

**Panasonic**

**48<sup>th</sup>**

**Annual Report  
2019-2020**

**Panasonic Energy India Co. Ltd.**

# Panasonic Energy India Co. Ltd.

CIN : L31400GJ1972PLC002091

## Corporate Information

### BOARD OF DIRECTORS

#### CHAIRMAN & MANAGING DIRECTOR

Mr. Tadasuke Hosoya (w.e.f. 01-04-2020)

#### DIRECTORS

Ms. Geeta Goradia

Mr. Mayur Swadia

Mr. Atul Dalmia

Mr. Mikio Morikawa

Mr. Hideyuki Okunaga (w.e.f. 01-06-2019)

#### CHIEF FINANCIAL OFFICER

Mr. Anjan Shah

#### COMPANY SECRETARY

Ms. Susheela Maheshwari

#### AUDITORS

M/s. B S R & Associates LLP

Chartered Accountants, Ahmedabad

#### BANKERS

State Bank of India

MUFG Bank Ltd.

#### REGISTRAR & SHARE TRANSFER AGENT

Link Intime India Pvt Ltd.

B-102 & 103, Shangrila Complex,

First Floor, Opp. HDFC Bank,

Near Radhakrishna Char Rasta,

Akota, Vadodara - 390 020,

Gujarat, India.

#### DATE OF LISTING ON BSE

May 02, 1973

#### REGISTERED OFFICE

GIDC, Makarpura,

Vadodara – 390 010, Gujarat – India.

#### WORKS

1. GIDC, Makarpura,

Vadodara – 390 010, Gujarat – India.

2. Plot No. 112, Sector III,

Pithampur Industrial Area,

Dist. Dhar – 454 774,

Madhya Pradesh – India.

**48<sup>th</sup> Annual General Meeting** of the Company is scheduled to be held through Video Conferencing on **Tuesday, September 15, 2020 at 10:00 a.m. at the Registered office of the Company**

As per circular from Ministry of Corporate Affairs, the physical copy of Annual Report will not be sent to the shareholders. Shareholders will receive the Annual Report only through e-mail registered with the Company.

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**NOTICE** is hereby given that the **48<sup>th</sup> ANNUAL GENERAL MEETING** of the Members of Panasonic Energy India Co. Ltd. will be held on Tuesday, September 15, 2020, at 10.00 a.m. through Video Conferencing / Other Audio Visual Means for which purpose the Registered Office of the Company situated at GIDC, Makarpura, Vadodara, 390 010-Gujarat shall be the venue for the Meeting and the proceedings of the Annual General Meeting shall be deemed to be made thereat, to transact the following businesses:

## **ORDINARY BUSINESS**

1. To consider and adopt the Financial Statements of the Company for the financial year ended March 31, 2020 and the Reports of the Board of Directors and the Auditors thereon.
2. To declare dividend on equity shares for the year ended March 31, 2020.
3. To appoint a Director in place of Mr. Mikio Morikawa (DIN 02611904), who retires by rotation and being eligible, offers himself for re-appointment.

## **SPECIAL BUSINESS**

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

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

**“RESOLVED THAT** pursuant to the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the consent of the Company be and is hereby accorded for the payment of remuneration of ₹1,25,000/- (Rupees one lakh twenty five thousand only) plus applicable taxes and reimbursement of out of pocket expenses incurred, to M/s. Diwanji & Co., Cost Accountants, Vadodara (Firm Registration No. 000339) appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year 2020-21.”

### **5. Payment of commission to Non-Executive Directors of the Company**

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

**“RESOLVED THAT** pursuant to the provisions of Section 197 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and Regulation 17(6) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a sum not exceeding one percent (1%) per annum of the net profits of the Company calculated in accordance with the provisions of Section 198 of the Companies Act, 2013, be paid to and distributed amongst the Directors of the Company, or some or any of them (other than the Managing Director and Executive Directors), in such amounts or proportions, as may be determined by the Board of Directors and in default of such determination equally such payments shall be made in respect of the profits of the Company for each year, for a period of five years, commencing from April 01, 2020 and ending on March 31, 2025.”

### **6. Appointment of Mr. Tadasuke Hosoya as Chairman & Managing Director**

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

**“RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198, 203 and any other applicable provisions of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule V of the Companies Act, 2013 and Regulation 17(6) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the consent of the Members be and is hereby accorded to the appointment of Mr. Tadasuke Hosoya (DIN 08232012) as Chairman & Managing Director for a period of two (2) years effective from April 01, 2020 up to March 31, 2022 on such terms and conditions as set out in the draft agreement to be entered into between the Company on one part and Mr. Hosoya on the other part the details of which are given in the explanatory statement in respect of this item of the Notice.”

## NOTES

1. In view of the continuing pandemic, the Ministry of Corporate Affairs (MCA) vide its General Circular No. 20/2020 dated May 05, 2020 read with General Circular No. 14/2020 dated April 08, 2020 and General Circular No. 17/2020 dated April 13, 2020 and other applicable circulars and Securities and Exchange Board of India (SEBI) Circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, permitted the companies to conduct Annual General Meeting (AGM) during the calendar year 2020 through Video Conferencing (VC) or Other Audio Visual Means (OAVM) without physical presence of Members at the Registered Office of the Company.  
  
In accordance with the said circulars of MCA, SEBI and applicable provisions of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 (hereinafter referred as "Listing Regulations"), the 48<sup>th</sup> AGM of our Company shall be conducted through Video Conferencing.
2. In compliance with the General Circular No. 20/2020 dated May 05, 2020 issued by MCA and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 issued by SEBI, owing to the difficulties involved in dispatching of physical copies of the financial statements (including Report of Board of Directors, Auditor's report or other documents required to be attached therewith), such statements including the Notice of AGM are being sent in electronic mode to Members whose e-mail address is registered with the Company or the Depository Participant(s). Members may note that the Notice and Annual Report will also be available on the Company's website [www.panasonicenergyindia.in](http://www.panasonicenergyindia.in), website of stock exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and on the website of Company's Registrar & Share Transfer Agents; LinkIntime India Pvt. Ltd. [www.linkintime.co.in](http://www.linkintime.co.in)
3. As per the provisions of the Companies Act, 2013, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his / her behalf and a proxy need not be a Member of the Company. **Members may kindly note that since the AGM is being held through VC / OAVM, physical attendance of members has been dispensed with, hence the facility for appointment of proxies will not be available to the Members for attending the 48<sup>th</sup> AGM. Accordingly, the Proxy form and attendance slip are not annexed to this Notice.**
4. Institutional / Corporate shareholders (i.e. other than individual, HUF, NRI, etc.) are required to send a scanned copy (pdf / jpg format) of its Board resolution authorizing its representatives to attend and vote at the AGM, pursuant to Section 113 of the Companies Act, 2013 at [company.secretary@in.panasonic.com](mailto:company.secretary@in.panasonic.com)
5. The attendance of the Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
6. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this notice.
7. The recorded transcript of the forthcoming AGM on September 15, 2020, shall also be made available on the website of the Company [www.panasonicenergyindia.in](http://www.panasonicenergyindia.in) as soon as possible after the Meeting is over.
8. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, September 09, 2020 to Tuesday, September 15, 2020 (both days inclusive) for the purpose of determining payment of dividend.
9. Notes given in the Notice to the extent applicable also forms part of Explanatory Statement.
10. All the documents referred to in the accompanying Notice and Explanatory Statements, shall be available for inspection through electronic mode from the date of circulation of notice till the date of AGM. Members seeking to inspect such documents can send an email to [company.secretary@in.panasonic.com](mailto:company.secretary@in.panasonic.com)
11. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Companies Act, 2013 will be available electronically for inspection by the Members during the AGM. Members seeking to inspect such documents can send an email to [company.secretary@in.panasonic.com](mailto:company.secretary@in.panasonic.com)
12. Members seeking any information or clarification with regard to the accounts are requested to write to the Company atleast TEN days in advance of meeting so that the required information can be readily available in the Meeting.
13. The relevant information of the Directors seeking re-appointment, as required under Regulation 36(3) of the Listing Regulations read with revised Secretarial Standard-2 (SS-2) on General Meetings, is provided in section relating to the Corporate Governance. Requisite declarations have been received from the Directors for seeking re-appointment.
14. Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 in respect of Item No. 4-6 of the accompanying Notice is annexed hereto.



15. Dividend on Equity Shares as recommended by the Directors, if declared at this AGM, will be paid within a period of 30 days from the date of declaration to those Members whose names appear on the Company's Register of Members at the close of business on September 15, 2020.
16. Members holding shares in demat form are hereby informed that bank particulars registered with their respective Depository Participants, with whom they maintain their demat accounts, will be used by the Company for the payment of dividend. The Company or its Registrar & Share Transfer Agents cannot act on any request received directly from the Members holding shares in demat form for any change of bank particulars. Such changes are to be intimated only to the Depository Participant(s) of the Members. Members holding shares in demat form are requested to intimate any change in their address and / or bank mandate immediately to their Depository Participants.
17. Members holding shares in physical form are requested to intimate any change of address and / or bank mandate to Link Intime India Pvt. Ltd., Registrar & Share Transfer Agents of the Company requesting an e-mail at [vadodara@linkintime.co.in](mailto:vadodara@linkintime.co.in). In case, the Company is unable to pay the dividend to any shareholder by the electronic mode, due to non-availability of the details of the bank account, the Company shall upon normalization of the postal services, dispatch the dividend warrant to such shareholder by post.
18. Shareholders are advised to encash their dividend warrants for the proposed Dividend for financial year 2019-20, if declared, within the validity period. Thereafter, the shareholders will have to request the Company for issuing fresh / revalidated dividend warrants by writing to the Company along with their bank details.
19. 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. In absence of availability of NECS facility, the dividend will be paid through warrants and the bank details as furnished by the respective Depositories to the Company will be printed on their dividend warrants as per the applicable regulations.
  - b) In respect of shares held in physical form, Members desirous of receiving dividend by way of direct credit to their bank accounts through NECS may authorize the Company with their NECS mandate. The shareholders desirous of obtaining the NECS mandate may download it from the website of the Company at [www.panasonicenergyindia.in](http://www.panasonicenergyindia.in) or may write to the Company Secretary at the registered office of the Company.

20. **Unclaimed dividend**

The Company has transferred the unclaimed dividend for the financial year 2011-12 to the Investor Education and Protection Fund (IEPF) established by the Central Government. No claims shall be entertained against the Company for the amounts so transferred. Members who have not encashed dividend warrant(s) for the subsequent years are requested to contact Company Secretary at the registered office of the Company, for seeking issue of duplicate warrant(s). The details of the unpaid / unclaimed dividend as on September 10, 2019 (the date of previous Annual General Meeting) are available on the Company's website viz., [www.panasonicenergyindia.in](http://www.panasonicenergyindia.in) and on the website of Ministry of Corporate Affairs at [www.mca.gov.in](http://www.mca.gov.in)

In case the Dividend has remained unclaimed in respect of previous financial years, the shareholders are advised to approach the Company or the Registrar & Share Transfer Agents of the Company.

21. As per Section 124(6) of the Companies Act, 2013 read with the IEPF Rules as amended, all the shares in respect of which dividend has remained unpaid / unclaimed for seven consecutive years or more have been transferred to the IEPF Account.
22. In the event of transfer of shares and the unclaimed dividends to IEPF, members are entitled to claim the same from IEPF by submitting an online application in the prescribed Form IEPF-5 available on the website [www.iepf.gov.in](http://www.iepf.gov.in) and sending a duly signed physical copy of the same to the Company along with the requisite documents enumerated in the Form IEPF-5.
23. SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are required to submit their PAN to their Depository Participants and Members holding shares in physical form shall submit their PAN to Link Intime India Pvt. Ltd., Vadodara (Company's Registrar & Share Transfer Agents) or to the Company Secretary at the registered office of the Company.
24. As per Regulation 40 of Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 01, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical

shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their holdings to dematerialized form.

25. Pursuant to Finance Act 2020, dividend income will be taxable to the shareholders w.e.f. April 01, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with the Company / Link Intime India Pvt. Ltd. (in case of shares held in physical mode) and depositories (in case of shares held in demat mode). A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G / 15H, to avail the benefit of non-deduction of tax at source by visiting on the Company's Registrar & Share Transfer Agents, Link Intime India Pvt. Ltd. at <https://linkintime.co.in/formsreg/submission-of-form-15g-15h.html> latest by 5:00 p.m. IST on September 08, 2020.

Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%. Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by visiting on the Company's Registrar & Share Transfer Agents, Link Intime India Pvt. Ltd. at <https://linkintime.co.in/formsreg/submission-of-form-15g-15h.html> latest by 5:00 p.m. IST on September 08, 2020.

26. In view of the circular issued by SEBI dated April 20, 2018 ref: SEBI/HO/MIRSD/DOP1/CIR/P/2018/73, it is also mandatory to provide the Bank Mandate (Beneficiary Bank name and Beneficiary Account Number) on the face of the Warrant / DD.
27. Members holding shares in physical mode and who have not updated their email addresses with the Company are requested to update their email addresses by visiting on the website of Company's Registrar & Share Transfer Agents, M/s. Link Intime India Pvt. Ltd. at [https://linkintime.co.in/EmailReg/Email\\_Register.html](https://linkintime.co.in/EmailReg/Email_Register.html) and upload the documents required therein.
28. Members are requested to notify immediately:
- Any change in their residential address.
  - Income-tax Permanent Account Number (PAN).
  - Bank details - Name and address of the bank; A/c No.; type of A/c.
29. Members holding shares in physical form and wishing to avail of the nomination facility, are requested to send the duly filled in nomination form (Form SH-13) to Company's Registrar & Share Transfer Agents or to the Company Secretary at the registered office of the Company.
30. Members holding shares in more than one folio in the same order of name(s) are requested to send the details of their folios along with the share certificates so as to enable the Company to consolidate their holdings into one folio.
31. The Company has created an exclusive e-mail Id: [company.secretary@in.panasonic.com](mailto:company.secretary@in.panasonic.com) for quick redressal of shareholders / investors grievances.
32. **Instructions for Shareholders / Members to attend the Annual General Meeting through InstaMeet (VC / OAVM) are as under:**

- Shareholders / Members are entitled to attend the Annual General Meeting through VC / OAVM provided by Link In time by following the below mentioned process. Members can log in and join 30 (thirty) minutes prior to the schedule time of the meeting and window for joining shall be kept open till the expiry of 30 (thirty) minutes after the schedule time. Participation is restricted upto 1000 members only and will be available to the Members on first-come-first serve basis.
- Shareholders / Members are requested to participate on first-come-first serve basis as participation through VC/ OAVM is limited and will be closed on expiry of 30 (thirty) minutes from the scheduled time of the Annual General Meeting. Shareholders / Members with >2% shareholding, Promoters, Institutional Investors, Directors, KMPs, Chair Persons of Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Auditors etc. may be allowed to the meeting without restrictions of first-come-first serve basis.
- Shareholders / Members will be provided with InstaMeet facility wherein Shareholders / Members shall register their details and attend the Annual General Meeting as under:

## Panasonic Energy India Co. Ltd.

Please refer the instructions (annexure) for the software requirements and kindly ensure to install the same on the device which would be used to attend the meeting. Please read the instructions carefully and participate in the meeting. You may also call upon the InstaMeet Support Desk for any support on the dedicated number provided to you in the instruction / InstaMeet website.

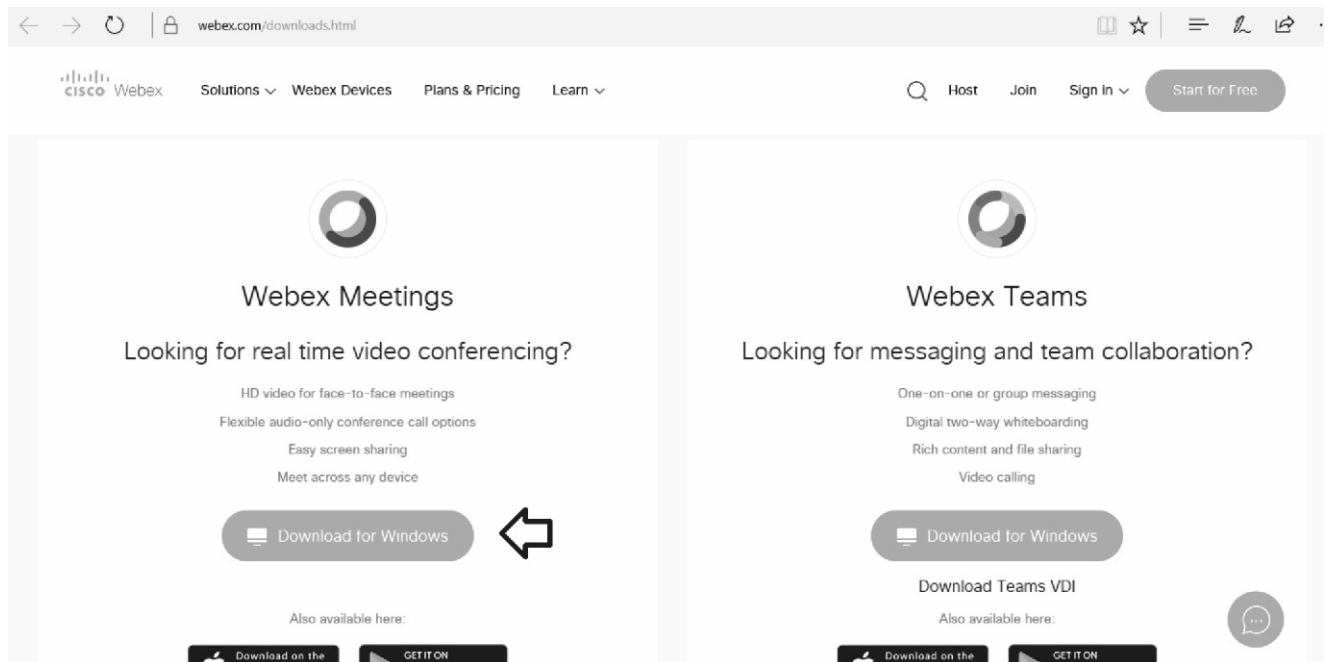
Step 1	Open the internet browser and launch the URL for InstaMeet: <a href="https://instameet.linkintime.co.in">https://instameet.linkintime.co.in</a>	
Step 2	Register with your following details:	
	<b>Demat Account No. or Folio No.</b>	<b>Members holding shares in:-</b>
		<b>CDSL :-</b> 16 Digit Beneficiary ID
		<b>NSDL :-</b> 8 Character DP ID followed by 8 Digit Client ID
		<b>PHYSICAL :-</b> Folio Number registered with the Company
	<b>PAN :-</b> Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP) / Company shall use the sequence number provided to you, if applicable. <b>Mobile No. :-</b> Enter your mobile number <b>Email ID :-</b> Enter your email id, as recorded with your DP / Company.	
Step 3	Click "Go to Meeting" (You are now registered for InstaMeet and your attendance is marked for the meeting).	

### ANNEXURE

#### Guidelines to attend the AGM proceedings of Link Intime India Pvt. Ltd.

For a smooth experience of viewing the AGM proceedings of Link Intime India Pvt. Ltd. InstaMeet, shareholders / members who are registered as speakers for the event are requested to download and install the Webex application in advance by following the instructions as under:

- a) Please download and install the Webex application by clicking on the link <http://www.webex.com/downloads.html/>



Notice to Members

OR

- b) If you do not want to download and install the Webex application, you may join the meeting by following the process mentioned as under:



<b>Step 1</b>	<b>Enter your First Name, Last Name and Email ID and click on Join Now.</b>
1 (A)	If you have already installed the Webex application on your device, join the meeting by clicking on Join Now
1 (B)	If Webex application is not installed, a new page will appear giving you an option to either Add Webex to chrome or Run a temporary application.  <u>Click on Run a temporary application. an exe file will be downloaded. Click on this exe file to run the application and join the meeting by clicking on Join Now</u>



Event Information:

Event status:  
Date and time:  
Duration:  
Description:

By joining this event, you are accepting the Cisco Webex [Terms of Service](#) and [Privacy Statement](#).

Join Event Now

You cannot join the event now because it has not started.

First name:   
 Last name:   
 Email address:   
 Event password:

← Mention your First name, Last name and email address

←  
 Join by browser NEW!

If you are the host, start your event.

English - Mumbai Time



Solutions ▾ Webex Devices Plans & Pricing Learn ▾

Host Join Sign in ▾ Start for Free



**Step 1**  
Double-click the webexapp.msi file you downloaded



**Step 2**  
The Webex Meetings setup wizard will launch. Follow the instructions to set up.



**Step 3**  
Once installed the app will launch automatically.

To open the app double-click the Webex Meetings icon on your desktop.



