (previous year ₹ Nil)
- b. The Company has entered into a contract for purchase of raw material from its supplier wherein there is a commitment to purchase a minimum quantity of material during financial year 2012-13 at agreed prices.

29 Contingent liabilities not provided for

Details of claims against the company not acknowledged as debts consists of the following:

(Amount in ₹ in lacs)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Disputed Excise/ Service Tax pending before Assessing / Appellate Authorities	40.55	-
Bank Guarantees	52.06	42.55
Income Tax	1,317.93	1,320.58
Sales Tax / VAT	284.84	156.63
Claims against the company not acknowledged as debts	63.00	46.03
Claims from employees and former employees	Amount unascertainable	Amount unascertainable

30 Dividend

The details of dividend distributed to the shareholders consists of the following:

(Amount in ₹ in lacs)

Particulars	As at March 31, 2013		As at March 31, 2012	
	Dividend per share ₹	Total Dividend	Dividend per share ₹	Total Dividend
To Equity shareholders				
- Proposed Dividend	2	150.00	2	150.00

31 Additional Details:

a. CIF value of Imports

(Amount in ₹ in lacs)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Raw Materials (including material in transit)	3,917.62	3,690.52
Total	3,917.62	3,690.52

b. Imported and Indigenous raw materials & stores & spares are classified as follows:

Particulars	For the year ended March 31, 2013		For the year ended March 31, 2012	
	%	(Amount in ₹ in lacs)	%	(Amount in ₹ in lacs)
Raw Materials				
Imported	33.69	4,326.47	29.22	3,080.22
Indigenous	66.31	8,515.52	70.78	7,460.62
Total	100.00	12,841.99	100.00	10,540.84
Stores & Spares				
Imported	0.71	0.78	0.00	-
Indigenous	99.29	108.85	100.00	115.29
Total	100.00	109.63	100.00	115.29

c. Details of earnings in foreign exchange is as follows:

(Amount in ₹ in lacs)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Exports - FOB	99.97	158.75
Freight	3.63	2.49

d. Details of expenditure in foreign currency paid or payable is as follows:

(Amount in ₹ in lacs)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Royalty (including Brand Fee) for current year (Net of Tax)	553.47	477.20
Foreign Travel	2.00	10.24
Foreign Bank charges	1.50	1.59
Communication Charges & others	6.62	9.55

e. Details of dividend remitted in foreign currency during the year is as follows:

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Remittance on account of Dividend for the year ended March 31, 2012 (Amount in ₹ in lacs)	87.08	-
Remittance on account of Dividend for the year ended March 31, 2011 (Amount in ₹ in lacs)	-	76.50
Number of Equity Share Holders (in Nos)	1	1
Number of shares held (in Nos)	4,354,144	3,825,000

32 Employee Benefits

a. Post employment benefits consists of the following:

i Defined contribution plans:

The Company makes contributions towards provident fund and superannuation fund to defined contribution retirement benefit plan for qualifying employees. The superannuation 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 ₹ 100.38 Lacs (previous year ₹ 104.96 Lacs) for provident fund contributions and ₹ 3.24 Lacs (previous year ₹ 4.46 Lacs) for superannuation contribution in the Statement of Profit and Loss.

ii **Defined benefit plan:**

The Company makes annual contributions to the Employees' gratuity fund scheme and leave encashment scheme of the Life Insurance Corporation of India, a funded defined benefit plan for qualifying employees. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for leave encashment is recognized in the same manner as gratuity.

b. **Reconciliation in Present value of obligations (PVO) defined benefit obligation:**

(Amount in ₹ in lacs)

Particulars	Gratuity (Funded)	
	For the year ended March 31, 2013	For the year ended March 31, 2012
Current Service Cost	26.39	25.32
Interest Cost	55.13	48.99
Actuarial (gain)/loss	19.55	1.00
Benefits paid	(33.32)	(21.57)
PVO at the beginning of the year	630.05	576.31
Present Value of Defined Benefit obligation at year end	697.79	630.05

c. **Change in fair value of Plan assets:**

(Amount in ₹ in lacs)