Solutions ▾ Webex Devices Plans & Pricing Learn ▾

Host Join Sign in ▾ Start for Free



**Step 1**  
Double-click the webexapp.msi file downloaded



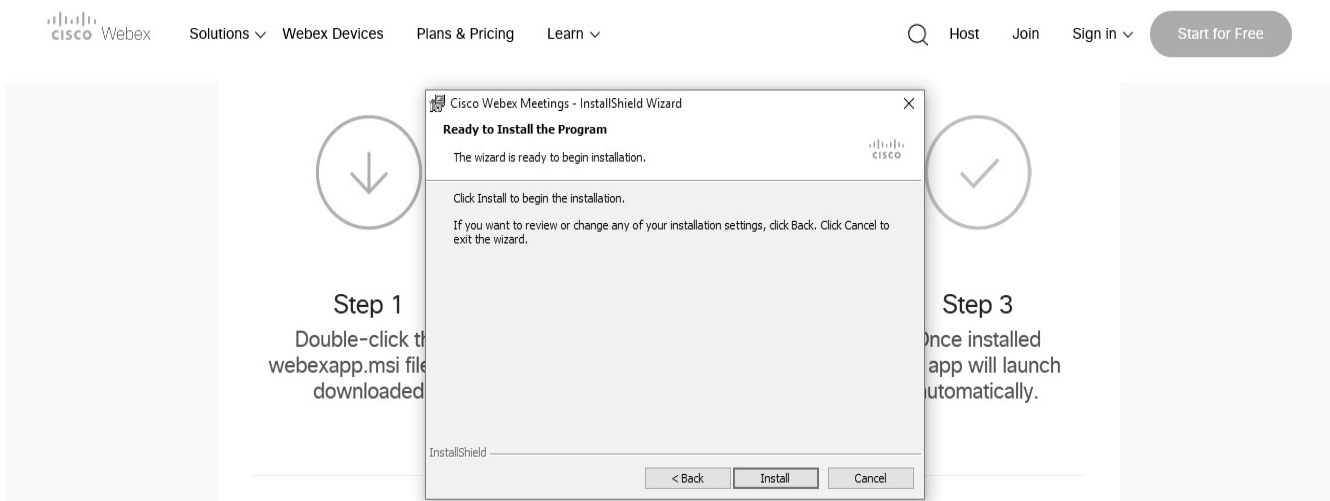
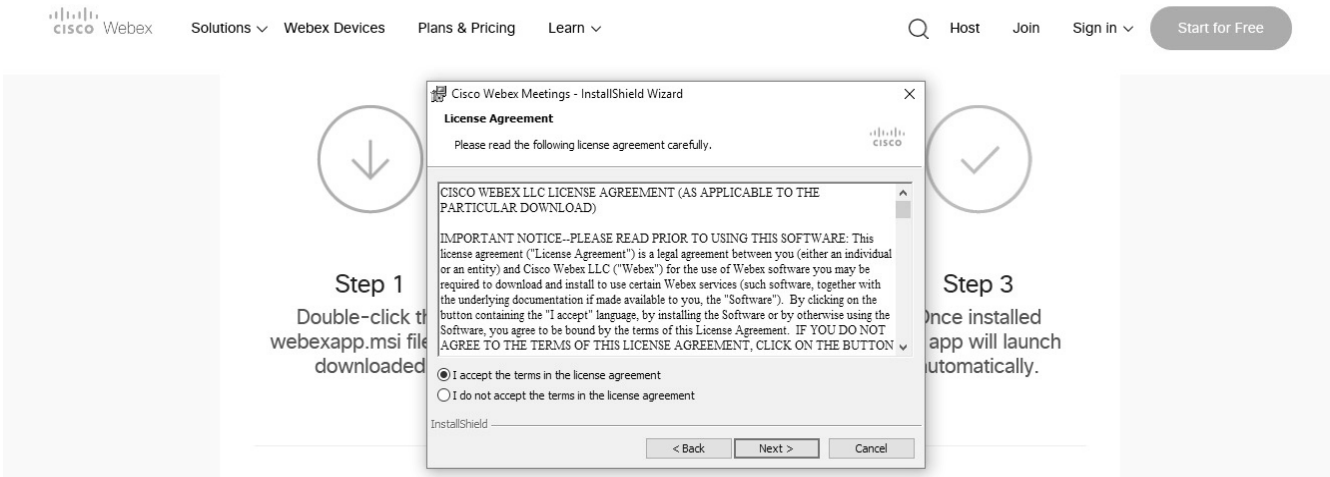
**Step 3**  
Once installed app will launch automatically.

To open the app double-click the Webex Meetings icon on your

Notice to Members







**General Guidelines for VC / OAVM participation: -**

- a) Shareholders / Members are encouraged to join the Meeting through Tablets / Laptops connected through broadband for better experience.
- b) Shareholders / Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.
- c) Please note that Shareholders / Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio / Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
- d) The Company reserves the right to limit the number of members asking the questions depending on the availability of the time at the AGM.
- e) The facility of joining the AGM through VC / OAVM will be opened 30 minutes before the scheduled start-time of the AGM and will be available for the members on a first-come-first-served basis.

In case the Shareholders / Members have any queries or issues regarding e-voting, you can write an email to [instameet@linkintime.co.in](mailto:instameet@linkintime.co.in) or Call us: - Tel : ( 022-49186175 )

**InstaMeet Support Desk**

**Link Intime India Pvt. Ltd.**

**33. Instructions for remote e-voting**

**Please refer EVENT Number: 200144**

Pursuant to provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of the Listing Regulations, the Company is providing facility of 'remote e-voting' (e-voting from a place other than at the Annual General Meeting) to its Members to exercise their right to vote at the AGM. For this purpose, the Company has entered into an agreement with Link Intime India Pvt. Ltd. for facilitating voting through electronic means. The facility of

casting votes by a Member using remote e-voting system as well as e-voting on the day of AGM will be provided by Link Intime India Pvt. Ltd.

### VOTING PERIOD

The voting period begins on September 12, 2020 at 09:00 a.m. and ends on September 14, 2020 at 5:00 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on September 09, 2020 (cut-off date) may cast their vote electronically. The e-voting module shall be disabled for voting thereafter.

The Members attending the meeting, who have not already cast their vote through remote e-voting shall be able to exercise their voting rights at the meeting. The Members who have already cast their vote through remote e-voting may attend the meeting but shall not be entitled to cast their vote again at the AGM.

1. Open the internet browser and launch the URL: <https://instavote.linkintime.co.in>

Those who are first time users of LIPL e-voting platform or holding shares in physical mode have to mandatorily generate their own Password, as under:

► Click on “Sign Up” under 'SHARE HOLDER' tab and register with your following details: -

- A. User ID: Enter your User ID

Shareholders / Members holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID

Shareholders / Members holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID

Shareholders / Members holding shares in physical form shall provide Event No + Folio Number registered with the Company

- B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP) / Company shall use the sequence number provided to you, if applicable.

- C. DOB / DOI: Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)

- D. Bank Account Number: Enter your Bank Account Number (last four digits), as recorded with your DP / Company.

- Shareholders / Members holding shares in CDSL demat account shall provide either 'C' or 'D', above
- Shareholders / Members holding shares in NSDL demat account shall provide 'D', above
- Shareholders / Members holding shares in physical form but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above.

Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#\$%&\*), at least one numeral, at least one alphabet and at least one capital letter).

► Click “confirm” (Your password is now generated).

NOTE: If Shareholders / Members are holding shares in demat form and have registered on to e-voting system of LIPL: <https://instavote.linkintime.co.in> and / or voted on an earlier event of any company then they can use their existing password to login.

2. Click on 'Login' under 'SHARE HOLDER' tab.
3. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on 'Submit'.
4. After successful login, you will be able to see the notification for e-voting. Select 'View' icon.
5. E-voting page will appear.
6. Refer the Resolution description and cast your vote by selecting your desired option 'Favour / Against' (If you wish to view the entire Resolution details, click on the 'View Resolution' file link).
7. After selecting the desired option i.e. Favour / Against, click on 'Submit'. A confirmation box will be displayed. If you wish to confirm your vote, click on 'Yes', else to change your vote, click on 'No' and accordingly modify your vote.
8. Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIPL at <https://instavote.linkintime.co.in> and register themselves as 'Custodian / Mutual Fund / Corporate Body'. They are also required to upload a scanned certified true copy of the board resolution / authority letter / power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the Custodian / Mutual Fund / Corporate Body' login for the Scrutinizer to verify the same.

If you have forgotten the password:

- Click on 'Login' under 'SHARE HOLDER' tab and further Click 'forgot password?'
- Enter User ID, select Mode and Enter Image Verification (CAPTCHA) Code and Click on 'Submit'.
- In case Shareholders / Members is having valid email address, Password will be sent to his / her registered e-mail address.
- Shareholders / Members can set the password of his / her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB / DOI, Bank Account Number (last four digits) etc. as mentioned above.
- The password should contain minimum 8 characters, at least one special character (@!#\$%^), at least one numeral, at least one alphabet and at least one capital letter.
- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

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

During the voting period, Shareholders / Members can login any number of time till they have voted on the resolution(s) for a particular "Event".

Shareholders / Members holding multiple folios / demat account shall choose the voting process separately for each of the folios/demat account.

In case Shareholders / Members have any queries regarding e-voting, they may refer the Frequently Asked Questions ('FAQs') and InstaVote e-Voting manual available at <https://instavote.linkintime.co.in>, under Help section or send an email to [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in) or contact on: - Tel: 022-4918 6000.

### InstaVote Support Desk

### Link Intime India Pvt. Ltd.

#### 34. **Instructions for e-voting during the Annual General Meeting:**

Once the electronic voting is activated by the scrutinizer during the meeting, Shareholders / Members who have not exercised their vote through the remote e-voting can cast the vote as under:

1. On the Shareholders VC page, click on the link for e-Voting "Cast your vote".
2. Enter Demat Account No. / Folio No. and OTP (received on the registered mobile number / registered email id) received during registration for InstaMeet and click on 'Submit'.
3. After successful login, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.
4. Cast your vote by selecting appropriate option i.e. "Favour / Against" as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour / Against'
5. After selecting the appropriate option i.e. Favour / Against as desired and you have decided to vote, click on "Save". A confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote.
6. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

The Board has appointed Mr. Vijay Bhatt, Practicing Company Secretary (Membership No. F4900, COP No. 2265), as Scrutinizer for conducting the e-voting process in accordance with the law and in a fair and transparent manner.

The Scrutinizer shall immediately after the conclusion of voting at the AGM, unblock the votes cast through remote e-voting and e-voting on the date of the AGM, in the presence of at least two witnesses not in the employment of the Company and make, not later than 48 hours of the conclusion of the Meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, forthwith to the Chairman of the Company or any person authorized by him in writing and the Results shall be declared by the Chairman or any person authorized by him thereafter.

The Results declared along with the Scrutinizer's Report shall be placed on the website of the Company [www.panasonicenergyindia.in.com](http://www.panasonicenergyindia.in.com) and on the website of Link Intime India Pvt. Ltd. immediately after the declaration of Result by the Chairman or any person authorized by him in writing. The results shall also be forwarded to the stock exchanges where the shares of Company are listed.

**35. Instructions for Shareholders / Members to register themselves as Speakers during Annual General Meeting:**

Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID / folio number, PAN, mobile number at [company.secretary@in.panasonic.com](mailto:company.secretary@in.panasonic.com) from September 03, 2020 (9:00 a.m. IST) to September 09, 2020 (5:00 p.m. IST). Those Members who have registered themselves as a speaker will only be allowed to express their views / ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

**ANNEXURE TO NOTICE**

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

**ITEM NO. 4**

The Board of Directors of the Company, on the recommendation of the Audit Committee, approved the appointment and remuneration of M/s. Diwanji & Co., Cost Accountants, to conduct the audit of the cost records of the Company for the financial year ending on March 31, 2021.

In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a)(ii) of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is to be ratified by the Members of the Company. Accordingly, the Members are requested to ratify the remuneration payable to the Cost Auditors for the financial year 2020-21 as set out in the Resolution for the aforesaid services to be rendered by them.

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

None of the Directors, Key Managerial Personnel and relatives thereof has any concern or interest, financial or otherwise in the resolution at the Item no. 4 of this Notice.

**ITEM NO. 5**

The Members had, at the Annual General Meeting of the Company held on July 24, 2015, passed an Ordinary Resolution under Section 197 of the Companies Act, 2013, and approved the payment of commission to Non-Executive Directors of the Company, of a sum not exceeding one percent (1%) per annum of the net profits of the Company, calculated in accordance with the provisions of the Companies Act, 2013, subject to determination by the Board of Directors for each of the Non-Executive Directors for a period of five (5) years beginning with the financial year ended on March 31, 2020.

The approval was valid upto and including the financial year ended on March 31, 2020.

As per Regulation 17(6)(a) of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, all fees / compensation payable to Non-Executive Directors, including Independent Directors shall require approval of the Members at the Annual General Meeting.

The current competitive business environment, stringent accounting standards and corporate governance norms require considerably enhanced levels of involvement of the Directors in the decision making process. The responsibility of the Directors has become more onerous and the Directors are required to devote more time and attention to the business of the Company. It is therefore, proposed to continue the payment of commission to the Non-Executive Directors of the Company for a period of five (5) years commencing from the financial year beginning on April 01, 2020. The Board of Directors will determine each year, the amount to be paid as commission to the Non-Executive Directors which expression includes the Independent Directors which shall not exceed one percent (1%) of the net profits of the Company for that year, as computed in the manner referred to in Section 198 of the Companies Act, 2013.

In view of the above, Members approval is being sought pursuant to Sections 197, 198 and other applicable provisions of the Companies Act, 2013 and Regulation 17(6) of SEBI (Listing Obligations and Disclosures Requirements), Regulations, 2015, for the payment of commission to the Non-Executive Directors of the Company for a period of five (5) years commencing from April 01, 2020. The payment of commission would be in addition to the sitting fees payable for attending the meetings of the Board and Committees thereof.

All the Non-Executive Directors of the Company are interested in the Resolution set out at Item No. 5 of the accompanying Notice, since it relates to their respective remuneration.

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

Except all Non-Executive Directors, none of the other Directors and Key Managerial Personnel of the Company and relatives thereof, are concerned or interested, financially or otherwise in the resolution set out at the Item No. 5 of this Notice.

**ITEM No. 6**

Keeping in view the performance evaluation of Mr. Tadasuke Hosoya, the Board, upon the recommendation of Nomination and Remuneration Committee, at its meeting held on February 10, 2020 has decided to appoint Mr. Hosoya as Chairman & Managing Director of the Company effective from April 01, 2020 for a period of two (2) years.

Mr. Hosoya, born in 1972, completed his graduation in economics from Keio University, Tokyo, Japan in March 1995. He has been associated with Panasonic since 1995 and is having vast experience in Sales and Marketing for more than two decades. Mr. Hosoya was appointed as Vice President (Sales and Marketing) of the Company from June 01, 2018 and from September 01, 2018, he is acting as the Executive Director of the Company.

The remuneration to Mr. Hosoya has been paid as per following methods:

1. One portion of his remuneration is directly paid by the Company on monthly basis.
2. Another portion of his remuneration is being paid by Panasonic Corporation which is reimbursed by the Company to Panasonic Corporation on quarterly basis after receipt of the debit note. The remuneration paid by this mode is fixed in Japanese yen (JPY), which at the time of remittance, is converted into Indian rupees (INR). The conversion of JPY to INR is done on the prevailing exchange rates applicable at the time of remittance.

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

**A. Salary:**

Sr. No.	Particulars	Amount (In ₹ Monthly)
1	Basic Salary	1,75,330
2	Special Allowance	4,09,102
3	*Tax Allowance	3,01,200
	<b>**Total</b>	<b>8,85,632</b>

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

\*\* (The conversion of JPY to INR is done on the prevailing exchange rates applicable at the time of remittance.)

There may be fluctuations in the absolute figures of salary paid due to fluctuations in the Exchange rate.

**B. Perquisites:**

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

**C. Minimum Remuneration:**

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

**D. Notice for termination of Agreement:**

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

**E. Compensation for loss of office:**

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

**F. Sitting Fees:**

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

**G. Chairman & Managing Director liable to retire by rotation:**

Subject to the provisions of the Act, Chairman & Managing Director shall be subject to retire by rotation while he continues to hold office of the Chairman & Managing Director and he shall be reckoned as a Director for the purpose of determining the rotation or retirement of Director or in fixing the number of Directors to retire. This clause will not tantamount to the termination of this agreement with the Company as Chairman & Managing Director.

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

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

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

Except Mr. Hosoya, who is appointee under this resolution none of the other Directors, Key Managerial Personnel of the Company and relatives thereof, are concerned or interested financially or otherwise, in the resolution at the Item No. 6 of this Notice.

**Registered Office**  
GIDC, Makarpura, Vadodara - 390 010  
Gujarat, India  
CIN : L31400GJ1972PLC002091  
e-mail: [company.secretary@in.panasonic.com](mailto:company.secretary@in.panasonic.com)

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

**Susheela Maheshwari**  
**Company Secretary**  
**Vadodara, June 30, 2020**

Dear Shareholders,

Your Directors have great pleasure to report you at the end of another challenging year, and presenting the 48<sup>th</sup> annual report together with the audited financial statements for the year ended March 31, 2020.

## 1. Financial Results Summary

(₹ In Lakhs)

Particulars	As at March 31,2020	As at March 31,2019
<b>Sales Turnover</b>	<b>20353.14</b>	20746.35
<b>Profit/(Loss) before tax</b>	<b>519.56</b>	584.74
Less: Provision for taxation (Net of deferred tax)	<b>188.62</b>	150.32
Less: Provision for taxation of earlier years (Net of refund/demand)	<b>15.74</b>	(26.86)
Profit/(Loss) after tax	<b>315.20</b>	461.28
Add: Profit brought forward from previous year	<b>983.36</b>	1155.01
<b>Net available surplus for appropriations</b>	<b>1298.56</b>	<b>1616.29</b>
<b>Appropriations</b>		
Dividend paid during the year	<b>300.00</b>	525.00
Dividend Distribution Tax paid	<b>61.67</b>	107.93
Surplus carried to Balance Sheet	<b>936.89</b>	983.36
	<b>1298.56</b>	<b>1616.29</b>

## 2. Transfer to Reserve

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

## 3. Dividend

Keeping in view the current profitability of the Company, your Directors are pleased to recommend payment of dividend of ₹ 4.00 per equity share (@ 40% at par value of ₹10/- each) (previous year ₹4.00 per equity share), subject to the approval of shareholders at the forthcoming Annual General Meeting. The dividend, when approved, will entail payment to shareholders of ₹300.00 lakhs. It will be tax free income in the hands of recipients till the amount of dividend does not exceed ₹5000.

## 4. Operational Review

The financial year 2019-20 was going good for the battery industry for most of the year. However, the year ended on a weaker note, as a result of the sudden lockdown in March due to COVID-19 pandemic restricting the positive momentum in overall sales which resulted in overall loss of sales and revenues against last year.

In the above situation during the year, your Company registered net sales amount of ₹ 20353.14 lakhs as against ₹ 20746.35 lakhs of the previous year.

The profit before tax in the year stood at ₹ 519.56 lakhs as against ₹ 584.74 lakhs in the last year.

### Batteries and Flashlights

There was not much of a difference noticed in consumer preference and the market continued to be focusing more on the economy priced batteries in the AA and AAA segment due to the acute competition amongst various players to secure volumes. However, the demand of premium batteries was slightly affected initially but gradually stabilized due to the price increase in this segment during the year. The demand of D size batteries has been continuously decreasing.

Flash light market continued to have normal demand for the economy range of 3-cell and 2-cell LED torches due to which your Company witnessed some losses in the revenues, though the quantities remained more or less same vs. last year, except the March sales loss which led the Company loosing on cumulative performance over last year.

#### Prospects

The prospect for Zinc Carbon dry batteries demand seems to be very encouraging during the coming years, one of the reason being surge in demand for made in India batteries as a result of implementation of BIS 8144/2018 standard as a mandatory provision which shall make it difficult for importers to buy inferior-low priced imported batteries which are without BIS marking. Secondly, it is foreseen that many other industries such as electronic, TV, AC and set-top manufacturing companies shall rely more on local make batteries vs. the Chinese batteries.

Your Company was performing well and was likely to register a growth in revenue towards the sale of Zinc Carbon dry batteries. However, the loss of sales in the end of March, 2020 led to the Company consolidating at 98% as compared to previous year.

### 5. **Change in Nature of Business**

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

### 6. **Product Profile**

The Company, with its market share of about 15% in batteries, has now focused its expansion into various other product range to leverage its overall sales quantity and turnover viz. Rechargeable batteries under the brand name of 'Eneloop', range of Alkaline batteries, Lithium coins, LED and elite white range of torches and continues to grab opportunities for new product introductions in the years to come.

### 7. **Management Discussion and Analysis**

#### **Business Overview**

India has emerged as the fastest growing major economy in the world and is expected to be one of the top three economic powers of the world over the next 10-15 years, backed by its strong democracy and partnerships.

The dry batteries demand is likely to find new segments which shall require Zinc Carbon, Alkaline, Lithium coins, rechargeable batteries and your Company has the best resources to penetrate in the Indian market's evolving need with the collaboration of Panasonic Corporation, Japan.

#### Zinc Carbon batteries

Zinc Carbon batteries share of organized manufacturers is estimated to have remained same with some minor fluctuations.

The market size of D size batteries was above average of last few years, due to the increase in demand of water geysers. Maintaining its trend in financial year 2019-20 also, AA size continues to dominate the volume share and AAA size continues to be fast-growing segment.

#### Alkaline batteries

Battery industry in India is dominated by Zinc Carbon batteries, unlike in other parts of the world which is dominated by Alkaline battery market. Alkaline is a category which is continuously showing an uptrend and indicates good future growth.

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

In the financial year 2019-20, your Company registered more than double digit growth in the consumer channel markets. Your Company also envisages a sizeable business in the forthcoming year in this segment.

#### Flashlights

Flashlight market continues to be shared equally by organized and unorganized sectors. Rechargeable torches are improving their presence and are a considerable threat to LED torch segment. Another aspect stalling the growth of this segment is the continuously improving electrification across the country, hence reducing the usage of portable torches.



## Rechargeable batteries

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

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

Dealers and consumers appreciate the quality and superiority of our rechargeable batteries. Your Company maintained its share in this category.

## Lithium coin batteries

The Lithium coin batteries usage in various applications is on the growth in India. Your Company has introduced new models in this segment over last couple of years to serve the consumer needs and registered a significant revenue growth of about 150% over last year.

## **Industry Structure and Development**

Organized battery industry is maintaining the overall demand of R20 and R14 segment in absence of new applications/appliances which consume these segments of products.

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

## **Marketing and Distribution**

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

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

Your Company will also continue its efforts to promote the brand “PANASONIC” and its products through various channels of advertising and publicity for enhancing consumer awareness and its advantages over competition.

## **Opportunities and threats**

### Opportunities

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

### Threats

The stronger dollar, increasing logistic costs, spiraling fixed costs, fluctuating zinc prices continue to give some uncertainty to the overall profitability. It not only exerts more pressure on the pricing of economy range of batteries but also augments price competition giving lower operating margins.

Like the whole world, your Company has also been dealing with the COVID-19 crisis. The time tested ways of working have to be modified time and again in order to prioritize the health and safety of our employees. Like all other manufacturing organizations, maintaining the speed of production to meet the market demand while ensuring adherence to the precautionary safety measures and mandates has been a tight-rope walk. However, with the focus firmly on one of our core principles - Contribution to Society, we have been dealing with and tackling every new challenge that comes our way in order to ensure that the consumers do not face any inconvenience due to shortage in supply.

## **Risks and Concerns**

During financial year 2019-20, the purchase prices of major materials have remained upward vs. financial year 2018-19. The average purchase prices of EMD, NMD, ACB, metal jackets & components, zinc chloride etc. stayed higher in financial year 2019-20 by around 103% to 122%, which have not only impacted the direct materials cost but also severely disrupted estimates on profit. Besides, the weakening of INR vs. USD has caused additional burden on the imports.

**Outlook**

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

**Internal Financial Controls**

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

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

**Development in Human Resource and Industrial Relation**

The Board wishes to place on record its appreciation to all its employees for their sustained efforts and valuable contribution. Your Company is very much concerned for the employees so as to provide them with safe and accident free environment with a motto "Safety First" at the work place. The total employee strength of the Company as on March 31, 2020 stood at 880.

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

Sr. No.	Ratio analysis	2019-20	2018-19
1	*Debtors Turnover	5.75 times	5.64 times
2	Inventory Turnover	8.54 times	9.60 times
3	Interest Coverage Ratio	-	-
4	Current Ratio	3.46 times	3.94 times
5	Debt Equity Ratio	-	-
6	*Operating Profit Margin(%)	0.6%	0.8%
7	*Net Profit Margin (%)	1.5%	2.2%
8	*Return on Net Worth	3.19%	4.57%

- \* Debtors turnover has improved due to implementation of stringent credit policy and continuous monitoring.
- \* Operating profit margin has gone down due to decrease in sales due to effect of COVID-19 and increase in material cost on account of weakening of Indian rupee.
- \* Net profit margin has reduced due to decrease in sales and increase in material cost on account of weakening of Indian rupee.
- \* Return on Net worth has reduced due to low profit on account of reason mentioned as above.

**Research & Development**

In order to comply with the guidelines provided by Panasonic Corporation regarding supply of our products to overseas market and contributing towards environment protection, your Company is using all the raw materials complying with latest RoHS norms by removing ten heavy metals from batteries, as well as raw materials. Your Company has installed new machine (R03 line) to increase the shrink packing of batteries for supply to domestic customers as well as to overseas customers. This will not only help to increase its exports by qualifying to international standard of quality but also the trade.

**8. Material changes and Commitments**

There is no such material change and commitment, affecting the financial position of the Company which have occurred between the end of the financial year ended on March 31, 2020 and the date of the report.

## 9. Corporate Governance

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

## 10. Extract of Annual Return

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

## 11. Board Meetings

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

## 12. Directors' Responsibility Statement

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

- (a) that in the preparation of the annual accounts for the year ended March 31, 2020 the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- (b) that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2020 and of the profit and loss of the Company for the year ended on March 31, 2020;
- (c) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) that the Directors had prepared the annual accounts on a going concern basis;
- (e) that the Directors, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (f) that the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## 13. Contracts and Arrangements with Related Parties

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

All Related Party Transactions are placed before the Audit Committee for approval. Omnibus approval was obtained on a yearly basis for transactions which are of repetitive nature. The policy on related party transactions as approved by the Board of Directors has been uploaded on the website of the Company viz. <https://www.panasonicenergyindia.in>

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

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

## 15. Risk Management

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

## 16. Corporate Social Responsibility

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

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

The Company has in place a policy on prevention of sexual harassment in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013.

Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

During the year, no complaint was received by the Company and hence, no complaints are outstanding as on March 31, 2020 for redressal.

#### 18. Annual Evaluation by the Board

The Board has carried out an annual evaluation of its own performance, Committees of the Board and individual Directors pursuant to the provisions of the Companies Act, 2013 and Listing Regulations. The Board of Directors expressed their satisfaction with the evaluation process.

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

The Company has established a vigil mechanism for Directors and employees and the same has been communicated to the Directors and employees of the Company. The vigil mechanism policy / whistle blower policy is also posted on the website of the Company.

#### 20. Directors

##### Appointment / Re-appointment

During the year under review, all Independent Directors; Ms. Geeta Goradia, Mr. Atul Dalmia and Mr. Mayur Swadia have completed their first tenure of five years and all of them have been re-appointed as Independent Directors of the Company for a further period of five years.

Mr. Hideyuki Okunaga has been appointed as Non-Executive Director (Promoter) effective from June 01, 2019.

There was a change in the assignment of Mr. Morikawa from Panasonic Corporation and he had to go back to Japan. Hence, Mr. Tadasuke Hosoya has been appointed as Chairman & Managing Director of the Company for a period of two years effective from April 01, 2020. The Board has also approved the re-designation of Mr. Morikawa as Non-Executive Director (Promoter) effective from April 01, 2020.

Mr. Mikio Morikawa, will retire by rotation and being eligible, offers himself for re-appointment.

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

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

#### 21. Committees of the Board

The Board of Directors have the following Committees:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholders' Relationship Committee
4. Corporate Social Responsibility Committee.

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

#### 22. Statutory Auditors

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

#### 23. Cost Auditor and Cost Audit Report

On the recommendation of the Audit Committee, M/s. Diwanji & Co., Cost Accountants, have been re-

appointed as the Cost Auditor for the financial year 2020-21. In terms of the provisions of Section 148(3) of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the Members of the Company. Accordingly, the Board seeks ratification at the ensuing Annual General Meeting for the remuneration payable to the Cost Auditors for the financial year 2020-21.

### 24. Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. J. J. Gandhi & Co., Practising Company Secretaries to undertake the Secretarial Audit of the Company for the financial year 2020-21. There is no qualification or adverse remark in their report. The Report of the Secretarial Auditor is annexed herewith. (Ref. "Annexure-D")

### 25. Subsidiaries

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

### 26. Deposits

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

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

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

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

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

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

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

### 30. Nomination & Remuneration Policy

The remuneration paid to the Directors, Key Managerial Personnel and Senior Management Personnel are in accordance with the Nomination and Remuneration policy. The above policy has been posted on the website of the Company viz. <https://www.panasonicenergyindia.in>

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

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

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

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

### 33. Acknowledgment

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

Your Directors regret the loss suffered due to the COVID-19 pandemic and are always grateful and have immense respect for every person who risked their life and safety to fight this pandemic.

**For and on behalf of the Board**

**Tadasuke Hosoya**  
**Chairman & Managing Director**

**Vadodara**  
**June 30, 2020**

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

Extract of Annual Return

As on the financial year ended 31.3.2020

[Pursuant to Section 92(3) of the Companies Act, 2013, and Rule 12(1) of the Companies  
(Management and Administration) Rules, 2014]**Form No. MGT - 9****I. REGISTRATION AND OTHER DETAILS:**

1	CIN	L31400GJ1972PLC002091
2	Registration Date	24.05.1972
3	Name of the Company	Panasonic Energy India Co. Ltd.
4	Sub Category of the Company	Company having share capital
5	Address of the Registered Office & contact details	G.I.D.C. Makarpura, Vadodara - 390 010 Tel. No. 0265-2642661/62
6	Whether listed Company	Yes
7	Name and Address of Registrar & Transfer Agents, if any	Link Intime India Pvt. Ltd. B-102 & 103, Shangrila Complex, First Floor, Opp. HDFC Bank, Near Radha Krishna Char Rasta, Akota, Vadodara – 390 020 Tel. No. 0265 6136000, 2356573

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

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

Sr. No.	Name and Description of main products / services	NIC Code of the product / service	% to total turnover of the Company
1	Dry Cell Batteries	27201	88.45

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

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

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of total Equity)****(i) Category-wise Share Holding**

Category of Shareholders	No. of shares held at the beginning of the year [As on April 01, 2019]				No. of shares held at the end of the year [As on March 31, 2020]				% Change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
<b>A. Promoters</b>									
(1) <b>Indian</b>									
a) Individual / HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Sub – Total (A) (1)</b>	-	-	-	-	-	-	-	-	-
(2) <b>Foreign</b>									
a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
b) Other-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate (Foreign Promoter)	4354144	-	4354144	58.06	4354144	-	4354144	58.06	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub Total (A) (2)</b>	<b>4354144</b>	-	<b>4354144</b>	<b>58.06</b>	<b>4354144</b>	-	<b>4354144</b>	<b>58.06</b>	-

# Panasonic Energy India Co. Ltd.

Category of Shareholders	No. of shares held at the beginning of the year [As on April 01, 2019]				No. of shares held at the end of the year [As on March 31, 2020]				% Change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>4354144</b>	<b>-</b>	<b>4354144</b>	<b>58.06</b>	<b>4354144</b>	<b>-</b>	<b>4354144</b>	<b>58.06</b>	<b>-</b>
<b>B. Public Shareholding</b>									
<b>(1) Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	73	75	148	0.00	85	75	160	0.00	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Venture Capital Funds	-	-	-	-	-	-	-	-	-
e) Insurance Companies	-	-	-	-	-	-	-	-	-
f) FII	-	-	-	-	-	-	-	-	-
g) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
h) Foreign Portfolio Investor (Including FIIS)	257274	300	257574	3.43	188826	0.00	188826	2.52	0.91
i) Other (Specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1)</b>	<b>257347</b>	<b>375</b>	<b>257722</b>	<b>3.43</b>	<b>188911</b>	<b>75</b>	<b>188986</b>	<b>2.52</b>	<b>0.91</b>
<b>(2) Non-Institutions</b>									
<b>a) Bodies Corporates</b>									
i) Indian	184309	167571	351880	4.69	180494	167571	348065	4.64	0.05
ii) Overseas	-	-	-	-	-	-	-	-	-
<b>b) Individuals</b>									
i) Individual shareholders holding nominal share capital upto ₹ 2 lakh	1541638	260728	1802366	24.03	1678159	236328	1914487	25.53	-1.50
ii) Individual shareholders holding nominal share capital in excess of ₹ 2 lakh	356924	118319	475243	6.34	311724	118319	430043	5.73	0.61
<b>c) Others (specify)</b>									
i) Non Resident Indians	58403	-	58403	0.78	72776	-	72776	0.97	-0.19
ii) IEPF	51594	-	51594	0.69	56139	-	56139	0.75	-0.06
iii) Foreign Nationals	-	-	-	-	-	-	-	-	-
iv) Other Directors	-	264	264	0.00	-	-	-	-	-
v) Clearing Members	18218	-	18218	0.24	4663	-	4663	0.06	0.18
vi) Trust	28	-	28	0.00	2985	-	2985	0.04	-0.04
vii)HUF	130138	-	130138	1.74	127712	-	127712	1.70	0.04
viii) Foreign Bodies-DR	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2):-</b>	<b>2341252</b>	<b>546882</b>	<b>2888134</b>	<b>38.51</b>	<b>2434652</b>	<b>522218</b>	<b>2956870</b>	<b>39.42</b>	<b>-0.91</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>2598599</b>	<b>547257</b>	<b>3145856</b>	<b>41.94</b>	<b>2623563</b>	<b>522293</b>	<b>3145856</b>	<b>41.94</b>	<b>-</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand Total (A+B+C)</b>	<b>6952743</b>	<b>547257</b>	<b>7500000</b>	<b>100.00</b>	<b>6977707</b>	<b>522293</b>	<b>7500000</b>	<b>100.00</b>	<b>-</b>

(ii) Shareholding of Promoter

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

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

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

(iv) Shareholding Pattern of top ten Shareholders

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

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Acacia Partners, LP	207474	2.76	188826	2.52
2	Punj-Lloyd Private Ltd.	166920	2.22	166920	2.22
3	Vijay Kishanlal Kedia	93004	1.24	93004	1.24
4	Acacia Banyan Partners	49800	0.66	-	-
5	Uday Prakash Punj	80099	1.07	80099	1.07
6	Alembic Limited	72824	0.97	72824	0.97
7	Investor Education and Protection Fund Authority Ministry Of Corporate Affairs	51594	0.69	56139	0.75
8	Chitra Khemka	37000	0.49	-	-
9	Atul Prakash Punj	38220	0.51	38220	0.51
10	Rangappa N.	40600	0.54	47400	0.63
11	Vineet Khemka	-	-	37000	0.49
12	Arm Research Private Limited	20870	0.28	31646	0.42
	Date wise increase / decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	Sale / Purchase from open market			
	At the end of the year (or on the date of separation, if separated during the year)	As appearing in the cumulative no. of shares column			



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

Sr. No.	Shareholding of Directors and Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year				
1.	Mr. Mikio Morikawa	-	-	-	-
2.	Mr. Tadasuke Hosoya	-	-	-	-
3.	Ms. Geeta Goradia	-	-	-	-
4.	Mr. Mayur Swadia	-	-	-	-
5.	Mr. Atul Dalmia	-	-	-	-
6.	Mr. Hideyuki Okunaga	-	-	-	-
7.	Mr. Anjan Shah, DGM (Finance)	-	-	-	-
8.	Ms. Susheela Maheshwari, Company Secretary	-	-	-	-
	Date wise increase / decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	Not Applicable			
	At the end of the year	As appearing in the cumulative no. of shares column			

V. INDEBTEDNESS

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

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

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

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

Sr. No.	Particulars of Remuneration	Name of MD / WTD / Manager	Name of Executive Director
		Mr. Mikio Morikawa Chairman & Managing Director	Mr. Tadasuke Hosoya
1	Gross salary		
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	146.62	60.53
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	3.19	3.02
	(c) Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission - as % of profit (1%) - others, specify	-	-
5	Others, please specify	-	-
	Total (A)	149.81	63.55
	Ceiling as per the Act	168.00	168.00

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

Sr. No.	Particulars of Remuneration	Name of Directors			Total Amount (₹)
		Ms. Goradia	Mr. Swadia	Mr. Dalmia	
1	Independent Directors				
	Fees for attending Board / Committee Meeting	240000	240000	220000	700000
	Commission	203456	203456	203456	610368
	Others, please specify	-	-	-	-
	Total (1)	443456	443456	423456	1310368
2	Other Non-Executive Directors	Mr. Okunaga			
	Fees for attending Board / Committee Meeting	-			
	Commission	169453			169453
	Others, please specify	-			
	Total (2)	169453			169453
	Total (1)+(2)				
	Total Managerial Remuneration				1479821
	Overall ceiling as per the Act				1479821

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

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		CFO	CS	
1	Gross salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	17.90	14.37	32.27
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	0.54	0.42	0.96
	(c) Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	-as % of profit	-	-	-
	Others specify	-	-	-
5	Others, please specify	-	-	-
	Total	18.44	14.79	33.23

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

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

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

**1. Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo [Section 134(3) (m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014]**

**(A) Conservation of energy**

- (i) the steps taken or impact on conservation of energy;
  - Air wastage and leakage encountered resulted into saving of compressor air consumption by 15% due to various counter measures taken.
  - Electrical lighting load reduction by switching over in various lighting system to LED type.
  - Replacement of existing reciprocating compressor by energy efficient screw compressor.
  - Replacement of LED Tube lights in place of florescent tube lights.
  - Replacement of two old Vacuum pumps by new rotary screw type Vacuum Pump.
  - Existing five window type Air Conditioner replaced by new energy efficient split type Air conditioners.
  - Co<sub>2</sub> emission was reduced by 110 Ton / year by taking various energy conservation measures at Vadodara and Pithampur plants.
- (ii) the steps taken by the company for utilising alternate sources of energy;
  - Improved solar water storage tank systems by use of proper insulation.
  - Presently solar water heating systems are being used for hot water.
- (iii) the capital investment on energy conservation equipments;
  - Capital investment done on energy conservation equipment's is to the tune of ₹ 35.2 lakhs.

**(B) Technology Absorption**

1	The efforts made towards technology absorption	1. Environment friendly raw materials and components used for mass production of dry batteries and thereby contributed to society. 2. Utilized natural resources to optimum level and thereby reduced consumption of natural resources without compromising the quality. 3. Efforts are made to increase the recyclability of the waste generated during manufacturing activities. 4. Optimum utilization of natural resources without compromising the quality. 5. Installation of R6PVC new sealing line in the view of better quality and productivity and to enhance product safety. 6. Installation of twin shrink pack machine for R03 products for better packing and cater to domestic as well as export business as per customers' needs.
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2	The benefit derived like product improvement, cost reduction, product development, import substitution	<ol style="list-style-type: none"> <li>1. Manufacturing and supply of eco-friendly batteries and thereby contributing to the betterment of the society and environment.</li> <li>2. Regular practicing of 3R concept i.e. reduce, re-use and recycling the waste generated.</li> <li>3. Minimum wastage of natural resources to conserve the same for generations to come.</li> <li>4. Installation of new atomic absorption spectrophotometer (AAS) machine for more precise testing of chemical raw materials.</li> <li>5. Installation of R6PVC new sealing line in view of better Quality, productivity and safety</li> <li>6. Ensuring minimal wastage of natural resources to conserve the same for future generations</li> </ol>
3	The expenditure incurred in research and development	₹181.78 lakhs

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

1	Foreign Exchange Earned	₹ 479.53 lakhs
2	Foreign Exchange Outgo	₹ 5636.68 lakhs

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

**ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES**

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:
2. CSR Policy is stated herein below:  
Web link: [https://www.panasonicenergyindia.in/pdf/CSR\\_Policy.pdf](https://www.panasonicenergyindia.in/pdf/CSR_Policy.pdf)
3. Composition of the CSR Committee:
  - (i) Ms. Geeta Goradia, Chairperson (Independent Director)
  - (ii) Mr. Mikio Morikawa, Member (Non-Executive Director)
  - (iii) Mr. Tadasuke Hosoya, Member (Chairman & Managing Director)
4. Average net profit of the Company for last three financial years : ₹ 920.87 lakhs
5. Prescribed CSR Expenditure (two percent of the amount as in item above):  
The Company is required to spend ₹ 18.42 lakhs towards CSR.
6. Details of CSR spent for the financial year:
  - a. Total amount spent for the financial year : ₹ 18.42 lakhs
  - b. Amount unspent, if any : Nil
  - c. Manner in which the amount spent during the financial year is detailed below: (₹ in lakhs)

Sr. No.	Name of NGO / Organisation	CSR Projects / activities identified AND Sector in which the Project is covered	Projects or Programs 1) Local Area or other 2) Specify the District where Project or Program was undertaken	Amount outlay (Budget) Projects or Program wise	Amount spent on the projects and programs 1) Direct Expenditure on Projects or Programs 2) Overheads	Cumulative Expenditure upto the reporting period	Amount spent Direct or through implementing agency
1	Mahavir Foundation Trust	A. Uniforms, School bags, Full Scope Books for students under: 1) Kayakalp Project 2) Ashadeep Mentor Sponsor Project B. Scholarship for the students	Vadodara	6.00	6.00	6.00	6.00

Sr. No.	Name of NGO / Organisation	CSR Projects / activities identified AND Sector in which the Project is covered	Projects or Programs 1) Local Area or other 2) Specify the District where Project or Program was undertaken	Amount outlay (Budget) Projects or Program wise	Amount spent on the projects and programs 1) Direct Expenditure on Projects or Programs 2) Overheads	Cumulative Expenditure upto the reporting period	Amount spent Direct or through implementing agency
2	Hari Om Seva Trust	Medical Assistance	Vadodara	6.00	6.00	6.00	6.00
3	Medical Care Centre Trust	Financial Assistance for SMART AND ADVANCE Critical Care Neo & Pediatric Ventilator with standard accessories, F&P MR810 Humidifier stand with Patient arm	Vadodara	6.42	6.42	6.42	6.42

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

**For and on behalf of the Board**  
**Tadasuke Hosoya**  
**Chairman & Managing Director**  
**Vadodara, June 30, 2020**

**For and on behalf of the Board**  
**Geeta Goradia**  
**Chairperson of CSR Committee**

**Contents of the CSR Policy**

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

- Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.
- Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects.
- Promoting gender equality, empowering women, setting up homes and hostels for women and orphans, setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.
- Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga.
- Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art, setting up public libraries, promotion and development of traditional arts and handicrafts.
- Measures for the benefit of armed forces veterans, war widows and their dependents.
- Training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports.
- Contribution to the Prime Minister's National Relief Fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) or any other fund set up by the central govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;
- Contribution to incubators funded by Central Government or State Government or any agency or Public Sector Undertaking of Central Government or State Government, and contributions to public funded Universities, Indian Institute of Technology (IITs), National Laboratories and Autonomous Bodies (established under the auspices of Indian Council of Agricultural Research (ICAR), Indian Council of Medical Research (ICMR), Council of Scientific and Industrial Research (CSIR), Department of Atomic Energy (DAE), Defence Research and

Development Organisation (DRDO), Department of Biotechnology (DBT), Department of Science and Technology (DST), Ministry of Electronics and Information Technology) engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).

- Rural development projects.
- Slum area development.
- Disaster management, including relief, rehabilitation and reconstruction activities.

**“Annexure-D” to the Board's Report**  
**Secretarial Audit Report**

(For the Financial year ended on 31<sup>st</sup> March, 2020)

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

Dear Sirs,

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

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2020, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company, for the financial year ended on 31<sup>st</sup> March, 2020, according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made thereunder.
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment (FDI) and Overseas Direct Investment (ODI) and External Commercial Borrowings (ECB). – As reported to us there were no FDI, ODI and ECB transactions in the Company during the Audit period.
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act').
  - A. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
  - B. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
  - C. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. - Not Applicable as the Company did not issue any security during the financial year under review.
  - D. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. - Not Applicable as the Company has not granted any options to its employees during the financial year under review.
  - E. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008. - Not Applicable as the Company neither issued nor listed any debt securities during the financial year under review.