Particulars	Gratuity (Funded)	
	For the year ended March 31, 2013	For the year ended March 31, 2012
Expected return on plan assets	24.59	18.91
Actuarial gain/(loss)	1.41	1.67
Contributions by the employer	55.37	59.48
Benefits paid	(33.32)	(21.57)
Fair value of Plan assets at the beginning of the Year	280.99	222.50
Fair value of plan assets at end of year	395.67	280.99

d. **Reconciliation of PVO and fair value of Plan assets:**

(Amount in ₹ in lacs)

Particulars	Gratuity (Funded)	
	For the year ended March 31, 2013	For the year ended March 31, 2012
PVO at end of Period	697.79	630.05
Fair Value of planned assets at end of year	395.67	280.99
Liabilities recognized in Balance Sheet	302.13	349.06

e. **Net cost for the year ended:**

(Amount in ₹ in lacs)

Particulars	Gratuity (Funded)	
	For the year ended March 31, 2013	For the year ended March 31, 2012
Current Service Cost	26.39	25.32
Interest Cost	55.13	48.99
Expected return on plan assets	(24.59)	(18.91)
Actuarial (gain)/loss	18.15	(0.67)
Net cost	75.08	54.73

f. **Category of assets as at the year end:**

Particulars	Gratuity (Funded)	
	For the year ended March 31, 2013	For the year ended March 31, 2012
Insurer Managed Funds (100%)	100.00%	100.00%

g. Assumption used in accounting for the gratuity plan:

Particulars	Gratuity (Funded)	
	For the year ended March 31, 2013	For the year ended March 31, 2012
Mortality Table (LIC)	1994 - 96 (Ultimate)	1994 - 96 (Ultimate)
Discount rate (per annum)	8.00%	8.75%
Expected rate of return on plan assets (per annum)	8.00%	8.75%
Rate of escalation in salary (per annum)	4.50%	5.00%

h. Experience Adjustment:

(Amount in ₹ in lacs)

Particulars	Gratuity (Funded)		
	For the year ended March 31, 2013	For the year ended March 31, 2012	For the year ended March 31, 2011
On plan liabilities - Loss/(Gain)	10.39	73.06	1.85
On plan assets - Loss/(Gain)	(1.41)	(1.67)	(11.65)

In Absence of the availability of information relating to experience adjustment on plan liabilities and plan assets for the year ended March 31, 2010 and 2009, the same have not been furnished above.

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

The expected rate of return on plan assets is determined considering several applicable factors mainly, the composition of plan assets held, assessed risks, historical results of return on plan assets and the Company's policy for plan asset management.

33 Research & Development

Research & Development related expenses amounting to ₹ 118.81 Lacs (Previous year – ₹ 76.94 Lacs) have been debited to respective heads of Account. Additions to Fixed Assets include addition to Research & Development department ₹ NIL (Previous year – ₹ Nil).

34 Related Party Disclosures

a. Disclosures as required by Accounting Standard -18 are given below:

Name of Related Parties	Nature of Relationship
Panasonic Corporation	Holding company
Panasonic Carbon India Co. Ltd.	Joint Venture of Holding Company
P.T. Panasonic Gobel Battery Indonesia	Joint Venture of Holding Company
P.T. Panasonic Gobel Energy Indonesia	Joint Venture of Holding Company
Panasonic Trading Asia	Joint Venture of Holding Company
Panasonic Asia Pacific Pte. Ltd.	Joint Venture of Holding Company
Panasonic Energy Tanzania Co. Ltd.	Joint Venture of Holding Company
Panasonic Energy Thailand Co. Ltd.	Joint Venture of Holding Company
Panasonic Energy Poland S.A.	Joint Venture of Holding Company
Panasonic AVC Networks India Co. Ltd.	Joint Venture of Holding Company
Panasonic Manufacturing Malaysia Berhad	Joint Venture of Holding Company
Panasonic Peruana S.A.	Joint Venture of Holding Company
Panasonic India Pvt. Ltd.	Joint Venture of Holding Company
Panasonic Sales & Services P. Ltd.	Joint Venture of Holding Company
Panasonic Excel International Co. Ltd.	Joint Venture of Holding Company
Panasonic Battery Tanzania Co. Ltd.	Joint Venture of Holding Company
Panasonic Procurement Asia Pacific	Joint Venture of Holding Company
Sanyo Energy (S) Corp. Pte. Ltd.	Joint Venture of Holding Company
Nippo Batteries Co. Ltd. (upto July 31, 2012)	Joint Venture of Holding Company
Mr. Ajai K. Lakhanpal (upto June 30, 2012)	Key Management personnel
Mr. S. K. Khurana	Key Management personnel

b. The following transactions were carried out with the Related Parties in ordinary course of business during the year.

(Amount in ₹ in lacs)

Nature of Transaction	Holding Company	Joint venture of Holding Company	Key Management Personnel	Total
Export of Spare parts	-	44.37	-	44.37
	-	(55.47)	-	(55.47)
Dividend Paid	87.08	-	-	87.08
	(76.50)	-	-	(76.50)
Royalty (Including Brand Use Fee)	623.53	-	-	623.53
	(536.36)	-	-	(536.36)
Communication charges	2.07	9.10	-	11.16
	(9.55)	-	-	(9.55)
Purchase - Carbon Rods	-	890.44	-	890.44
	-	(755.10)	-	(755.10)
Export of Raw Material	-	55.60	-	55.60
	-	(103.28)	-	(103.28)
Import of Raw Material	-	79.56	-	79.56
	(711.34)	(163.34)	-	(874.68)
Payment made by company on behalf of	16.50	3.68	-	20.17
	(34.78)	(2.09)	-	(36.87)
Expenses incurred on behalf of company by	-	1.13	-	1.13
	(3.87)	-	-	(3.87)
Import of Appliances/Parts	-	41.06	-	41.06
	(62.96)	-	-	(62.96)
Purchase of CFL	-	190.56	-	190.56
	-	(107.16)	-	(107.16)
Purchase of Eneloop Battery	-	138.88	-	138.88
	-	-	-	-
Sales Promotion Expenses Reimbursement	-	3.28	-	3.28
	-	-	-	-
Sale of Dry Cell	-	777.68	-	777.68
	-	(457.99)	-	(457.99)
Non Compete Fees	-	-	150.00	150.00
	-	-	-	-
Purchase of Brand Building Articles	-	-	-	-
	-	(13.56)	-	(13.56)
Remuneration to Whole-time Directors (including commission, if applicable)	-	-	55.60	55.60
	-	-	(86.72)	(86.72)
Balance as on 31 st March Receivables	2.27	39.47	-	41.74
	(11.12)	(172.36)	-	(183.48)
Payables	0.45	40.91	1.48	42.84
	-	(22.04)	(3.87)	(25.91)

(Previous year figures are in brackets)

Panasonic Energy India Co. Ltd.

GIDC, Makarpura, Vadodara - 390 010, Gujarat - INDIA.

ATTENDANCE SLIP

NAME OF THE SHAREHOLDER:			
FOR PHYSICAL HOLDING	FOR ELECTRONIC FORM (DEMAT)		NO. OF SHARES
LF NO.	DP ID	CLIENT ID	

I hereby record my presence at the 41ST ANNUAL GENERAL MEETING, held at C. C. Mehta Auditorium, M. S. University, Sayajigunj, Vadodara - 390 002 on TUESDAY, JULY 23, 2013 at 10:00 a.m. as a Shareholder/Proxy*.