## Panasonic Energy India Co. Ltd.

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- F. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 - Not Applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent.
  - G. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009. - Not Applicable as the Company has not delisted its equity shares from any stock exchange during the financial year under review.
  - H. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998. - Not Applicable as the Company did not buy back any security during the financial year under review.
6. Considering representation of management and products, process and location of the Company, following laws are applicable specifically to the Company. Having regard to the compliance system prevailing in the Company and on examination of the relevant records on test check basis, we further report that the Company has complied with the following laws;
- A. The Water (Prevention and Control of Pollution) Act, 1974
  - B. The Air (Prevention and Control of Pollution) Act, 1981
  - C. The Environment (Protection) Act, 1984
  - D. The Petroleum Act, 1934

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

- (i) The Mandatory Secretarial Standards (SS-1 and SS-2) issued by The Institute of Company Secretaries of India.
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

### **We further report that;**

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

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

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

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

**Place: Vadodara**  
**Date: June 30, 2020**

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

**(J. J. Gandhi)**  
**Proprietor**  
**FCS No. 3519 and CP No. 2515**  
**UDI Nnumber F003519B000399519**

## Annexure to Secretarial Audit Report

Date: June 30, 2020

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

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

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

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

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

**Place: Vadodara**  
**Date: June 30, 2020**



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

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

- Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2019-20:

Sr. No.	Name of Director	Ratio
1	Mr. Mikio Morikawa - Chairman & Managing Director	48.05:1
2	Mr. Tadasuke Hosoya - Executive Director	20.39:1
3	Ms. Geeta Goradia - Director	1.42:1
4	Mr. Mayur Swadia - Director	1.42:1
5	Mr. Atul Dalmia - Director	1.36:1
6	*Mr. Hideyuki Okunaga- Director	0.54:1

\* Part of the year

- The Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, for the financial year 2019-20 compared to 2018-19:

Sr. No.	Name of Director / KMP	% of increase / decrease
1	Mr. Mikio Morikawa - Chairman & Managing Director	3
2	Mr. Tadasuke Hosoya - Executive Director	100
3	Ms. Geeta Goradia - Director	29
4	Mr. Mayur Swadia - Director	57
5	Mr. Atul Dalmia - Director	31
6	*Mr. Hideyuki Okunaga- Director	NA
7	Mr. Anjan Shah - DGM (Finance)	12
8	Ms. Susheela Maheshwari - Company Secretary	16

\* Part of the year

- The Percentage change in the median remuneration of employees in the financial year 2019-20 as compared to 2018-19 : 18.00%

4.	The number of permanent employees on the roll of Company :	31-03-2020	31-03-2019
		880	848

- Average percentile increase in salaries of employees other than managerial personnel: 16%
- The Board of Directors of the Company affirms that the remuneration is as per the remuneration policy of the Company.

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

Statement of Top 10 Employees in terms of remuneration drawn as per Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014											
Sr. No.	Name	Designation	Nature of Employment	Remuneration received during the year (In Lakhs)	Qualifications	Experience (Years)	Date of commencement of employment	Age	Last employment held by such employee before joining the Company	Percentage of equity shares held (not less than 2%)	Whether any such employee is a relative of any Director or Manager of the Company
1	Mr. Hiroyuki Nakagawa	Vice President	Production and Machinery	154.74	Diploma in Electricity	34	1-Apr-18	53	Panasonic Corporation, Japan	Nil	No
2	Mr. Mikio Morikawa	Chairman & Managing Director (upto 31.03.2020)	Chief Executive Officer	149.81	B.E.	34	1-Aug-16	57	Panasonic Energy Tanzania Co. Ltd.	Nil	No
3	Mr. Tadasuke Hosoya	Executive Director (upto 31.03.2020)	Executive Director	63.56	B.A. (Economics)	25	1-Sep-18	47	Panasonic Corporation, Japan	Nil	No
4	Mr. Parimal S. Vazir	General Manager	Marketing, Institutional & Consumer	23.30	B.Com, PG Diploma in Marketing Management	33	9-Mar-96	55	Lloyd Rockfines Ltd.	Nil	No
5	Mr. Hans Raj Sheoran	General Manager	Sales	22.89	B.A.	37	1-Mar-04	56	Lakhanpal Pvt. Ltd.	Nil	No
6	Mr. Prasad D. Joshi	General Manager	Factory Head (Pithampur Unit)	21.73	B.E. (Electrical), PG Diploma in HRM	39	1-Jun-89	59	M/s. Arun Kumar Jain & Co.	Nil	No
7	Mr. Chetankumar D. Mistry	General Manager	Production and Machinery Technology	20.78	Diploma in Mechanical Engineering	40	25-Dec-79	60	N.A.	Nil	No
8	Mr. Sunil S. Shah	Dy. General Manager	Development & Quality Assurance, Quality Control	19.02	B.Sc	39	4-Sep-81	59	N.A.	Nil	No
9	Mr. Anjan R. Shah	Dy. General Manager	Finance	18.44	B.Com	31	18-Apr-11	55	Jord Engineers India Ltd.	Nil	No
10	Mr. Jignesh K. Shah	Dy. General Manager	Materials	17.57	B.E (Mechanical)	26	9-Nov-06	47	Pakona Engineers India Pvt Ltd.	Nil	No

**1. PHILOSOPHY ON CODE OF GOVERNANCE**

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

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

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

**2. BOARD OF DIRECTORS**

The Company has a balanced structure of the Board which is in conformity with Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as "Listing Regulations"). As on March 31, 2020, the Board comprises of six Directors (four being Non-Executive Directors), of which three Directors are the Independent Directors. The Non-Independent Directors (Promoters) include a Chairman & Managing Director. None of the Directors have any inter-se relation among themselves and any employee of the Company.

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

The Board and Committee meetings are convened by giving appropriate notice atleast 9 to 10 days in advance of the date of meeting. The Directors are provided with appropriate information in the form of agenda items in a timely manner in order to enable them to deliberate on each agenda item and to take informed decisions and provide appropriate directions to the management in this regard. All significant developments and material events are brought to the notice of the Board.

Video-conferencing facility which is capable of recording and storing the proceedings of meeting is also provided at the Board and Committee meetings, in case any Director is unable to attend the meeting in person but wishes to participate through video conference.

During the financial year 2019-20, four Board meetings were held on following dates:

May 29, 2019; August 08, 2019; November 05, 2019 and February 10, 2020. The gap between any two Board meetings did not exceed one hundred twenty (120) days as prescribed under the Companies Act, 2013 and the Listing Regulations.

The last Annual General Meeting was held on September 10, 2019.

Details of composition of the Board, attendance of Directors at the Board meetings and last Annual General Meeting (AGM), other Directorships (excluding Private Limited Companies, Foreign Companies and Section 8 Companies) category, and Committee positions as on March 31, 2020 are given below:

Name of the Director	DIN	Category	No. of Board Meetings attended	Attendance at the last AGM	*Other Directorships in Public Companies	**No. of Audit Committees and Stakeholders Relationship Committee	
						Chairman	Member
Mr. Mikio Morikawa***	02611904	ED (P)	4/4	Yes	NIL	NIL	2
Mr. Tadasuke Hosoya	08232012	ED (P)	4/4	Yes	NIL	NIL	1
Ms. Geeta Goradia	00074343	NED (I)	4/4	Yes	4	NIL	3
Mr. Mayur Swadia	01237189	NED (I)	4/4	Yes	NIL	2	NIL
Mr. Atul Dalmia	00228257	NED (I)	4/4	Yes	NIL	NIL	1
Mr. Hideyuki Okunaga	06792183	NED (P)	2/3	No	1	NIL	NIL

\* Excluding Panasonic Energy India Co. Ltd.

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

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

\*\*\*Mr. Mikio Morikawa resigned on March 31, 2020 from the post of Chairman & Managing Director.

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

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

#### Familiarization Programme for Directors:

The Company follows a structured orientation programme for its newly inducted Director(s) to ensure that they become fully aware of the industry in which the Company operates; the processes, systems and policies adopted and followed by the Company. The familiarization programme focuses on the business model and operations of the Company and also aims at informing the Directors on the legal, regulatory as well as socio-economic regime in which the Company functions.

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

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

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

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

The familiarization programme for Independent Directors in terms of provisions of Listing Regulations is uploaded on the website of the Company <https://www.panasonicenergyindia.in>

#### Skill matrix

The Board skill matrix provides a guide as to the core skills, expertise, competencies and other criteria (collectively referred to as 'skill sets') considered appropriate by the Board of the Company in the context of its business and sector(s) for it to function effectively and those actually available with the Board. The skill sets will keep on changing as the organization evolves and hence the Board may review the matrix from time to time to ensure that the composition of the skill sets remains aligned to the Company's strategic direction.

The skill sets identified by the Board along with its availability assessment collectively for the Board and individually for each Director are as under:

Areas of Skills / Expertise	Mr. Tadasuke Hosoya	Ms. Geeta Goradia	Mr. Atul Dalmia	Mr. Mayur Swadia	Mr. Mikio Morikawa	Mr. Hideyuki Okunaga
<b>INDUSTRY SKILLS</b>						
Strategic Thinking	√	√	√	√	√	√
Executive Leadership and Board Experience	√	√	√	√	√	√
Technology Innovation	√	√	√	√	√	√
Decision Making	√	√	√	√	√	√
Policy Making	√	√	√	√	√	√

Areas of Skills / Expertise	Mr. Tadasuke Hosoya	Ms. Geeta Goradia	Mr. Atul Dalmia	Mr. Mayur Swadia	Mr. Mikio Morikawa	Mr. Hideyuki Okunaga
<b>GOVERNANCE AND COLLECTIVE SKILLS</b>						
Strategy and risk Management	√	√	√	√	√	√
Corporate Governance	√	√	√	√	√	√
Finance and Accounting Experience	√	√	√	√	√	√
<b>PERSONAL ATTRIBUTES</b>						
Integrity and Ethical Standards	√	√	√	√	√	√
Leader and Team Player	√	√	√	√	√	√
Critical and Innovative Thinker	√	√	√	√	√	√

### Separate meeting of Independent Directors

In accordance with the provisions of Schedule IV (Code for Independent Directors) of the Companies Act, 2013 and Regulation 25(3) of Listing Regulations, a meeting of the Independent Directors of the Company was held on February 03, 2020 in which the following matters were considered:-

- Evaluation of the performance of Non-Independent Directors and the Board of Directors as a whole;
- Evaluation of the performance of the Chairman, taking into account the views of the Executive and Non-Executive Directors;
- Evaluation of quality, content and timeliness of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

The performance evaluation of the Chairman & Managing Director and the Non-Executive Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

### Confirmation on Independence of Independent Directors

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

A formal letter of appointment to Independent Directors as provided under Companies Act, 2013 has been issued and disclosed on website of the Company viz. [www.panasonicenergyindia.in](http://www.panasonicenergyindia.in)

### 3. AUDIT COMMITTEE

#### ❖ Terms of Reference

The powers and terms of reference of the Audit Committee are in conformity with Section 177 of the Companies Act, 2013 and Regulation 18 and Part C of Schedule II of the Listing Regulations.

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

❖ **Composition**

The Audit Committee was constituted by the Board of Directors at its meeting held on January 23, 2001 and was reconstituted from time to time, latest reconstitution being on February 10, 2020. The present composition of the Audit Committee and the number of meetings held and attended by Members during the year are as under:

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

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

Mr. Mayur Swadia, the Chairman of the Audit Committee was present in the last Annual General Meeting held on September 10, 2019.

**4. NOMINATION AND REMUNERATION COMMITTEE**❖ **Terms of Reference**

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

❖ **Composition**

The Nomination and Remuneration Committee was constituted by the Board of Directors at its meeting held on January 23, 2004 and was reconstituted from time to time, latest reconstitution being on February 10, 2020.

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

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

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

Mr. Atul Dalmia, the Chairman of the Nomination and Remuneration Committee was present in the last Annual General Meeting held on September 10, 2019.

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

**REMUNERATION OF DIRECTORS**

❖ **Pecuniary Relationships**

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

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

❖ **Remuneration to Non-Executive Directors**

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

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

Sr. No.	Name	Category	Sitting Fees (₹) (A)	Commission (₹) (B)	Total (₹) (C=A+B)
1	Ms. Geeta Goradia	NED (I)	2,40,000	2,03,456	4,43,456
2	Mr. Mayur Swadia	NED (I)	2,40,000	2,03,456	4,43,456
3	Mr. Atul Dalmia	NED (I)	2,20,000	2,03,456	4,23,456
4	Mr. Hideyuki Okunaga	NED (P)	NIL	1,69,453	1,69,453

❖ **Remuneration to Executive Directors**

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

Sr. No.	Name & Designation	Salary (₹)(A)	Perquisites (₹) (B)	Total (₹) (C=A+B)
1	Mr. Mikio Morikawa Chairman & Managing Director (upto 31.03.2020)	1,48,81,408	99,600	1,49,81,008
2	Mr. Tadasuke Hosoya Executive Director (upto 31.03.2020)	62,63,500	92,400	63,55,900

**Note:**

- 1) The above figures are exclusive of the accruals for gratuity as it is funded on the basis of an actuarial valuation of the Company as a whole.
- 2) Notice period for the Executive Director is as applicable to the senior employees of the Company. No severance fee is payable to the Executive Director on termination of employment.
- 3) The Company has not issued any stock option to its Directors & employees.

**5. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

In compliance with the provisions of Section 135 and Schedule VII of the Companies Act, 2013, the Board has constituted the Corporate Social Responsibility Committee at its meeting held on May 21, 2014. This Committee was subsequently reconstituted by the Board of Directors from time to time, latest reconstitution being on February 05, 2019 respectively.

❖ **Terms of Reference**

Your Company has been contributing in the upliftment and development of the surrounding areas. Pursuant to the requirement of Section 135 of the Companies Act, 2013, Schedule VII, and Rules made

thereunder a duly constituted Corporate Social Responsibility Committee is in place. The CSR policy has been placed on the website of the Company viz. [www.panasonicenergyindia.in](http://www.panasonicenergyindia.in)

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

- a) Formulate and recommend to the Board, a Corporate Social Responsibility policy indicating the activities to be undertaken by the Company.
- b) Recommend the amount of expenditure to be incurred.
- c) Monitor the Corporate Social Responsibility policy.
- d) Such other roles and functions as may be prescribed in the Companies Act, 2013 and rules made thereunder.

#### ❖ Report on CSR activities

As required under the Companies Act, 2013 and rules made thereunder, the information on the CSR activities undertaken by the Company during the year ended March 31, 2020 is annexed to the Board's Report.

#### ❖ Composition of CSR Committee

The present composition of the Corporate Social Responsibility Committee as on March 31, 2020 and the details of Members' attendance at the meeting of the Committee are as under:

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

## 6. STAKEHOLDERS RELATIONSHIP COMMITTEE

#### ❖ Terms of Reference

Stakeholders Relationship Committee was originally formed in the Board meeting held on January 23, 2001 and it was reconstituted from time to time by the Board of Directors, latest reconstitution being on February 05, 2019. The Committee specifically looks into issues relating to investors including share related matters and redressal thereof.

The terms of reference of the Stakeholders Relationship Committee are as under:

- 1) Resolving the grievances of the security holders of the listed entity including complaints related to transfer / transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new / duplicate certificates, general meetings etc.
- 2) Review of measures taken for effective exercise of voting rights by shareholders.
- 3) Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- 4) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants / annual reports / statutory notices by the shareholders of the Company.

#### Composition

The present composition of the Committee is as under:



Sr. No.	Name of Member	Status	No. of Meetings held	No. of Meetings attended
1	Mr. Mayur Swadia	Chairman	1	1
2	Mr. Mikio Morikawa	Member	1	1
3	Mr. Tadasuke Hosoya	Member	1	1

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

The meeting of the Committee for the financial year 2019-20 was held on May 29, 2019.

Mr. Mayur Swadia, the Chairman of the Committee was present in the last Annual General Meeting held on September 10, 2019.

The total number of correspondence received from the shareholders was 241 of which only 2 were in the nature of complaints. All the complaints were resolved to the satisfaction of the shareholders. No investor correspondence remains unattended for more than 30 days.

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

## 7. GENERAL BODY MEETINGS

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

Financial Year	Date & Time	Venue	Special Resolutions
2016-17 (45 <sup>th</sup> AGM)	August 10, 2017 10.00 A.M.	C.C. Mehta Auditorium, M.S. University, Vadodara	Revision in remuneration of Mr. Mikio Morikawa w.e.f. April 01, 2017.
2017-18 (46 <sup>th</sup> AGM)	August 29, 2018 10.00 A.M.	Royal Room, Grand Mercure Vadodara Surya Palace, Vadodara	Appointment of Mr. Tadasuke Hosoya as Executive Director w.e.f September 01, 2018.
2018-19 (47 <sup>th</sup> AGM)	September 10, 2019 10.00 A.M.	Royal Room, Grand Mercure Vadodara Surya Palace, Vadodara	1. Re-appointment of Ms. Geeta Goradia as Independent Director. 2. Re-appointment of Mr. Atul Dalmia as Independent Director. 3. Re-appointment of Mr. Mayur Swadia as Independent Director. 4. Re-appointment of Mr. Mikio Morikawa as Chairman & Managing Director. 5. Ratification of remuneration payable to Mr. Mikio Morikawa as Chairman & Managing Director. 6. Ratification of remuneration payable to Mr. Tadasuke Hosoya as Executive Director.

No resolutions were passed through postal ballot during the year 2019-20.

## 8. MEANS OF COMMUNICATIONS

- ❖ The extracts of Quarterly / Half yearly and the Annual audited results are normally published in widely circulating national and local dailies viz., Business Standard (English) and Loksatta (Gujarati) and are disseminated to Bombay Stock Exchange (BSE), where the shares of the Company are listed.
- ❖ The Company discloses to the stock exchange regarding information required to be disclosed under Regulation 30 read with Part A of Schedule III of the Listing Regulations, including material information which have a bearing on the performance / operations of the Company. All information is filed electronically on BSE's online portal and BSE Listing Centre.

- ❖ The annual report of the Company, the quarterly / half-yearly and the annual financial statements of the Company are also placed on the Company's website at [www.panasonicenergyindia.in](http://www.panasonicenergyindia.in) and can be downloaded.
- ❖ The shareholders can visit the Company's web-site for financial information, shareholding information, all kinds of Policies of the Company, Annual Reports of the previous Financial Years, etc.

## 9. GENERAL SHAREHOLDER'S INFORMATION

### a) Annual General Meeting

Day, date and time	Tuesday, September 15, 2020 at 10.00 A.M.
Venue	Through Video Conference Registered Office of the Company, G.I.D.C. Makarpura, Vadodara- 390010

### b) Financial Calendar

For the financial year 2020-21, financial results will be announced as per the following tentative schedule:

1 <sup>st</sup> quarter ended on June 30, 2020	Second week of August, 2020
2 <sup>nd</sup> quarter ended on September 30, 2020	Second week of November, 2020
3 <sup>rd</sup> quarter ended on December 31, 2020	Second week of February, 2021
Audited financial results for the year ended on March 31, 2021	Second week of May, 2021

### c) Date of Book Closure

The Company's Register of Members and Share Transfer Books will remain closed from Wednesday, September 09, 2020 to Tuesday, September 15, 2020 (both days inclusive).

### d) Dividend payment date

Final dividend, if approved by the shareholders in the 48<sup>th</sup> AGM will be paid within 30 days of declaration of the dividend at the rate of 40% per equity share of Rs. 10 each.

### e) Listing on Stock Exchange

Company's equity shares are listed on the BSE Ltd. The Company has paid the listing fees for the year 2020-21 to BSE.

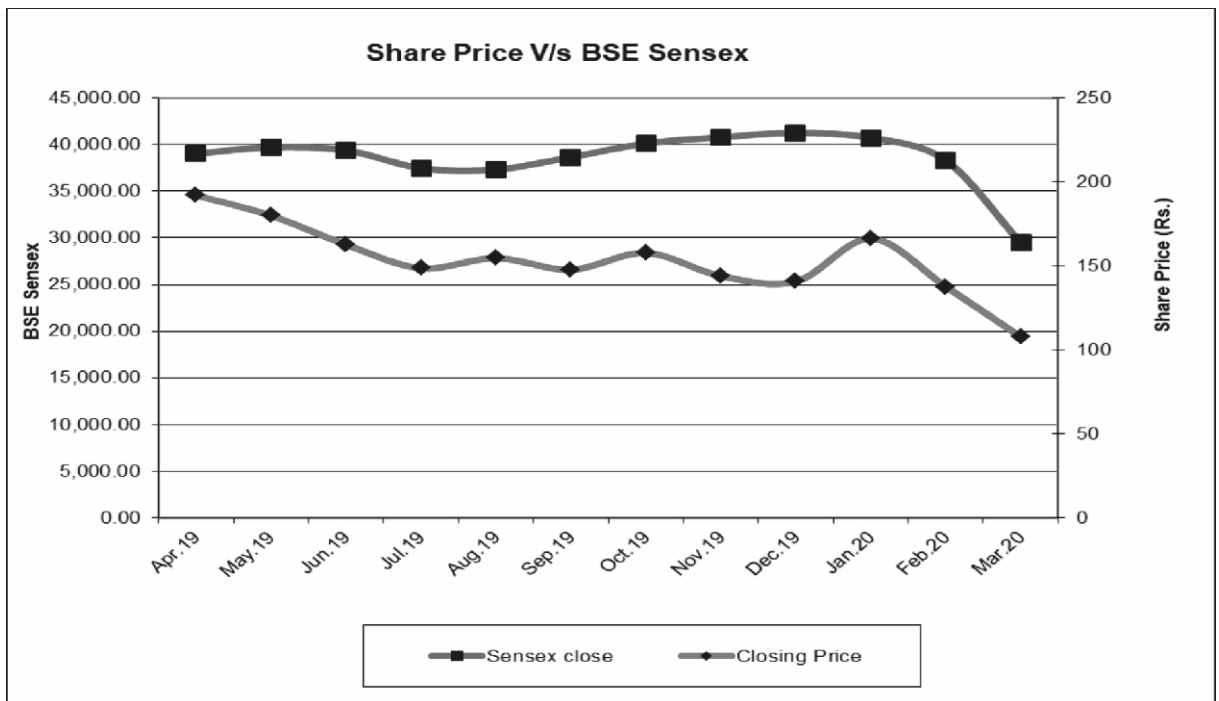
### f) Stock Code

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

g) Market price data for the year 2019-20 of the Company on BSE

Month	Months High price (₹)	Months low price (₹)	Sensex	
			High	Low
April' 19	218.00	190.20	39,487.45	38,460.25
May'19	204.00	177.00	40,124.96	36,956.10
June'19	180.00	155.10	40,312.07	38,870.96
July'19	170.00	145.00	40,032.41	37,128.26
August'19	175.00	146.00	37,807.55	36,102.35
September'19	197.45	135.20	39,441.12	35,987.80
October'19	163.95	141.00	40,392.22	37,415.83
November'19	163.00	141.20	41,163.79	40,014.23
December'19	150.00	133.05	41,809.96	40,135.37
January' 20	176.00	138.80	42,273.87	40,476.55
February' 20	181.95	136.25	41,709.30	38,219.97
March' 20	148.50	91.00	39,083.17	25,638.90

h) Company's closing share price movement during the financial year 2019-20 on BSE vis-à-vis Sensex



i) Registrar & Share Transfer Agent

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

j) Address for correspondence

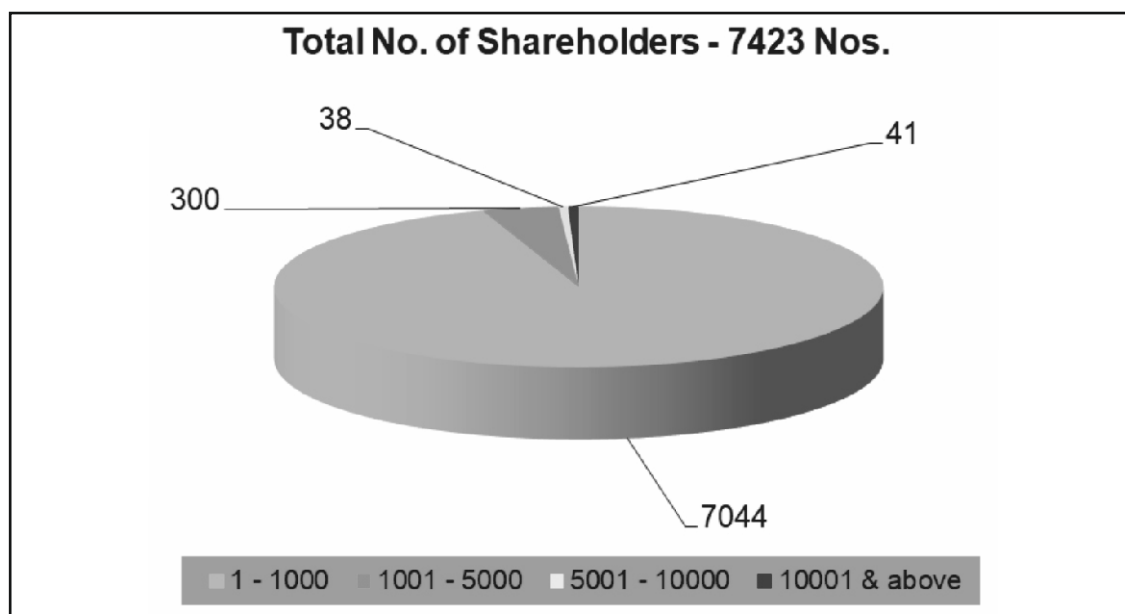
Registered Office	Registrar & Share Transfer Agent
Company Secretary Panasonic Energy India Co. Ltd. G.I.D.C., Makarpura, Vadodara-390 010, Gujarat, India. Tel. No.: (0265) 264 2661 / 263 8888 Fax: (0265) 263 8892 E-Mail: <a href="mailto:susheela.maheshwari@in.panasonic.com">susheela.maheshwari@in.panasonic.com</a> Website: <a href="http://www.panasonicenergyindia.in">www.panasonicenergyindia.in</a>	Link Intime India Pvt. Ltd. B-102 & 103, Shangrila Complex, First Floor, Opp. HDFC Bank, Near Radhakrishna Char Rasta, Akota, Vadodara - 390 020, Gujarat, India. Tel. No.: +91 265 2356573, 6136000 E-mail id: <a href="mailto:yadodara@linkintime.co.in">yadodara@linkintime.co.in</a> Website: <a href="http://www.linkintime.co.in">www.linkintime.co.in</a>

**k) Share Transfer System**

Share transfer request received in physical mode are normally registered within 15 days from the date of receipt and demat requests are also normally confirmed within an average of 15 days from the date of receipt.

Members may please note that with effect from April 01, 2019, shares held in physical form cannot be transferred. Therefore, shareholders are requested to take action to dematerialize the equity shares of the Company by opening a demat account.

**l) Distribution of shareholding as on March 31, 2020**



**m) Dematerialization of Shares and Liquidity**

The Company's shares are compulsorily traded in dematerialized form on BSE. At the end of the year, 69,77,707 shares were held in dematerialized form which comes to 93.04% of total capital. The Company has demat connectivity with National Securities Depository Ltd. (NSDL) & Central Depository Services (India) Ltd. (CDSL).

**n) Plant locations**

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

**10. DISCLOSURES**

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

- Details relating to fees paid to the Statutory Auditors: (₹ in lakhs)

Particulars	As on March 31, 2020		As on March 31, 2019	
	Statutory Audit	GST Audit	Statutory Audit	GST Audit
Fees to Statutory Auditor	15.00	8.00	14.25	NIL
Reimbursement of Expenses	1.46	0.37	0.55	NIL
<b>TOTAL</b>	<b>16.46</b>	<b>8.37</b>	<b>14.80</b>	<b>NIL</b>

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

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

- A Certificate from Practicing Company Secretary

Company has received Certificate from Vijay Bhatt & Co. (PCS) that none of Directors on Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by Ministry of Corporate Affairs or any such statutory authority and the same is annexed herewith as a part of this report.

- During the past year, there was no preferential allotment or qualified institutions placement. : N.A.
- The Board has accepted all the recommendations of all the Committees.
- The Company has complied with all applicable mandatory requirements of Listing Regulations.
- Since the Company does not have any subsidiary, the Policy for determining 'material' subsidiary is not applicable.
- Commodity price risks and commodity hedging activities – Not Applicable

## 11. COMPLIANCE OF DISCRETIONARY REQUIREMENTS

- As the financial results are published in the newspapers and also posted on Company's website, the same are not being sent to the shareholders.
- The Company's financial statements for the financial year ended on March 31, 2020 do not contain any modified audit opinion.
- The Internal Auditor reports to the Audit Committee.

### Information on dividend of past years

Pursuant to Section 124 of the Companies Act, 2013 dividend that remained unpaid or unclaimed for the financial year ended on March 31, 2013 will be transferred to "Investor Education & Protection Fund" (IEPF) a fund constituted by the Central Government under Section 125 of the Companies Act, 2013.

Before transferring the unclaimed dividends to IEPF, individual letters are sent to those Members whose unclaimed dividends are due for transfer to enable them to claim the dividends before the due date for such transfer.

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
2012-13	20	12.07.2020
2013-14	35	27.07.2021
2014-15	70	23.07.2022
2015-16	70	27.07.2023
2016-17	55	09.08.2024
2017-18	70	28.08.2025
2018-19	40	09.09.2026

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

## 12. INFORMATION RELATING TO DIRECTORS

Particulars of Directors seeking appointment / re-appointment at the ensuing 48<sup>th</sup> Annual General Meeting of the Company under Regulation 36(3) of Listing Regulations are given below:

<b>Name of the Director</b>	: <b>Mr. Mikio Morikawa</b>	<b>Mr. Tadasuke Hosoya</b>
<b>Date of Birth</b>	: May 22, 1963	June 01, 1972
<b>Educational Qualification</b>	: Industrial Engineering from Waseda University, Japan	Bachelor of Economics from Keio University
<b>Specific functional Area</b>	: Company Executive	Company Executive
<b>Brief Resume of the Director</b>	: Mr. Morikawa has been associated with Panasonic since 1986 and has worked in different capacities including heading their operations in USA. He had been the Chairman & Managing Director of the Company uptill March 31, 2020.	Mr. Tadasuke Hosoya has joined Panasonic Corporation in 1995. He is having vast experience in Sales & Marketing for more than two decades including that of its overseas operations. He was holding the position of Executive Director of the Company from September 01, 2018. Currently, he is the Chairman & Managing Director of the Company from April 01, 2020
<b>Shareholding of the Director</b>	: NIL	NIL
<b>Other directorships held</b>	: <b>Public Companies</b> NIL <b>Private Companies</b> NIL <b>Foreign Companies</b> Panasonic Energy Tanzania Co. Ltd.	<b>Public Companies</b> NIL <b>Private Companies</b> NIL <b>Foreign Companies</b> NIL
<b>Other Committees of Directors where membership held</b>	: <b>Corporate Social Responsibility Committee</b> Panasonic Energy India Co. Ltd.(Member) <b>Stakeholders Relationship Committee</b> Panasonic Energy India Co. Ltd.(Member)	<b>Audit Committee</b> Panasonic Energy India Co. Ltd. (Member) <b>Nomination And Remuneration Committee</b> Panasonic Energy India Co. Ltd. (Member) <b>Stakeholders Relationship Committee</b> Panasonic Energy India Co. Ltd.(Member) <b>Corporate Social Responsibility Committee</b> Panasonic Energy India Co. Ltd.(Member)

### Code of Conduct

The Company has laid down the rules for code of conduct for the Members of the Board and Senior Management Personnel of the Company. The code of conduct has also been posted on Company's website ([www.panasonicenergyindia.in](http://www.panasonicenergyindia.in)). In compliance with this code, the Board Members and Senior Management Personnel have affirmed their compliance with the code for the year ended on March 31, 2020. A declaration to this effect duly signed by the Chairman & Managing Director forms part of this Annual Report.

For and on behalf of the Board

Vadodara  
June 30, 2020

Tadasuke Hosoya  
Chairman & Managing Director



**CORPORATE GOVERNANCE REPORT  
CERTIFICATE**

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

We have examined the compliance of conditions of Corporate Governance by **Panasonic Energy India Company Limited** ('the Company'), for the year ended on 31<sup>st</sup> March, 2020, as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with the BSE Limited.

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

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

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

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

**V. J. BHATT  
PROPRIETOR  
CP: 2265  
UDIN: F004900B000390406**

**Place: Vadodara  
Date: June 27, 2020**

**CERTIFICATE**

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

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

On the basis of the written representation / declaration received from the Directors and taken on record by the Board of Directors as on March 31, 2020, none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as Director of Company by the SEBI / Ministry of Corporate Affairs / or any such statutory authority.

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

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

**Place: Vadodara  
Date: June 27, 2020**

**CEO CERTIFICATE**

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

I hereby further certify that the Company has obtained certificate for compliance of rules of code of conduct, from the Board Members and Senior Management personnel for the financial year ended on March 31, 2020.

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

**Tadasuke Hosoya  
Chairman & Managing Director**

**Place: Vadodara  
Date: June 25, 2020**

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

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

**Opinion**

We have audited the financial statements of Panasonic Energy India Company Limited (“the Company”), which comprise the Balance Sheet as at 31 March 2020, and the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

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

**Key Audit Matters**

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

**Description of Key Audit Matter**

<b>Measurement of Provisions and Contingent Liabilities related to Litigations and Claims</b>	
[Refer to Note 3 (k) to the Financial Statements– “Significant accounting policies – Provisions, Contingent Liabilities and Contingent Assets”, Note 30 to the Financial Statements – “Contingent Liabilities”]	
<b>The key audit matter</b>	<b>How the matter was addressed in our audit</b>
<p>Provisions and contingent liabilities relate to litigations and claims arising from tax proceedings and other regulatory proceedings. The measurement of a provision or contingent liability requires significant judgement by the Company because of the inherent complexity in estimating future costs. The amount recognized as a provision and disclosed as a contingent liability is the best estimate of the expenditure.</p> <p>Significant judgement and estimation is involved to determine the likelihood and timing of the cash outflows and interpretations of the</p>	<p>In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:</p> <ul style="list-style-type: none"> <li>• Testing the design, implementation and operating effectiveness of key internal controls around the measurement of litigations and claims;</li> <li>• Assessing the status of significant litigations by understanding it from the external firm of lawyers acting as the Company's advisors</li> </ul>



legal aspects, tax legislations and judgements previously made by authorities. Based on the legal advice obtained from an external firm of lawyers, a provision was recognised on account of estimated cash outflow.

These provisions and contingent liabilities are subject to changes in the outcomes of litigations and claims and the positions taken by the Company. These estimates could change significantly over time as new facts emerge and each legal case progresses. Accordingly, measurement of provisions and contingent liabilities related to litigations and claims is a key audit matter.

and senior personnel of the Company. We have obtained and analysed the Company's assessment on exposures and any additional litigation;

- With respect to direct and indirect tax litigations, we involved our tax specialists. Tax Specialists analysed and challenged the assumptions used in estimation of tax provisions based on their knowledge and experiences of the application of local legislation by the relevant authorities and courts. We assessed the movement in the litigations during the year and verified underlying documents such as appeals and submissions made by the Company. On this basis, we assessed the possible outcome of each litigation and claim determined by the Company.
- Assessing the assumptions and critical judgements made by the Company which impacted the measurement of the provisions and contingent liabilities;
- Evaluating estimation process of the Company by comparing the estimates of prior year to the actual outcome;
- For matters where the Company concluded no provisions are required but requires disclosure of contingent liability, we have examined the adequacy and completeness of the disclosures made in the financial statements.

**Other Information**

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
  - A) As required by Section 143(3) of the Act, we report that:
    - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
    - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
    - c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
    - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
    - e) On the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act.
    - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
  - B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i) The Company has disclosed the impact of pending litigations as at 31 March 2020 on its financial position in its financial statements - Refer Note 30 to the financial statements;
    - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
    - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company; and
    - iv) The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2020.
  - C) With respect to the matter to be included in the Auditors' Report under Section 197(16):  
In our opinion and according to the information and explanations given to us, the remuneration paid by the company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

**For B S R & Associates LLP**

*Chartered Accountants*

Firm's Registration No.: 116231 W/W-100024

**Jeyur Shah**

*Partner*

Membership No. 045754

UDIN:20045754AAAACK8882

Place: Vadodara

Date: 30 June 2020

**Annexure-A to the Independent Auditors' Report on Financial Statements - 31 March 2020**  
(Referred to in Paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (b) The Company has a regular programme of physical verification of its property, plant and equipment by which all the items of property, plant and equipment are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Accordingly, part of the property, plant and equipment were physically verified by the management in the current year and no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties including leasehold land, included in property, plant and equipment as disclosed in Note 4 to the financial statements are held in the name of the Company.
- (ii) The inventory, except goods-in-transit, has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been dealt with in books of account.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, paragraph 3(iii) of the Order is not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not given any loans, or provided any guarantees or security to the parties covered under Section 185 of the Act. Accordingly, compliance under Section 185 and Section 186 of the Act is not applicable to the Company.
- (v) In our opinion, and according to the information and explanations given to us, the Company has not accepted deposits to which the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and rules framed thereunder apply. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Customs Duty, Goods and Services Tax, Professional Tax and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities. The Company is not having any dues in respect of Cess.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Wealth Tax, Excise Duty, Customs Duty, Value Added Tax, Goods and Services Tax, Professional Tax and other material statutory dues were in arrears as at 31 March 2020 for a period of more than six months from the date they became payable.

Pending clarity on the matter as explained in Note 30 (f) to the Financial Statements, the Company is currently unable to determine the extent of arrears of such provident fund.

- (b) According to the information and explanations given to us, there are no dues of Income Tax, Sales Tax, Customs Duty, Excise Duty, Service Tax, Value Added Tax, Goods and Services Tax as at 31 March 2020 which have not been deposited with the appropriate authorities on account of any dispute other than those mentioned in the "Appendix I" to this report.
- (viii) In our opinion and according to the information and explanations given to us, the Company does not have any loans or borrowings from financial institutions or banks or Government or dues to debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable to the Company.
- (ix) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Company's management.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the managerial remuneration has been paid / provided by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3 (xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.
- (xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3 (xvi) of the Order is not applicable to the Company.

**For B S R & Associates LLP**

*Chartered Accountants*

Firm's Registration No.: 116231 W/W-100024

**Jeyur Shah**

*Partner*

Membership No. 045754

UDIN:20045754AAAACK8882

Place: Vadodara

Date: 30 June 2020

**Appendix – I**

Sr.	Name of Statute	Nature of Dues	Amount Involved (INR Lakhs)	Amount under dispute not deposited (INR Lakhs)	Period to which amount related	Forum where the Dispute is pending
1	Customs Act, 1962	Custom duty	81.81	81.81	From March 2011 to September 2012	High Court
2	Central Excise Act, 1944	Excise Duty	34.09	31.54	From March 2006 to March 2010	CESTAT, Mumbai
3	Finance Act, 1994	Service tax	3.49	3.31	From February 2008 to February 2009	CESTAT, Ahmedabad
			101.28	95.20	From 2013-14 to June 2017	
4	Sales Tax Act	Sales Tax	117.72	95.51	From 1986 to 2008-09	Sales Tax Tribunal
5	Sales Tax Act	Sales Tax	7.32	7.32	FY 1996-97	High Court
6	Sales Tax Act	Sales Tax	212.84	197.83	From 2003 to 2016	Appeals Authorities, Commissioner (Appeals)
7	Income Tax Act, 1961	Income Tax	1294.16	-	From 2002 to 2004	High Court
8	Income Tax Act, 1961	Income Tax	9.43	7.54	FY 2011-12	Commissioner of Income Tax (Appeals)

**Annexure-B to the Independent Auditors' Report on Financial Statements - 31 March 2020****Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013**

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

**Opinion**

We have audited the internal financial controls with reference to financial statements of Panasonic Energy India Company Limited ("the Company") as of 31 March 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the Guidance Note").

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

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

### **Auditors' Responsibility**

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

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

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

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

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

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

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

**For B S R & Associates LLP**

*Chartered Accountants*

Firm's Registration No.: 116231 W/W-100024

**Jeyur Shah**

*Partner*

Membership No. 045754

UDIN:20045754AAAACK8882

Place: Vadodara

Date: 30 June 2020

	Note No.	31 March 2020	(Amount in INR Lakhs) 31 March 2019
<b>I ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Property, plant and equipment	4	1,965.43	1,595.69
(b) Capital Work-in-progress	4	46.87	504.92
(c) Right of use assets	4	248.14	-
(d) Other Intangible assets	4	29.18	24.84
(e) Financial assets			
(i) Loans	5	51.91	54.31
(f) Non-Current Tax Assets	7	711.58	711.24
(g) Other non-current assets	8	29.08	2.43
<b>Total Non-current Assets</b>		<b>3,082.19</b>	<b>2,893.43</b>
<b>2 Current assets</b>			
(a) Inventories	9	3,630.41	2,976.08
(b) Financial assets			
(i) Trade receivables	10	447.22	311.40
(ii) Cash and cash equivalents	11	538.84	2,223.79
(iii) Bank balances other than (iii) above	12	4,386.35	3,289.96
(iv) Loans	5	51.30	50.50
(v) Others	6	172.40	391.40
(c) Other current assets	8	757.67	525.91
<b>Total Current Assets</b>		<b>9,984.19</b>	<b>9,769.04</b>
<b>TOTAL ASSETS</b>		<b>13,066.38</b>	<b>12,662.47</b>
<b>II EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Share capital	13	750.00	750.00
(b) Other equity	14	9,158.18	9,344.82
<b>Total equity</b>		<b>9,908.18</b>	<b>10,094.82</b>
<b>LIABILITIES</b>			
<b>1 Non-Current Liabilities</b>			
(a) Financial Liabilities			
(i) Lease liabilities		186.31	-
(b) Long-term provisions	17	72.98	-
(c) Deferred tax liabilities (net)	20	16.41	89.61
<b>Total non current liabilities</b>		<b>275.70</b>	<b>89.61</b>
<b>2 Current liabilities</b>			
(a) Financial liabilities			
(i) Lease liabilities		73.18	-
(ii) Trade payables	15		
(A) total outstanding dues of micro enterprises and small enterprises; and		210.44	147.22
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		625.34	684.81
(iii) Other financial liabilities	16	1,144.34	1,149.61
(b) Other current liabilities	18	307.34	237.55
(c) Short-term provisions	17	497.24	258.85
(d) Current tax liability (Net)	19	24.62	-
<b>Total Current Liabilities</b>		<b>2,882.50</b>	<b>2,478.04</b>
<b>Total liabilities</b>		<b>3,158.20</b>	<b>2,567.65</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>13,066.38</b>	<b>12,662.47</b>
Significant accounting policies	3		
The accompanying notes are an integral part of the financial statements.	4 - 43		

**As per our report of even date**

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

Jeyur Shah  
Partner  
Membership No. 045754

Place : Vadodara  
Date : 30 June 2020

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

Tadasuke Hosoya  
Chairman & Managing Director  
DIN: 08232012

Susheela Maheshwari  
Company Secretary & Manager (Legal)

Place : Vadodara  
Date : 30 June 2020

Mayur K. Swadia  
Director  
DIN:01237189

Anjan Shah  
DGM (Finance)