*NAME OF PROXY IN BLOCK LETTERS

*SIGNATURE OF THE SHAREHOLDER/PROXY

Notes:

1. Shareholder/Proxy holder wishing to attend the meeting must bring duly signed attendance slip to the meeting and hand over the same at the entrance.
2. Shareholder/Proxy holder desiring to attend the meeting should carry his copy of the Annual Report for reference at the meeting.

Panasonic Energy India Co. Ltd.

GIDC, Makarpura, Vadodara - 390 010, Gujarat - INDIA.

PROXY

NAME OF THE SHAREHOLDER:			
FOR PHYSICAL HOLDING	FOR ELECTRONIC FORM (DEMAT)		NO. OF SHARES
LF NO.	DP ID	CLIENT ID	

I/We, _____ of _____ being a Member/Members of Panasonic Energy India Co. Ltd. hereby appoint _____ of _____ or failing him _____ of _____ as my/our Proxy to vote for me/us and on my/our behalf at the 41ST ANNUAL GENERAL MEETING, held at C. C. Mehta Auditorium, M. S. University, Sayajigunj, Vadodara - 390 002 on TUESDAY, JULY 23, 2013 at 10:00 a.m. and at any adjournment thereof.

Signed this day of June / July 2013.

Date of Receipt June / July 2013.

Signature.....

Affix
Re. 1/-
Revenue
Stamp

(For office use only)

N.B. Proxies to be valid must be deposited at the Registered Office of the Company not later than 48 hours before the time for holding the meeting.

TORCH RANGE

ECONOMY RANGE



**NOVINO SAINIK
BF-ET302**

- MRP Rs. 70/-
- Impact resistance ABS plastic
 - Easy on/off rotator switch



**NOVINO ROSHNI
BF-ET307**

- MRP Rs. 75/-
- High focused lens with pointed beam
 - Shock proof - tough body
 - Energy efficient



**NOVINO SMARTLITE
BF-ET313**

- MRP Rs. 80/-
- Easy on/off switch
 - Smart sleek look
 - Strong durable ABS plastic body



**NOVINO SITARA
BF-ET306**

- MRP Rs. 85/-
- Easy switch for on/off operation
 - Weather proof and Impact resistance ABS plastic body

MEDIUM RANGE



**NOVINO SUPERLITE
BF-ET304**

- MRP Rs. 110/-
- Shock proof torch strong body
 - High quality ABS plastic



**NOVINO KIRAN
BF-ET312**

- MRP Rs. 115/-
- Diamond cut reflector
 - Focused white light
 - 12 times brighter than normal bulbs
 - Strong durable plastic body



**NOVINO GLOWLITE
BF-ET305**

- MRP Rs. 120/-
- Full radium-easy to search in dark
 - Strong body



**NOVINO HUMDUM
BF-ET308**

- MRP Rs. 120/-
- Aerodynamic shape
 - Sturdy easy on/off switch
 - Weather resistant
 - High quality ABS plastic

HIGH RANGE



**NOVINO BEAM
BF-ET303**

- MRP Rs. 125/-
- Bright half watt LED
 - Night glow radium switch



**NOVINO SURYA
BF-ET309**

- MRP Rs. 125/-
- Sturdy tik-tok switch
 - Better grip
 - Attractive back cap
 - Weather resistant
 - High quality ABS plastic



**NOVINO POWERLITE
BF-ET310**

- MRP Rs. 170/-
- Attractive design
 - Diamond cut reflector for more light
 - Back loading batteries
 - Battery life 80+ hours



**NOVINO VIRAT
BF-ET311**

- MRP Rs. 175/-
- One watt bright white LED
 - Focused white light
 - Strong durable ABS plastic body
 - 12 times brighter light than ordinary LED
 - Battery life 50+ hours



**NOVINO DUMDAAR
BF-ET314**

- MRP Rs. 180/-
- One watt bright white LED
 - Focused white light
 - Strong durable ABS plastic body
 - 12 times brighter light than ordinary LED
 - Battery life 50+ hours

Book - Post



To,



If undelivered, Please return to:

Panasonic Energy India Co.Ltd.

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



Panasonic

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