	Note	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>Income</b>			
Revenue from operations	21	20,353.14	20,746.35
Other income	22	390.23	419.98
<b>Total Income (I)</b>		<b>20,743.37</b>	<b>21,166.33</b>
<b>Expenses</b>			
Cost of materials consumed	23	10,498.69	10,315.85
Purchases of stock-in-trade		1,409.56	2,002.71
Changes in inventories of finished goods, work-in-progress and stock-in-trade	24	(201.21)	(263.11)
Other manufacturing expenses	25	597.78	566.34
Employee benefits expense	26	4,273.99	3,770.57
Finance costs	27	21.56	4.86
Depreciation and amortization expenses	4	316.42	276.89
Other expenses	28	3,307.02	3,907.48
<b>Total Expenses (II)</b>		<b>20,223.81</b>	<b>20,581.59</b>
<b>Profit before tax (I - II)</b>		<b>519.56</b>	<b>584.74</b>
<b>Tax expense:</b>			
Current Tax		214.67	198.75
Adjustments of tax for earlier years		15.74	(26.86)
Deferred Tax	20	(26.05)	(48.43)
<b>Profit after tax for the year</b>		<b>315.20</b>	<b>461.28</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Re-measurement gains/(losses) on defined employee benefit plan		(187.31)	12.16
Tax related to items that will not be reclassified to profit or loss		47.14	(3.38)
<b>Other comprehensive income for the year</b>		<b>(140.17)</b>	<b>8.78</b>
<b>Total comprehensive income for the year</b>		<b>175.03</b>	<b>470.06</b>
<b>Earnings per share</b> {Face value INR 10 per share (Previous year: INR 10 per share)}			
Basic	29	4.20	6.15
Diluted	29	4.20	6.15
Significant accounting policies	3		
The accompanying notes are an integral part of the financial statements.	4 - 43		

**As per our report of even date**

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

**Jeyur Shah**  
Partner  
Membership No. 045754

Place : Vadodara  
Date : 30 June 2020

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

**Tadasuke Hosoya**  
Chairman & Managing Director  
DIN: 08232012

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

Place : Vadodara  
Date : 30 June 2020

**Mayur K. Swadia**  
Director  
DIN:01237189

**Anjan Shah**  
DGM (Finance)

	(Amount in INR Lakhs)	
	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>Cash flow from operating activities</b>		
Profit before tax	519.56	584.74
<b>Adjustments for:</b>		
Depreciation and amortisation expense	316.42	276.89
Finance costs	21.56	4.86
Loss/(Gain) on sale of assets (net)	33.71	55.35
Interest income	(305.22)	(318.70)
Expected Credit Loss	5.58	-
Unrealised foreign exchange gain (net)	0.23	0.83
<b>Operating profit before working capital changes</b>	<b>591.84</b>	<b>603.97</b>
<b>Working capital adjustments:</b>		
Decrease/ (Increase) in Loans and Advances	1.59	(8.55)
Decrease/ (Increase) in non-current assets	(0.84)	4.56
Decrease / (Increase) in trade receivables	(141.40)	217.67
Decrease/ (Increase) in current assets	(14.96)	732.32
Decrease/ (Increase) in Inventories	(654.33)	(81.81)
Increase/ (Decrease) in provisions	124.26	(26.52)
Increase/ (Decrease) in trade payables	6.33	(65.08)
Increase/ (Decrease) in other financial Liabilities	(12.25)	82.38
Increase/ (Decrease) in other Liabilities	69.78	(397.91)
	<b>(29.98)</b>	<b>1,061.03</b>
Less: Taxes paid	(206.13)	(258.67)
<b>Net Cash Flow from operating activities [A]</b>	<b>(236.11)</b>	<b>802.36</b>
<b>Investing activities</b>		
Purchase of Fixed assets including CWIP	(244.13)	(614.57)
Proceeds from Sale of Assets	24.04	-
Investments in Bank deposits	(1,096.39)	1,291.04
Interest Received	307.00	318.19
<b>Net cash from investing activities [B]</b>	<b>(1,009.48)</b>	<b>994.66</b>
<b>Financing activities</b>		
Interest Paid	(3.14)	(4.86)
Repayment of Lease Obligation	(87.54)	-
Dividend paid, including dividend tax	(348.68)	(632.93)
<b>Net cash (used in) financing activities [C]</b>	<b>(439.36)</b>	<b>(637.79)</b>
<b>Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>(1,684.95)</b>	<b>1,159.23</b>
Cash and Cash equivalents at the beginning of the year	2,223.79	1,064.56
Cash and Cash equivalents at the end of the year (refer note 1 below)	<b>538.84</b>	<b>2,223.79</b>
Significant accounting policies	3	
The accompanying notes are an integral part of the financial statements.	4 - 43	

**Notes:**

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

Balances with banks:  
on current accounts  
on deposit accounts  
Cash on hand  
Remittances in transit

537.87	334.74
-	1,885.20
0.97	1.51
-	2.34

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

**As per our report of even date**

**For B S R & Associates LLP**

**Chartered Accountants**

**Firm Registration No: 116231W/W-100024**

**Jeyur Shah**

**Partner**

**Membership No. 045754**

**Place : Vadodara**

**Date : 30 June 2020**

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

**Tadasuke Hosoya**

**Chairman & Managing Director**

**DIN: 08232012**

**Susheela Maheshwari**

**Company Secretary & Manager (Legal)**

**Place : Vadodara**

**Date : 30 June 2020**

**Mayur K. Swadia**

**Director**

**DIN:01237189**

**Anjan Shah**

**DGM (Finance)**

**Cash Flow Statement**



Statement of Changes in Equity for the year ended 31 March 2020

A) Equity Share Capital

	(Amounts in INR Lakhs)
<b>As at 1 April 2018</b>	<b>750.00</b>
Changes during the year	-
<b>As at 31 March 2019</b>	<b>750.00</b>
Changes during the year	-
<b>As at 31 March 2020</b>	<b>750.00</b>

B) Other Equity

(Amount in INR Lakhs)

	Reserves and Surplus				Other Comprehensive Income (OCI)	TOTAL
	Capital reserve	Securities premium	General reserve	Retained earnings	Remeasurement of defined benefits	
<b>As at 1 April 2018</b>	<b>25.00</b>	<b>928.13</b>	<b>7,534.47</b>	<b>1,155.01</b>	<b>(134.92)</b>	<b>9,507.69</b>
Net profit for the year	-	-	-	461.28	-	461.28
Other comprehensive income for the year (net of tax)	-	-	-	-	8.78	8.78
Total comprehensive income for the year	-	-	-	461.28	8.78	470.06
Dividend paid	-	-	-	525.00	-	525.00
Tax on dividend	-	-	-	107.93	-	107.93
<b>As at 31 March 2019</b>	<b>25.00</b>	<b>928.13</b>	<b>7,534.47</b>	<b>983.36</b>	<b>(126.14)</b>	<b>9,344.82</b>
Net profit for the year	-	-	-	315.20	-	315.20
Other comprehensive income for the year (net of tax)	-	-	-	-	(140.17)	(140.17)
Total comprehensive income for the year	-	-	-	315.20	(140.17)	175.03
Dividend paid	-	-	-	300.00	-	300.00
Tax on dividend	-	-	-	61.67	-	61.67
<b>As at 31 March 2020</b>	<b>25.00</b>	<b>928.13</b>	<b>7,534.47</b>	<b>936.89</b>	<b>(266.31)</b>	<b>9,158.18</b>
Significant accounting policies	3					
The accompanying notes are an integral part of the financial statements.	4 - 43					

As per our report of even date

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

Jeyur Shah  
Partner  
Membership No. 045754

Place : Vadodara  
Date : 30 June 2020

For and on behalf of the Board of Directors

Tadasuke Hosoya  
Chairman & Managing Director  
DIN: 08232012

Susheela Maheshwari  
Company Secretary & Manager (Legal)

Place : Vadodara  
Date : 30 June 2020

Mayur K. Swadia  
Director  
DIN:01237189

Anjan Shah  
DGM (Finance)

Notes to the financial statements for the year ended 31 March 2020

## Note 1

### Company overview

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

## Note 2

### Basis of preparation of Ind AS financial statements

#### Statement of compliance

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

#### Functional and presentation currency

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

#### Basis of measurement

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

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Act.

#### Use of estimates and judgement

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

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

#### Significant accounting judgments, estimates and assumptions

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

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

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

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

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

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

**c) Current and deferred taxes**

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

**d) Employee benefits**

Management's estimate of the Company's obligation is determined based on actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds. Future salary increases and gratuity increases are based on expected future inflation rates for India.

Refer note 37 for details of the key assumptions used in determining the accounting of these plans.

**e) Management Estimate Related Provisions and Contingent Liability**

Provisions & Contingent Liabilities: The Company exercises judgement in measuring and recognizing provisions and the exposures to contingent liabilities which is related to pending litigation or other outstanding claims. If a loss arising from these litigations and/or claims is probable and can be reasonably estimated, the management record the amount of the estimated loss. If a loss is reasonably possible, but not probable, the management discloses the nature of the significant contingency and, if quantifiable, the possible loss that could result from the resolution of the matter. As additional information becomes available, the management reassess any potential liability related to these litigations and claims and may need to revise the estimates. Such revisions or ultimate resolution of these matters could materially impact the results of operations, cash flows or financial statements of the Company.

**Note 3**

**Significant accounting policies**

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

*Recognition and measurement*

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

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

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

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

*Subsequent expenditure*

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

**b) Depreciation**

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

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

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

### c) Intangible assets

#### *Recognition and measurement*

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

#### *Subsequent expenditure*

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

#### *Amortisation*

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

### d) Impairment of non-financial assets

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

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

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

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

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

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

e) **Financial instruments**

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

**Financial assets**

*Initial recognition and measurement*

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

*Subsequent measurement*

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

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

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

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

**Financial assets measured at amortised cost**

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

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

Financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables.

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

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

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

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

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

*Derecognition*

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

- a) The contractual rights to the cash flows from the financial asset have expired, or
- b) The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
  - i) The Company has transferred substantially all the risks and rewards of the asset, or

- ii) The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

#### *Impairment of financial assets*

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

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

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

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

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

#### **Financial Liabilities**

##### *Initial recognition and measurement*

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

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

##### *Subsequent measurement*

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

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

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

#### **Derecognition**

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

#### **Offsetting financial instruments**

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

#### **f) Inventories**

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



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

**g) Employee Benefits**

**i) Short-term employee benefits**

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

**ii) Post-employment benefits**

*Defined contribution plans*

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

*Defined benefit plans*

All employees are covered under Employees' Gratuity Scheme, which is a defined benefit plan. The Company contributes to a fund maintained with Life Insurance Corporation of India (LIC) on the basis of the year-end liability determined based on actuarial valuation using the Projected Unit Cost Method. Remeasurements of the net defined benefit liability, which comprise actuarial gains/losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest) are recognized in Other Comprehensive Income. Net interest expense and other expenses related to defined benefit plans are recognised in the Statement of Profit and Loss.

In respect of all employees, the Company makes contributions determined based on specified percentage of salaries, towards Provident Fund to a Company managed Provident Fund Trust. These contributions are charged to Statement of Profit and Loss as they accrue. The Company has an obligation to fund any shortfall in the Trust Fund, as determined based on the year end actuarial valuation using the projected unit credit method.

*Long-term employee benefits*

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

**h) Revenue recognition**

*Sale of goods*

Revenue is recognised upon transfer of control of promised goods to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those goods. Revenue from the sale of goods is recognised at the point in time when control is transferred to the customer which is usually on dispatch / delivery.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, price concessions, incentives, and returns, if any, as specified in the contracts with the customers. Revenue excludes taxes collected from customers on behalf of the government. Accruals for

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

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

#### *Export incentives*

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

#### *Claims*

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

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

#### *Transactions and balances:*

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

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

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

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

### **j) Taxes**

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

#### *Current Tax*

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

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

#### *Deferred Tax*

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

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

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

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

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

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

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

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

Contingent liability is disclosed in the case of:

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

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

Final dividend on shares is recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

**l) Leases**

*Company as a lessee*

Ind AS 116 – Leases:

Ind AS 116 Leases replaces existing lease accounting guidance i.e. Ind AS 17 Leases. It sets out principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases, except short-term leases and leases for low-value items, under a single on-balance sheet lease accounting model. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the site on which it is located, less any lease incentives received. Certain lease arrangements include the option to extend or terminate the lease before the end of the lease term.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole.

Lease payments included in the measurement of the lease liability comprises of fixed payments, including in-substance fixed payments, amounts expected to be payable under a residual value guarantee and the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option.

The lease liability is subsequently remeasured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Lease liability and the right of use asset have been separately presented in the balance sheet and lease payments have been classified as financing activities.

The Company has elected not to recognise right-of-use assets and lease liabilities for short term leases that have a lease term of less than or equal to 12 months with no purchase option and assets with low value leases. The Company recognises the lease payments associated with these leases as an expense in statement of profit and loss over the lease term. The related cash flows are classified as operating activities.

### **Transition to New Standards**

Effective 1 April 2019, the Company has adopted Indian Accounting Standard (Ind AS) 116 "Leases" using the modified prospective approach. This has resulted in recognition of right of use assets equal to lease liability as on 1 April 2019.

On transition, for leases classified as operating leases under Ind AS 17, the lease liabilities are measured at the present value of the remaining lease payments, discounted at 5 year government bond rate as at April 01, 2019.

Refer note 3 - "Significant accounting policies" I) - "Leases" in the Annual report of the Company for the year ended March 31, 2019, for the policy as per Ind AS 17.

### **m) Fair Value Measurement**

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

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

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

## Panasonic Energy India Co. Ltd.

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

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes (Refer Note 36):

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

### n) **Segment reporting**

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

### o) **Earnings per share**

Basic earnings per share is calculated by dividing the profit or loss attributable to owners of the Company by the weighted average number of equity shares outstanding during the financial year. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted earnings per share, adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

**Notes to the financial statements for the year ended 31 March 2020**

**4. Property, plant and equipment, Other Intangible assets and Capital work-in-progress**

	Property, Plant and equipment												Right of use assets			Intangible Assets		Grand Total
	Leasehold land	Buildings	Plant and machinery	Dies	Furniture & Fixtures	Vehicles	Electricals Installation	Air Conditioners & Office equipments	Computers	Total	Buildings	Computers	Total	Software	Total			
																Total	Buildings	
<b>Cost</b>																		
<b>As at 01 April 2018</b>	27.48	478.79	1,498.78	17.52	66.65	47.45	36.94	72.03	31.03	2,276.67	-	-	-	36.17	36.17	2,312.84		
Additions	-	15.16	26.21	1.96	2.45	4.57	3.64	24.21	7.57	85.77	-	-	-	11.84	11.84	97.61		
Deductions / adjustments	-	-	45.61	2.98	3.93	0.18	1.98	1.60	1.99	58.27	-	-	-	-	-	58.27		
<b>As at 31 March 2019</b>	27.48	493.95	1,479.38	16.50	65.17	51.94	38.60	94.64	36.61	2,304.17	-	-	-	48.01	48.01	2,352.18		
Additions	-	0.20	631.67	3.23	1.03	9.14	0.64	3.69	4.57	654.18	292.33	36.29	328.61	13.26	13.26	996.05		
Deductions / adjustments	-	-	275.24	3.01	0.09	1.07	0.00	3.29	6.75	289.45	-	-	-	-	-	289.45		
<b>As at 31 March 2020</b>	27.48	494.16	1,835.82	16.72	66.11	59.91	39.23	95.04	34.42	2,668.90	292.33	36.29	328.61	61.27	61.27	3,058.78		
<b>Depreciation / Amortisation</b>																		
<b>As at 01 April 2018</b>	0.82	41.77	313.31	2.20	11.91	19.96	7.18	31.10	12.94	441.19	-	-	-	13.56	13.56	454.75		
Charge for the year	0.40	29.92	182.82	0.98	12.52	6.37	6.26	19.23	8.78	267.28	-	-	-	9.61	9.61	276.89		
Deductions / adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
<b>As at 31 March 2019</b>	1.22	71.69	496.13	3.18	24.43	26.33	13.44	50.33	21.72	708.47	-	-	-	23.17	23.17	731.64		
Charge for the year	0.41	28.90	151.79	0.91	9.60	5.80	5.64	16.11	7.87	227.03	72.63	7.84	80.47	8.92	8.92	316.42		
Deductions / adjustments	-	-	220.17	2.86	0.01	0.90	-	2.87	5.23	232.03	-	-	-	-	-	232.03		
<b>As at 31 March 2020</b>	1.63	100.59	427.75	1.23	34.02	31.23	19.08	63.57	24.36	703.47	72.63	7.84	80.47	32.09	32.09	816.03		
<b>Net Block</b>																		
As at 31 March 2019	26.26	422.26	989.25	13.32	40.74	25.51	25.16	44.31	14.89	1,595.69	-	-	-	24.84	24.84	1,620.53		
As at 31 March 2020	25.86	393.57	1,408.07	15.49	32.10	28.68	20.16	31.46	10.06	1,965.43	219.69	28.45	248.14	29.18	29.18	2,242.75		
<b>Capital work-in-progress</b>																		
As at 31 March 2019	-	-	504.92	-	-	-	-	-	-	504.92	-	-	-	-	-	504.92		
As at 31 March 2020	-	-	45.52	-	-	-	-	-	-	45.52	-	-	-	1.35	1.35	46.87		



# Panasonic Energy India Co. Ltd.

5 Financial Assets - Loans		<i>(Amounts in INR Lakhs)</i>	
	As at 31 March 2020	As at 31 March 2019	
<b>Non-current</b>			
<b>Unsecured, considered good</b>			
Security and other deposits	51.91	54.31	
<b>Total</b>	<b>51.91</b>	<b>54.31</b>	
<b>Current</b>			
<b>Unsecured, considered good</b>			
Security and other deposits	13.71	16.38	
Loans to employees	37.59	34.12	
<b>Total</b>	<b>51.30</b>	<b>50.50</b>	
6 Financial Assets - Others		<i>(Amounts in INR Lakhs)</i>	
	As at 31 March 2020	As at 31 March 2019	
<b>Current</b>			
Receivable from related parties (refer Note 36)	159.80	360.23	
Other receivables	3.78	23.19	
Discounts receivable	8.82	7.98	
<b>Total</b>	<b>172.40</b>	<b>391.40</b>	
7 Tax Assets		<i>(Amounts in INR Lakhs)</i>	
	As at 31 March 2020	As at 31 March 2019	
<b>Non-current</b>			
Advance tax and TDS (net of provisions)	711.58	711.24	
<b>Total</b>	<b>711.58</b>	<b>711.24</b>	
8 Other Assets		<i>(Amounts in INR Lakhs)</i>	
	As at 31 March 2020	As at 31 March 2019	
<b>Non-current</b>			
Capital advances	27.04	1.23	
Prepaid expenses	2.04	1.20	
<b>Total</b>	<b>29.08</b>	<b>2.43</b>	
<b>Current</b>			
Prepaid expenses	74.31	52.76	
Advance to suppliers	136.60	11.96	
Balances with Government authorities	546.69	445.69	
Other receivables	0.07	0.00	
LIC gratuity fund balance (refer Note 37)	-	15.50	
<b>Total</b>	<b>757.67</b>	<b>525.91</b>	
9 Inventories (At lower of Cost or Net Realisable Value)		<i>(Amounts in INR Lakhs)</i>	
	As at 31 March 2020	As at 31 March 2019	
Raw materials	1,107.74	610.58	
Work-in-progress	347.79	239.90	
Finished goods	1,548.69	1,276.33	
Stock-in-trade	383.58	624.29	
Stores & spares	137.66	131.00	
<b>Goods-in-transit</b>			
Raw materials	23.75	74.45	
Traded goods	81.20	19.53	
<b>Total</b>	<b>3,630.41</b>	<b>2,976.08</b>	

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

10 Current Financial Assets - Trade receivables

(Amounts in INR Lakhs)

	As at 31 March 2020	As at 31 March 2019
From Others		
(a) Trade Receivables considered good - Secured	-	-
(b) Trade Receivables considered good - Unsecured	390.10	288.15
(c) Trade Receivables which have significant increase in Credit Risk; and	-	-
(d) Trade Receivables - credit impaired	5.58	-
Less: Allowance for credit impaired	(5.58)	-
From related parties (refer Note 36)		
(a) Trade Receivables considered good - Unsecured	57.12	23.25
<b>Total</b>	<b>447.22</b>	<b>311.40</b>

Refer Note 34 on financial instruments.

11 Current Financial Assets - Cash and cash equivalents

(Amounts in INR Lakhs)

	As at 31 March 2020	As at 31 March 2019
Balances with banks		
on current accounts	537.87	334.74
on deposit accounts	-	1,885.20
Cash on hand	0.97	1.51
Remittances in transit	-	2.34
<b>Total</b>	<b>538.84</b>	<b>2,223.79</b>

Note:

The disclosures regarding details of specified bank notes held and transacted during 8th Nov, 2016 to 30th December, 2016 has not been made in these financial statements since the requirement does not pertain to financial year ended 31st March, 2020.

12 Current Financial Assets - Other Bank Balances

(Amounts in INR Lakhs)

	As at 31 March 2020	As at 31 March 2019
Deposits with original maturity over 3 months but less than 12 months	-	3,026.55
Deposits with original maturity over 12 months	4,207.14	102.01
Margin money deposits	105.21	100.72
Unpaid dividend accounts	74.00	60.68
<b>Total</b>	<b>4,386.35</b>	<b>3,289.96</b>

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

13 Share Capital

	No. of shares	Amounts in INR Lakhs
<b>Authorised Capital</b>		
<b>Equity shares of INR 10 each</b>		
<b>As at 1 April 2018</b>	<b>1,00,00,000</b>	<b>1,000.00</b>
Increase/(decrease) during the year	-	-
<b>As at 31 March 2019</b>	<b>1,00,00,000</b>	<b>1,000.00</b>
Increase/(decrease) during the year	-	-
<b>As at 31 March 2020</b>	<b>1,00,00,000</b>	<b>1,000.00</b>



	No. of shares	Amounts in INR Lakhs
<b>Issued, Subscribed and Paid-up Capital</b>		
<b>Equity shares of INR 10 each</b>		
<b>As at 1 April 2018</b>	<b>75,00,000</b>	<b>750.00</b>
Increase/(decrease) during the year	-	-
<b>As at 31 March 2019</b>	<b>75,00,000</b>	<b>750.00</b>
Increase/(decrease) during the year	-	-
<b>As at 31 March 2020</b>	<b>75,00,000</b>	<b>750.00</b>

**Terms/Rights attached to Equity Shares**

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

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

Name of equity shareholder	No. of Shares	% of holding
<b>Panasonic Corporation, Japan (the holding company)</b>		
As at 31 March 2020	43,54,144	58.06%
As at 31 March 2019	43,54,144	58.06%

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

Name of equity shareholder	No. of Shares	% of holding
<b>Panasonic Corporation, Japan (the holding company)</b>		
As at 31 March 2020	43,54,144	58.06%
As at 31 March 2019	43,54,144	58.06%

**14 Other Equity***(Amounts in INR Lakhs)*

		As at 31 March 2020	As at 31 March 2019
<b>Capital state subsidy reserve</b>	<b>(A)</b>	<b>25.00</b>	<b>25.00</b>
<b>Securities premium</b>	<b>(B)</b>	<b>928.13</b>	<b>928.13</b>
<b>General reserve</b>	<b>(C)</b>	<b>7,534.47</b>	<b>7,534.47</b>
<b>Retained earnings</b>			
At the commencement of the year		983.36	1,155.01
Add: Net profit for the year		315.20	461.28
Less: Appropriations			
Dividend paid		(300.00)	(525.00)
Tax on dividend paid		(61.67)	(107.93)
<b>Closing balance</b>	<b>(D)</b>	<b>936.89</b>	<b>983.36</b>
<b>Other Comprehensive Income (OCI)</b>			
At the commencement of the year		(126.14)	(134.92)
Remeasurements of defined benefit liability / asset (net of tax) (FVTOCI)		(140.17)	8.78
<b>Closing balance</b>	<b>(E)</b>	<b>(266.31)</b>	<b>(126.14)</b>
<b>Total (A+B+C+D+E)</b>		<b>9,158.18</b>	<b>9,344.82</b>

**Nature and purpose of reserves:**

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

- 4) Retained earnings are the profits that the Company has earned till date, less any transfers to General reserve and payment of dividend. The amount that can be distributed by the Company as dividends to its equity shareholders is determined as per the provisions of the Act and the dividend distribution policy of the Company.

In respect of the year ended 31 March 2020, the Board of Directors has proposed a final dividend of INR 4.00 (31 March 2019 INR 4.00) per share to be paid on fully paid equity shares. This equity dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these Ind AS financial statements. The total estimated equity dividend to be paid is INR 300 Lakhs (31 March 2019 INR 300.00 Lakhs) and the dividend distribution tax thereon amounts to INR Nil (31 March 2019 INR 61.67 Lakhs).

- 5) Remeasurements of defined benefit liability / asset comprises of actuarial gains and losses and return on plan asset (excluding interest income).

**15 Current Financial Liabilities - Trade payables**

*(Amounts in INR Lakhs)*

	As at 31 March 2020	As at 31 March 2019
Dues to micro, small and medium enterprises	210.44	147.22
Dues to other than micro, small and medium enterprises	307.84	350.18
Dues to related parties (refer Note 36)	317.50	334.63
<b>Total</b>	<b>835.78</b>	<b>832.03</b>

**Notes:**

- a) Payment towards trade payables is made as per the terms and conditions of the contract / purchase orders. The average credit period for purchase of materials and traded products ranges from 30 to 45 days.
- b) The Company's exposure to currency and liquidity risks related to trade payables is disclosed in Note 34.
- c) Under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED) which came into force from 2 October 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. On the basis of the information and records available with the Management, dues to Micro, Small and Medium Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management till date and relied upon by the auditors. The disclosures as required by Section 22 of the MSMED Act are given below:

*(Amounts in INR Lakhs)*

Particulars	As at 31 March 2020	As at 31 March 2019
a) Principal amount payable to suppliers as at year end	210.44	147.22
b) Interest due thereon as at year end	-	-
c) Principal Amount paid to the suppliers beyond the appointed day during each accounting year.	196.90	118.44
d) Amount of interest paid under MSMED Act, 2006 to the suppliers beyond the appointed day during each accounting year.	-	-
e) Amount of interest accrued and remaining unpaid at the end of the accounting year.	6.42	3.85
f) The amount of further interest due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act, 2006.	-	-
g) The amount of further interest due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act, 2006.	-	-

**16 Current Financial Liabilities - Others**

*(Amounts in INR Lakhs)*

	As at 31 March 2020	As at 31 March 2019
Deposits	31.08	39.32
Payable for capital assets	7.61	16.53
Unpaid dividends	74.00	60.68
Other accrued liabilities	1,031.65	1,033.08
<b>Total</b>	<b>1,144.34</b>	<b>1,149.61</b>

# Panasonic Energy India Co. Ltd.

## 17 Provisions (Amounts in INR Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Non-current</b>		
Provision for gratuity (refer Note 37)	72.98	-
<b>Total</b>	<b>72.98</b>	<b>-</b>
<b>Current</b>		
Provision for gratuity (refer Note 37)	115.88	-
Provision for compensated absences	381.36	258.85
<b>Total</b>	<b>497.24</b>	<b>258.85</b>

## 18 Other Current Liabilities (Amounts in INR Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Advances from customers	131.19	84.95
Advances from scrap traders	4.91	2.02
Duties and taxes payable	171.24	150.58
<b>Total</b>	<b>307.34</b>	<b>237.55</b>

## 19 Current Tax Liabilities (Net) (Amounts in INR Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Provision for tax (net of advances)	24.62	-
<b>Total</b>	<b>24.62</b>	<b>-</b>

## 20 Deferred Tax (Liabilities) / Assets (Net)

Deferred tax assets and liabilities are attributable to the following:

(Amounts in INR Lakhs)

	As at 31 March 2020	As at 31 March 2019
<b>Deferred Tax Liabilities</b>		
Excess of depreciation / amortisation on PPE under tax law over depreciation / amortisation provided in accounts	138.22	159.45
Others	-	-
<b>Total Deferred Tax Liabilities (A)</b>	<b>138.22</b>	<b>159.45</b>
<b>Deferred Tax Assets</b>		
Unpaid liabilities allowable on payment basis under Section 43B of Income Tax Act, 1961	115.83	67.98
Others	5.98	1.86
<b>Total Deferred Tax Assets (B)</b>	<b>121.81</b>	<b>69.84</b>
<b>Net Deferred Tax Liabilities (A-B)</b>	<b>16.41</b>	<b>89.61</b>

### (i) Movements in Deferred Tax Liabilities (net)

(Amounts in INR Lakhs)

	Excess of depreciation / amortisation on PPE under tax law over depreciation / amortisation provided in accounts	Disallowances under Income tax	Others	Net Deferred Tax Liabilities/ (Assets)
<b>As at 1 April 2018</b>	<b>214.87</b>	<b>(88.93)</b>	<b>8.72</b>	<b>134.66</b>
Charged / (Credited)				
- to statement of profit and loss	(55.42)	15.27	(8.28)	(48.43)
- to other comprehensive income	-	3.38	-	3.38
<b>As at 31 March 2019</b>	<b>159.45</b>	<b>(70.28)</b>	<b>0.44</b>	<b>89.61</b>
Charged / (Credited)				
- to statement of profit and loss	(21.23)	(0.70)	(4.13)	(26.06)
- to other comprehensive income	-	(47.14)	-	(47.14)
<b>As at 31 March 2020</b>	<b>138.22</b>	<b>(118.12)</b>	<b>(3.69)</b>	<b>16.41</b>

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

	Year ended 31 March 2020	Year ended 31 March 2019
Sale of products	20,298.49	20,686.52
Other operating income	54.65	59.83
<b>Total</b>	<b>20,353.14</b>	<b>20,746.35</b>

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

	Year ended 31 March 2019	Year ended 31 March 2018
Interest income on deposits	305.22	318.70
Profit on sale of assets	21.26	1.97
Foreign exchange gains (net)	12.73	33.05
Miscellaneous income	51.02	66.26
<b>Total</b>	<b>390.23</b>	<b>419.98</b>

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

	Year ended 31 March 2020	Year ended 31 March 2019
Opening stock	685.03	855.00
Add : Purchases	10,945.15	10,145.88
Less : Closing stock	1,131.49	685.03
<b>Total</b>	<b>10,498.69</b>	<b>10,315.85</b>

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

	Year ended 31 March 2020	Year ended 31 March 2019
<b>Inventories at the beginning of the year:</b>		
Finished goods (including stock in trade and materials in transit)	1,920.15	1,568.09
Work in progress	239.90	328.85
	<b>2,160.05</b>	<b>1,896.94</b>
<b>Inventories at the end of the year:</b>		
Finished goods (including stock in trade and materials in transit)	2,013.47	1,920.15
Work in progress	347.79	239.90
	<b>2,361.26</b>	<b>2,160.05</b>
<b>Total Net (Increase) / Decrease</b>	<b>(201.21)</b>	<b>(263.11)</b>

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

	Year ended 31 March 2020	Year ended 31 March 2019
Consumption of stores and spares	104.70	104.45
Power and fuel	257.25	245.38
Water, gas and oil	128.61	133.43
Repairs to machineries	93.66	73.19
Repairs to buildings	13.56	9.89
<b>Total</b>	<b>597.78</b>	<b>566.34</b>

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

	Year ended 31 March 2020	Year ended 31 March 2019
Salaries, wages and bonus	3,906.64	3,430.84
Contribution to provident and other funds (refer Note 37)	235.85	215.91
Staff welfare expenses	131.50	123.82
<b>Total</b>	<b>4,273.99</b>	<b>3,770.57</b>

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

	Year ended 31 March 2020	Year ended 31 March 2019
Other finance costs	21.56	4.86
<b>Total</b>	<b>21.56</b>	<b>4.86</b>

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

	Year ended 31 March 2020	Year ended 31 March 2019
Rent (refer Note 39)	2.95	90.61
General repairs	29.37	27.63
Insurance	26.15	26.85
Rates and taxes	41.59	43.98
Legal and professional charges	119.46	265.75
Transportation expense	602.82	575.40
Travelling and conveyance	758.07	738.63
Other bank charges	9.59	8.33
CSR expenses	18.42	31.04
Expected credit loss	5.58	-
Post, telegrams and telephone expenses	48.15	52.65
Sales promotion expenses	913.03	1,112.10
Royalty and brand fees	346.95	641.78
Loss on sale of assets (net)	54.97	57.32
Research and development expenses	6.08	10.71
Directors' commission (refer Note 36)	7.80	7.53
Director's sitting fees (refer Note 36)	7.00	6.20
Auditors' remuneration (refer Note below)	24.83	14.80
Miscellaneous expenses	284.21	196.17
<b>Total</b>	<b>3,307.02</b>	<b>3,907.48</b>

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

	Year ended 31 March 2020	Year ended 31 March 2019
<b>Payment to Auditors</b>		
Statutory audit	15.00	14.25
Other services	8.00	-
Reimbursement of expenses	1.83	0.55

\* excluding applicable taxes

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

	Year ended 31 March 2020	Year ended 31 March 2019
Amount required to be spent by the Company during the year	18.42	31.04
Amount spent during the year on:		
Construction /acquisition of any asset	-	-
On purpose other than above	18.42	31.04
Amount yet to be spent:		
Construction /acquisition of any asset	-	-
On purpose other than above	-	-
<b>Total</b>	<b>18.42</b>	<b>31.04</b>

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

	Year ended 31 March 2020	Year ended 31 March 2019
<b>Profit attributable to equity shareholders:</b>		
Net profit after tax attributable to equity shareholders (Amount in INR Lakhs)	315.20	461.28
Adjusted for the effect of dilution (Amount in INR Lakhs)	315.20	461.28
<b>Weighted average number of equity shares for:</b>		
Basic EPS	75,00,000	75,00,000
Adjusted for the effect of dilution	75,00,000	75,00,000
<b>Earnings Per Share (INR):</b>		
Basic	4.20	6.15
Diluted	4.20	6.15

30 Contingent liabilities (Amounts in INR Lakhs)

	As at 31 March 2020	As at 31 March 2019
a) Disputed Excise / Service tax matters pending before Assessing/Appellate Authorities	135.37	228.33
b) Income tax matters	401.12	410.86
c) Sales Tax / VAT matters	297.25	323.54
d) Others	99.42	89.81
e) Claims from employees and former employees	Amount unascertainable	Amount unascertainable
f) The Hon'ble Supreme Court of India ("SC") by their order dated February 28, 2019, in the case of Surya Roshani Limited & others v/s EPFO, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. Subsequently, a review petition was filed against this decision which has been dismissed by SC on 28 August 2019. In view of management, guidelines directed under SC judgement has been implemented w.e.f. 01 August 2019. In addition, the SC judgement hasn't expressed whether this effect shall be prospectively or retrospectively, the impact before 01 April 2019, if any, is not ascertainable and consequently no financial effect has been provided for in the accounts. Accordingly, this has been disclosed as a contingent liability in the financial statements.	Amount unascertainable	Amount unascertainable

**31. Commitments**

Estimated amount of capital contracts remaining to be executed and not provided for (net of advances) is INR 27.63 Lakhs (31 March 2019: INR 2.01 Lakhs)

- 32.** The Company's international and specified domestic transactions with associated enterprises are at arm's length, as per the independent accountant's report for the year ended 31 March 2019. The Management believes that the Company's international and domestic transactions with associated enterprises post 31 March 2019 continue to be at arm's length and that transfer pricing legislations will not have any impact on the Ind AS financial statements, particularly on the amount of tax expenses for the year and the amount of provision for taxation at the year end.

**33. Operating segments**

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

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

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

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

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

**34 Financial Instruments - Fair Value and Risk Measurements****A) Accounting classification and fair values***(Amounts in INR Lakhs)*

As at March 31, 2020	Carrying amount				Fair value			
	FVTPL	FVOCI	Amortised Cost	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	Total
<b>Financial Assets</b>								
Loans								
Current	-	-	51.30	51.30	-	-	-	-
Trade receivables	-	-	447.22	447.22	-	-	-	-
Cash and cash equivalents	-	-	538.84	538.84	-	-	-	-
Other bank balances	-	-	4,386.35	4,386.35	-	-	-	-
Other financial assets								
Non-current	-	-	51.91	51.91	-	-	-	-
Current	-	-	172.40	172.40	-	-	-	-
<b>Total Financial Assets</b>	-	-	<b>5,648.02</b>	<b>5,648.02</b>	-	-	-	-
<b>Financial Liabilities</b>								
Lease Liabilities								
Non-current	-	-	186.31	186.31	-	-	-	-
Current	-	-	73.18	73.18	-	-	-	-
Trade payables	-	-	835.78	835.78	-	-	-	-
Other financial liabilities	-	-	1,144.34	1,144.34	-	-	-	-
<b>Total Financial Liabilities</b>	-	-	<b>2,239.61</b>	<b>2,239.61</b>	-	-	-	-

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

As at March 31, 2019	Carrying amount				Fair value			
	FVTPL	FVOCI	Amortised Cost	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	Total
<b>Financial Assets</b>								
Loans								
Current	-	-	50.50	50.50	-	-	-	-
Trade receivables	-	-	311.40	311.40	-	-	-	-
Cash and cash equivalents	-	-	2,223.79	2,223.79	-	-	-	-
Other bank balances	-	-	3,289.96	3,289.96	-	-	-	-
Other financial assets								
Non-current	-	-	54.31	54.31	-	-	-	-
Current	-	-	391.40	391.40	-	-	-	-
<b>Total Financial Assets</b>	-	-	<b>6,321.36</b>	<b>6,321.36</b>	-	-	-	-
<b>Financial Liabilities</b>								
Trade payables	-	-	832.03	832.03	-	-	-	-
Other financial liabilities	-	-	1,149.61	1,149.61	-	-	-	-
<b>Total Financial Liabilities</b>	-	-	<b>1,981.63</b>	<b>1,981.63</b>	-	-	-	-

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

**Types of inputs are as under:**

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

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

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

**B. Measurement of fair values**

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

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

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

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

**iii) Level III fair values**

There are no items in Level III fair values.

**C. Financial risk management**

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

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

**Risk management framework**

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

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and



the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

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

**(i) Credit risk**

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

**Trade and other receivables**

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

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

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

(Amounts in INR Lakhs)

	As at 31 March 2020	As at 31 March 2019
India	395.30	293.06
Overseas	51.92	18.34

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

**Impairment**

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

**Age of Receivables**

(Amounts in INR Lakhs)

	As at 31 March 2020	As at 31 March 2019
Not Due	300.24	242.15
0-30 days	134.64	56.60
31-60 days	1.59	7.24
61-90 days	9.95	5.05
91-180 days	0.80	0.36
> 180 days	-	-

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

**Movements in Expected Credit Loss Allowance:**

(Amounts in INR Lakhs)

	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the year	-	-
Movements in allowance	5.58	-
	<b>5.58</b>	-

**Other financial assets**

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

**(ii) Liquidity Risk**

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

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

**Exposure to liquidity risk**

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

(Amounts in INR Lakhs)

March 31, 2020	Carrying amount	Contractual maturities				
		Total	Less than 12 months	1-2 years	2-5 years	More than 5 years
Trade payables	835.78	835.78	835.78	-	-	-
Other financial liabilities	1,403.83	1,403.83	1,217.52	186.31	-	-
March 31, 2019	Carrying amount	Contractual maturities				
		Total	Less than 12 months	1-2 years	2-5 years	More than 5 years
Trade payables	832.03	832.03	832.03	-	-	-
Other financial liabilities	1,149.61	1,149.61	1,149.61	-	-	-

**(iii) Market risk**

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

**(a) Currency Risk**

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

Unhedged Exposures	Foreign Currency Denomination	As at 31 March 2020		As at 31 March 2019	
		Foreign Currency	Reporting Currency (Amounts in INR Lakhs)	Foreign Currency	Reporting Currency (Amounts in INR Lakhs)
Trade Receivable	USD	68,871.35	51.92	26,527.00	18.35
Trade Payable	USD	3,38,985.80	255.55	3,98,565.00	68.18
Net Foreign Currency Exposure (Asset - Liability)		(2,70,114.45)	(203.63)	(3,72,038.00)	(49.83)
Trade Receivable	JPY	-	-	-	-
Trade Payable	JPY	18,68,640.00	13.02	88,71,897.00	54.70
Net Foreign Currency Exposure (Asset - Liability)		(18,68,640.00)	(13.02)	(88,71,897.00)	(54.70)

## Panasonic Energy India Co. Ltd.

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

	Average rate		Year-end spot rate	
	For year ended 31 March 2020	For year ended 31 March 2019	As at 31 March 2020	As at 31 March 2019
1 USD	70.89	70.94	75.39	69.17
100 JPY	65.23	63.65	69.65	62.52

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

Effect in Rupees	Profit / (Loss)		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
<b>31 March 2020</b>				
USD (3% movement)	(6.11)	6.11	(4.57)	4.57
JPY (3% movement)	(0.39)	0.39	(0.29)	0.29

Effect in Rupees	Profit / (Loss)		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
<b>31 March 2019</b>				
USD (3% movement)	(1.49)	1.49	(1.08)	1.08
JPY (3% movement)	(1.64)	1.64	(1.18)	1.18

### (b) Interest rate risk

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

### 35. Capital Management

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

(Amounts in INR Lakhs)

	As at 31 March 2020	As at 31 March 2019
Total Non-current Financial liabilities	186.31	-
Less: Cash and bank balances	4,925.19	5,513.75
<b>Adjusted net debt</b>	<b>(4,738.88)</b>	<b>(5,513.75)</b>
Borrowings	-	-
<b>Total equity</b>	<b>9,908.18</b>	<b>10,094.82</b>
<b>Adjusted net debt to adjusted equity ratio</b>	<b>(0.48)</b>	<b>(0.55)</b>
<b>Debt equity considering only borrowings as debt</b>	<b>-</b>	<b>-</b>

### 36 Related party disclosures

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

Name of the Related Party	Nature of Relationship
Panasonic Corporation	Holding company
Panasonic Carbon India Co. Ltd	Fellow subsidiary
P.T. Panasonic Gobel Energy Indonesia	Fellow subsidiary
Panasonic Energy Tanzania Co. Ltd.	Fellow subsidiary
Panasonic Energy Thailand Co. Ltd.	Fellow subsidiary
Panasonic AVC Networks India Co. Ltd.	Fellow subsidiary
Panasonic Peruana SA	Fellow subsidiary
Panasonic India Pvt. Ltd.	Fellow subsidiary
Panasonic Procurement Asia Pacific (Division of Panasonic Asia Pacific Pte.Ltd.)	Fellow subsidiary
Panasonic Energy (Shanghai) Co. Ltd.	Fellow subsidiary
Panasonic Hong Kong Co. Ltd.	Fellow subsidiary
Panasonic Energy (Wuxi) Co. Ltd.	Fellow subsidiary
Panasonic Do Brasil Limitada	Fellow subsidiary
Relo Panasonic Excel International Co. Ltd	Fellow subsidiary
Panasonic Energy Poland S A	Fellow subsidiary
Panasonic Life Solutions India P Ltd	Fellow subsidiary
Panasonic Industry (China) Co Ltd (Formerly: Panasonic Indl Dev Sales (CH) Co. Ltd.	Fellow subsidiary

Key Management Personnel (KMP)	
Mr. Mikio Morikawa	Chairman and Managing Director (up to 31 March 2020)
Ms. Geeta Goradia	Independent Director
Mr. Mayur Swadia	Independent Director
Mr. Atul Dalmia	Independent Director
Mr. Hideyuki Okunaga	Executive Director (w.e.f 01 June 2019)
Mr. Tadasuke Hosoya	Executive Director (up to 31 March 2020)

Transactions with related parties during the year

(Amounts in INR Lakhs)

Nature of Transaction	Holding Company	Fellow Subsidiary	Key Management Personnel	Total
<b>Sale of products</b>	-	<b>153.27</b>	-	<b>153.27</b>
	-	(412.69)	-	(412.69)
Panasonic Peruana SA	-	<b>70.09</b>	-	<b>70.09</b>
	-	(41.16)	-	(41.16)
Panasonic Energy Tanzania Co. Ltd.	-	-	-	-
	-	(342.26)	-	(342.26)
Panasonic Energy Poland S A	-	-	-	-
	-	(4.42)	-	(4.42)
Panasonic Do Brasil Limitada	-	-	-	-
	-	(5.18)	-	(5.18)
Panasonic Marketing Midle East & Afrika FZE	-	-	-	-
	-	(5.40)	-	(5.40)
Panasonic Life Solutions India P Ltd	-	<b>0.14</b>	-	<b>0.14</b>
	-	(0.23)	-	(0.23)
Panasonic AVC Network India Co Ltd	-	<b>3.27</b>	-	<b>3.27</b>
	-	-	-	-
Panasonic Industry (China) Co Ltd (Formerly: Panasonic Indl Dev Sales (CH) Co. Ltd.	-	<b>54.10</b>	-	<b>54.10</b>
	-	-	-	-
Panasonic India Pvt. Ltd.	-	<b>25.67</b>	-	<b>25.67</b>
	-	(14.04)	-	(14.04)
<b>Sale of Machinery</b>	-	<b>19.83</b>	-	<b>19.83</b>
	-	-	-	-
Panasonic Peruana SA	-	<b>19.83</b>	-	<b>19.83</b>
	-	-	-	-
<b>Reimbursement of expenses received/receivable</b>	-	-	-	-
	(0.39)	(2.25)	-	(2.64)
Panasonic Corporation	-	-	-	-
	(0.39)	-	-	(0.39)
Panasonic Energy Tanzania Co. Ltd.	-	-	-	-
	-	(2.25)	-	(2.25)
<b>Dividends paid</b>	<b>174.17</b>	-	-	<b>174.17</b>
	(304.82)	-	-	(304.82)
Panasonic Corporation	<b>174.17</b>	-	-	<b>174.17</b>
	(304.82)	-	-	(304.82)

# Panasonic Energy India Co. Ltd.

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

(Amounts in INR Lakhs)

Nature of Transaction	Holding Company	Fellow Subsidiary	Key Management Personnel	Total
<b>Raw material purchases</b>	-	<b>852.10</b>	-	<b>852.10</b>
	-	(767.86)	-	(767.86)
Panasonic Carbon India Co. Ltd..	-	<b>751.44</b>	-	<b>751.44</b>
	-	(699.18)	-	(699.18)
Panasonic Procurement Asia Pacific	-	<b>100.66</b>	-	<b>100.66</b>
	-	(68.68)	-	(68.68)
<b>Purchase of traded goods</b>	<b>595.47</b>	<b>392.43</b>	-	<b>987.89</b>
	(50.93)	(1,566.93)	-	(1,617.86)
Panasonic Energy (Shanghai) Co. Ltd	-	<b>71.02</b>	-	<b>71.02</b>
	-	(62.68)	-	(62.68)
Panasonic Corporation	<b>595.47</b>	-	-	595.47
	(50.93)	-	-	(50.93)
Panasonic Hong Kong Co. Ltd.	-	<b>61.51</b>	-	<b>61.51</b>
	-	-	-	-
Panasonic Energy Thailand Co. Ltd.	-	<b>135.57</b>	-	<b>135.57</b>
	-	(718.28)	-	(718.28)
PT Panasonic Gobel Energy Indonesia	-	<b>124.33</b>	-	<b>124.33</b>
	-	(90.67)	-	(90.67)
Panasonic Energy (Wuxi) Co. Ltd.	-	-	-	-
	-	(695.30)	-	(695.30)
<b>Purchase of Machinery</b>	<b>22.68</b>	-	-	<b>22.68</b>
	(18.09)	(374.61)	-	(392.70)
Panasonic Corporation	<b>22.68</b>	-	-	<b>22.68</b>
	(18.09)	-	-	(18.09)
Panasonic Energy (Shanghai) Co Ltd	-	-	-	-
	-	(374.61)	-	(374.61)
<b>Purchase of spares</b>	<b>3.05</b>	-	-	<b>3.05</b>
	(0.35)	-	-	(0.35)
Panasonic Corporation	<b>3.05</b>	-	-	<b>3.05</b>
	(0.35)	-	-	(0.35)
<b>Royalty and brand fees paid / payable</b>	<b>346.95</b>	-	-	<b>346.95</b>
	(641.78)	-	-	(641.78)
Panasonic Corporation	<b>346.95</b>	-	-	<b>346.95</b>
	(641.78)	-	-	(641.78)
<b>Legal and professional charges - Management fees paid / payable</b>	<b>2.00</b>	<b>28.57</b>	-	<b>30.57</b>
	(1.96)	(38.67)	-	(40.63)
Panasonic Corporation	<b>2.00</b>	-	-	<b>2.00</b>
	(1.96)	-	-	(1.96)
Panasonic India Pvt. Ltd.	-	<b>28.05</b>	-	<b>28.05</b>
	-	(38.67)	-	(38.67)
Panasonic Asia Pacific Pte Ltd	-	<b>0.51</b>	-	<b>0.51</b>
	-	-	-	-
<b>Reimbursement of expenses paid / payable</b>	<b>179.02</b>	<b>3.93</b>	-	<b>182.94</b>
	(119.90)	(33.18)	-	(153.08)
Panasonic India Pvt. Ltd.	-	<b>3.93</b>	-	<b>3.93</b>
	-	(28.18)	-	(28.18)
Panasonic Corporation	<b>179.02</b>	-	-	<b>179.02</b>
	(119.90)	-	-	(119.90)
Relo Panasonic Excel International Co. Ltd.	-	-	-	-
	-	(5.00)	-	(5.00)
<b>Reimbursement of brand building expenses received / receivable</b>	<b>666.32</b>	-	-	<b>666.32</b>
	(758.53)	-	-	(758.53)
Panasonic Corporation	<b>666.32</b>	-	-	<b>666.32</b>
	(758.53)	-	-	(758.53)

Transactions with related parties during the year (continued) (Amounts in INR Lakhs)

Nature of Transaction	Holding Company	Fellow Subsidiary	Key Management Personnel	Total
<b>Remuneration paid / payable to KMP *</b>	-	-	<b>213.37</b>	<b>213.37</b>
	-	-	(182.31)	(182.31)
Mr. Mikio Morikawa	-	-	<b>149.81</b>	<b>149.81</b>
	-	-	(144.82)	(144.82)
Mr. Tadasuke Hosoya	-	-	<b>63.56</b>	<b>63.56</b>
	-	-	(37.49)	(37.49)
<b>Sitting fees paid / payable to KMP</b>	-	-	<b>7.00</b>	<b>7.00</b>
	-	-	(6.20)	(6.20)
Mr. Gautam Punj	-	-	-	-
	-	-	(0.40)	(0.40)
Ms. Geeta Goradia	-	-	<b>2.40</b>	<b>2.40</b>
	-	-	(2.20)	(2.20)
Mr. Mayur Swadia	-	-	<b>2.40</b>	<b>2.40</b>
	-	-	(1.60)	(1.60)
Mr. Atul Dalmia	-	-	<b>2.20</b>	<b>2.20</b>
	-	-	(2.00)	(2.00)
<b>Commission paid / payable to KMP</b>	-	-	<b>7.78</b>	<b>7.78</b>
	-	-	(7.53)	(7.53)
Mr. Gautam Punj	-	-	-	-
	-	-	(1.23)	(1.23)
Ms. Geeta Goradia	-	-	<b>2.03</b>	<b>2.03</b>
	-	-	(1.23)	(1.23)
Mr. Mayur Swadia	-	-	<b>2.03</b>	<b>2.03</b>
	-	-	(1.23)	(1.23)
Mr. Atul Dalmia	-	-	<b>2.03</b>	<b>2.03</b>
	-	-	(1.23)	(1.23)
Mr. Toshihiro Nakamura	-	-	-	-
	-	-	(1.23)	(1.23)
Mr. Hideyuki Okunaga	-	-	<b>1.69</b>	<b>1.69</b>
	-	-	-	-
Mr. Motoaki Shimamura	-	-	-	-
	-	-	(0.45)	(0.45)
Mr. Kazuo Tadanobu	-	-	-	-
	-	-	(0.93)	(0.93)

\* Includes INR 134.55 Lakhs ( Previous year: INR 120.62 Lakhs) reimbursed to Panasonic Corporation for remuneration paid/payable to Mr. Mikio Morikawa and Mr. Tadasuke Hosoya during the year.

Balances as at year end (Amounts in INR Lakhs)

	Holding Company	Fellow Subsidiary	Key Management Personnel	Total
<b>Current financial assets - Trade Receivables</b>	-	<b>57.12</b>	-	<b>39.31</b>
	-	(23.25)	-	(23.25)
Panasonic Peruna S A	-	<b>34.10</b>	-	<b>34.10</b>
	-	(18.35)	-	(18.35)
Panasonic India Pvt. Ltd.	-	<b>5.20</b>	-	<b>5.20</b>
	-	(2.66)	-	(2.66)
Panasonic Industry (China) Co Ltd	-	<b>17.82</b>	-	<b>17.82</b>
	-	-	-	-
Panasonic Energy Tanzania Co. Ltd.	-	-	-	-
	-	(2.24)	-	(2.24)
<b>Current financial assets - Others</b>	<b>159.80</b>	-	-	<b>159.80</b>
	(360.23)	-	-	(360.23)
Panasonic Corporation	<b>159.80</b>	-	-	<b>159.80</b>
	(360.23)	-	-	(360.23)
<b>Current financial liabilities - Trade Payables</b>	<b>219.18</b>	<b>98.33</b>	-	<b>317.50</b>
	(301.56)	(33.07)	-	(334.63)

Balances as at year end

(Amounts in INR Lakhs)

	Holding Company	Fellow Subsidiary	Key Management Personnel	Total
Panasonic Corporation	219.18 (301.56)	- -	- -	219.18 (301.56)
Panasonic Carbon India Co. Ltd.	-	43.90 (6.86)	-	43.90 (6.86)
Panasonic India Pvt. Ltd.	-	5.04 (15.29)	-	5.04 (15.29)
Panasonic Energy Sanghai Co. Ltd.	-	9.58 -	-	9.58 -
Panasonic Procurement Asia Pacific	-	13.02 (5.71)	-	13.02 (5.71)
Panasonic Hongkong Co Ltd	-	16.76 -	-	16.76 -
PT Panasonic Gobel Energy Indonesia	-	10.03 (5.21)	-	10.03 (5.21)
<b>Current financial liabilities - Others</b>	-	- (1.44)	4.08 (5.81)	4.08 (7.25)
Panasonic Energy (Shanghai) Co Ltd	-	- (1.44)	-	- (1.44)
Mr. Mikio Morikawa	-	-	2.01 (3.49)	2.01 (3.49)
Mr. Tadasuke Hosoya	-	-	2.06 (2.32)	2.06 (2.32)

**37. Employee benefits**

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

**Defined Contribution Plans**

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

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

The Company recognized INR 167.82 Lakhs (Previous year: INR 139.32 Lakhs) for provident fund contributions.

**Defined Benefit Plans****1) Gratuity**

The Company has a defined benefit gratuity plan in India (funded). The company's defined benefit gratuity plan is a final salary plan for employees, which requires contributions to be made to a separately administered fund.

The fund is managed by a trust which is governed by the Board of Trustees. The Board of Trustees are responsible for the administration of the plan assets and for the definition of the investment strategy.

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

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

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

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

The most recent actuarial valuation of the defined benefit obligation for gratuity was carried out at 31 March 2020 by an actuary. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Scheme is funded through LIC.

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

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

No other post-retirement benefits are provided to employees.

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

	<b>As at 31 March 2020</b>	As at 31 March 2019
<b>Gratuity</b>		
Discount rate (%)	6.87%	7.69%
Salary escalation rate (%)	6.00%	6.00%
Attrition rate (%)		
For Service 2 years and below	21.50%	21.50%
For Service 3 years to 4 years	2.25%	2.25%
For Service 5 years and above	2.00%	2.00%
Expected rate of return on plan assets	6.87%	7.69%

Discount rate is based on the prevailing market yields of Indian Government securities as at Balance Sheet date for the estimated term of the obligations.

The estimates of future salary increases considered in actuarial valuation take into account the inflation, seniority, promotion and other relevant factors.



The following table sets out the status of the gratuity and the amounts recognized in the Company's financial statements as at 31 March 2020:

(Amounts in INR Lakhs)

Sr. No.	Particulars	As at 31 March 2020	As at 31 March 2019
I)	<b>Reconciliation in present value of obligations (PVO) – defined benefit obligation:</b>		
	Current Service Cost	43.23	42.07
	Interest Cost	78.22	78.22
	Actuarial (gain) / losses	177.18	0.40
	Benefits paid	(142.19)	(115.44)
	PVO at the beginning of the year	1,017.20	1,011.95
	<b>PVO at end of the year</b>	<b>1,173.64</b>	<b>1,017.20</b>
II)	<b>Change in fair value of assets:</b>		
	Expected return on plan assets	79.41	74.31
	Actuarial gain/(losses)	(10.13)	12.56
	Contributions by the employer	25.00	100.00
	Benefits paid	(142.19)	(115.44)
	Fair value of plan assets at beginning of the year	1,032.70	961.27
	<b>Fair value of plan assets at end of the year</b>	<b>984.79</b>	<b>1,032.70</b>
III)	<b>Reconciliation of Present value of obligation and fair value of assets:</b>		
	PVO at end of period	1,173.64	1,017.20
	Fair Value of planned assets at end of year	984.79	1,032.70
	Funded status	(188.85)	15.50
	<b>Net asset/(liability) recognised in the balance sheet</b>	<b>(188.85)</b>	<b>15.50</b>
IV)	<b>Expenses recognised in Statement of Profit and Loss</b>		
	Current Service cost	43.23	42.07
	Interest cost	78.22	78.22
	Expected return on plan assets	(77.85)	(74.31)
	<b>Components of defined benefit costs recognised in Employee Benefit expenses</b>	<b>43.60</b>	<b>45.98</b>
	<b>Expenses recognised in Other Comprehensive Income (OCI)</b>		
	Actuarial (gains) / losses arising from experience adjustments	177.18	0.40
	Return on Plan Assets excluding amount included in net interest cost	10.13	(12.56)
	<b>Total</b>	<b>187.31</b>	<b>(12.16)</b>
V)	<b>Category of assets as at 31st March:</b>		
	Insurer Managed Funds (100%)	<b>100%</b>	<b>100%</b>

The above information is certified by an actuary.

**Categories of Plan Assets as a% of total Plan Assets:**

Particulars	31 March 2020	31 March 2019
Central Govt Security	18.61%	18.85%
Other Approved Security	0.01%	0.01%
State Govt Security	52.65%	57.10%
Ncd/Bonds	22.77%	20.17%
Equity	5.96%	3.87%

**Sensitivity analysis as on 31 March 2020 (for Gratuity)**

*(Amounts in INR Lakhs)*

Gratuity	31 March 2020	31 March 2019
<b>Projected Benefit Obligation on Current Assumptions</b>	1,173.64	1,017.20
Delta Effect of +1% Change in Rate of Discounting	(65.55)	(52.03)
Delta Effect of -1% Change in Rate of Discounting	74.56	58.66
Delta Effect of +1% Change in Rate of Salary Increase	74.47	59.06
Delta Effect of -1% Change in Rate of Salary Increase	(66.65)	(53.28)
Delta Effect of +1% Change in Rate of Employee Turnover	3.80	6.11
Delta Effect of -1% Change in Rate of Employee Turnover	(4.26)	(6.77)

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

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

**Maturity Analysis of Projected Benefit Obligation are as under:**

*(Amounts in INR Lakhs)*

Gratuity	31 March 2020	31 March 2019
<b>Projected Benefits Payable in Future Years From the Date of Reporting</b>		
1st Following Year	242.90	158.57
2nd Following Year	98.92	138.55
3rd Following Year	155.77	153.74
4th Following Year	67.25	132.77
5th Following Year	64.08	56.23
Sum of years 6th To 10th Year	417.87	314.96
Sum of years 11 & above Year	946.49	810.90

**2) Provident Fund**

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

*(Amounts in INR Lakhs)*

Expenses recognised for the year ended 31 March 2020 (included in Note 26)	31 March 2020	31 March 2019
i) Defined benefit obligation	4,838.57	4,720.80
ii) Fund	5,030.62	5,010.60
iii) Net asset / (liability)	192.05	289.80
iv) Charge to the Statement of Profit and Loss during the year	167.82	139.32

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

	31 March 2020	31 March 2019
i) Mortality rate (2006-08) ultimate table	Indian Assured Lives Mortality Ultimate	
ii) Withdrawal rates	5.00%	5.00%
iii) Rate of discount	6.87%	7.69%
iv) Expected rate of interest	8.50%	8.65%
iv) Retirement age	60 Years	60 Years
vi) Guaranteed rate of interest	8.50%	8.65%

## 38 Tax expense

(Amounts in INR Lakhs)

	Year ended 31 March 2020	Year ended 31 March 2019
<b>Statement of Profit and Loss</b>		
<b>(a) Current tax</b>		
Current tax on profit during the year	214.67	198.75
Tax adjustments of earlier years	15.74	(26.86)
<b>Total Current tax expense</b>	<b>230.41</b>	<b>171.89</b>
<b>(b) Deferred tax</b>		
Deferred tax (credit) attributable to origination and reversal of temporary differences	(73.19)	(45.05)
<b>Income tax expense reported in the Statement of Profit and Loss</b>	<b>157.23</b>	<b>126.84</b>
<b>Reconciliation of effective tax rate</b>		
Profit before tax	519.56	584.74
Current tax at the statutory tax rate of 25.168% (31 March 2019: 27.82%)	130.76	162.67
<b>Tax effects of:</b>		
Adjustment of tax expense relating to earlier periods	15.74	(26.86)
Tax impact on expense not allowable as deduction under income tax (net)	5.56	(4.71)
Impact due to change in tax rate (refer note 41)	5.16	(4.26)
<b>Tax expense</b>	<b>157.23</b>	<b>126.84</b>

## 39. Leases

**As a lessee:**

The Company's significant leasing arrangements are mainly in respect of office / residential premises & IT equipment. Leases typically run in a range from 11 months to 9 years, with an option to renew the lease after that date. The Company previously used to classify leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Company.

The Company has adopted Ind AS 116 "Leases" with effect from 1 April 2019 i.e. date of transition with modified prospective approach. The Company has elected to account for short-term and low value leases using the practical expedient as given in the standard. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss. The 5 years government bond rate of 6.93% has been applied to lease liabilities recognised in the balance sheet at the date of initial application. Company's short term and low value consists of office premises taken on lease for a period of 11 months which are renewable by mutual consent or mutually agreed terms. The aggregate of such lease rentals are charged as "Rent".

The Company used following practical expedients when applying Ind AS 116 :

- did not recognise right-of-use assets and liabilities for leases for which the lease term ends within 12 months of the date of initial application;
- did not recognise right-of-use assets and liabilities for leases of low value assets;
- excluded initial direct costs from the measurement of the right-of-use asset at the date of initial application; and
- used hindsight when determining the lease term.

Accordingly, Right-of-Use asset and lease liability of INR 328.61 Lakhs has been recognised.

**A. Amount recognised in Statement of Profit and Loss**

(Amounts in INR Lakhs)

	Year ended 31 March 2020	Year ended 31 March 2019
Interest on lease liabilities	18.42	-
Amortisation of ROU Assets	80.47	-
Expenses relating to short term and low value leases charged as Rent	2.95	90.61

**B. Amount recognised in the Statement of Cash Flows** *(Amounts in INR Lakhs)*

	31 March 2020	31 March 2019
Interest component	18.42	-
Lease component	69.13	-

**C. Maturity Analysis of Lease Liabilities** *(Amounts in INR Lakhs)*

	31 March 2020	31 March 2019
<b>Maturity Analysis - Undiscounted</b>		
Less than one year	88.17	-
One to five years	196.16	-
More than five years	12.94	-
<b>Lease liabilities included in Balance Sheet</b>		
- Current	73.18	-
- Non Current	186.31	-

**D. Movement of Right of Use Assets**

Forming part of note to "Right of Use Assets" (refer note 4).

**E. Movement of Lease Liability** *(Amounts in INR Lakhs)*

	31 March 2020	31 March 2019
Balance as at the beginning	328.61	-
Finance cost accrued	18.42	-
Payment of lease liabilities	(87.54)	-
<b>Balance as at the end</b>	<b>259.49</b>	-

**40. Impact of COVID-19**

The spread of COVID-19 has severely impacted business around the globe. In many countries including India, there has been severe disruption to regular business operations due to lock-down, disruptions in transportation, supply chain, travel bans, quarantines, social distancing and other emergency measures.

The Company has made detailed assessment of its liquidity position for the next one year and of the recoverability and carrying values of its assets comprising Property, Plant and Equipment, intangible assets, Trade Receivables, and Inventory as at the balance sheet date and has concluded that there is no material adjustments required in the financial statements.

Management believes that it has considered all the possible impact of known events arising from COVID -19 pandemic in the preparation of the financial Statements. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration. The Company will continue to monitor any material changes to future economic conditions.

**41.** On 20th September, 2019, vide the Taxation Laws (Amendment) Ordinance, 2019 ('the Ordinance'), the Government of India inserted Section 115BAA in the Income Tax Act, 1961 which provides domestic companies a non-reversible option to pay corporate tax at reduced rates effective 1st April, 2019, subject to certain conditions. The Company has decided to opt for the reduced corporate tax rates effective from 1st April, 2019. Accordingly, the Company has recognised Provision for Income Tax and has re-measured its deferred taxes as per the provisions of the Ordinance. This has resulted in a reduction of deferred tax liability by INR 5.16 Lakhs on account of remeasurement of deferred tax assets as at 31st March, 2019.

**42.** Previous period figures have been re-grouped /re-classified wherever necessary, to confirm to the current period's classification.

**43. Approval of Financial Statements**

The Financial Statements were approved for issue by the board of directors on 30th June 2020

**As per our report of even date**

**For B S R & Associates LLP**  
Chartered Accountants  
Firm Registration No: 116231W/W-100024  
  
Jeyur Shah  
Partner  
Membership No. 045754

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

Tadasuke Hosoya  
Chairman & Managing Director  
DIN: 08232012  
  
Susheela Maheshwari  
Company Secretary & Manager (Legal)

Mayur K. Swadia  
Director  
DIN:01237189

Anjan Shah  
DGM (Finance)

Place : Vadodara  
Date : 30 June 2020

Place : Vadodara  
Date : 30 June 2020

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